

LAURA S. RUBERTO
lruberto@bsk.com
P: 315.738.1223
F: 315.724.2074

August 16, 2013

Joseph Surace, Assessor
City of Rome
198 North Washington Street
Rome NY 13440

Re: *Oneida County Industrial Development Agency 2015 Real Estate Lease
Family Dollar Services, Inc. Facility*

Dear Mr. Surace:

As you are aware, the Oneida County Industrial Development Agency (the "Agency") and Family Dollar Services, Inc. ("Family Dollar") terminated its leasehold interest in the Family Dollar 2005 Facility and consequently the 2005 PILOT Agreement, both effective July 30, 2012. You should be aware that the Agency and Family Dollar on that same date executed documents relating a new lease-leaseback transaction, which documents are dated to be effective July 1, 2015.

The Agency asked us to provide an advance copy of the 2015 PILOT Agreement to you and to the parties on the attached distribution list as a courtesy, to assist the taxing jurisdictions with their financial planning. To be clear, we are not filing the PILOT with you at this time as the Agency does not yet own a leasehold interest in the facility. We intend to file this PILOT Agreement on or about June 1, 2015 but in any event prior to the July 28, 2015 taxable status date.

Should you have any questions, please do not hesitate to contact our offices.

Very truly yours,

BOND, SCHOENECK & KING, PLLC



Laura S. Ruberto
Legal Assistant

LSR/lsr
Enclosures

cc: Attached Distribution List

Distribution List

Anthony J. Picente, Jr.
Oneida County Executive
800 Park Avenue
Utica, New York 13501

Joseph R. Fusco, Jr., Mayor
City of Rome
Rome City Hall
198 North Washington Street
Rome, New York 13440

Anthony R. Carvelli
Commissioner of Finance
Oneida County Finance Department
800 Park Avenue
Utica NY 13501

David C. Nolan, City Treasurer
City of Rome
Rome City Hall
198 North Washington Street
Rome, New York 13440

Kathy Pilbeam, Director
Real Property Tax Services
Oneida County
800 Park Avenue
Utica, New York 13501

Patricia S. Riedel, President
Board of Education
Rome City School District
409 Bell Street
Rome, New York 13440

County of Oneida
Receiver of Taxes
800 Park Avenue
Utica, New York 13501

Jeffrey P. Simons
Superintendent of Schools
Rome City School District
409 Bell Street
Rome, New York 13440

Receiver of Taxes
Rome City School District
Attn.: David Dreidel
409 Bell Street
Rome, New York 13440



NYS DEPARTMENT OF TAXATION & FINANCE
OFFICE OF REAL PROPERTY TAX SERVICES

RP-412-a (1/95)

INDUSTRIAL DEVELOPMENT AGENCIES
APPLICATION FOR REAL PROPERTY TAX EXEMPTION
(Real Property Tax Law, Section 412-a and General Municipal Law, Section 874)

1. INDUSTRIAL DEVELOPMENT AGENCY (IDA)

Name Oneida County Industrial Development Agency
Street 584 Phoenix Drive
City Rome NY 13441
Telephone no. Day (315) 338-0393
Evening ()
Contact Shawna Papale
Title Executive Director

2. OCCUPANT (IF OTHER THAN IDA)

(If more than one occupant attach separate listing)

Name Family Dollar Services, Inc.
Street 10401 Monroe Road
City Matthews NC 28105
Telephone no. Day ()
Evening ()
Contact Mary A. Winston
Title Chief Financial Officer

3. DESCRIPTION OF PARCEL

- a. Assessment roll description (tax map no./roll year) 244.000-3-3.2
b. Street address 640 Perimeter Road, Griffiss Business and Technology Park
c. City, Town or Village City of Rome
d. School District City of Rome
e. County Oneida
f. Current assessment \$50,056,000
g. Deed to IDA (date recorded; liber and page) Memorandum of Lease recorded 7/ /2015

4. GENERAL DESCRIPTION OF PROPERTY (if necessary, attach plans or specifications)

- a. Brief description (include property use) 907,000± square foot distribution facility located on an 86.69± acre parcel of land, used for the distribution of general retail merchandise
b. Type of construction
c. Square footage 907,000±
d. Total cost N/A
e. Date construction commenced N/A
f. Projected expiration of exemption (i.e. date when property is no longer possessed, controlled, supervised or under the jurisdiction of IDA) June 30, 2026

5. SUMMARIZE AGREEMENT (IF ANY) AND METHOD TO BE USED FOR PAYMENTS TO BE MADE TO MUNICIPALITY REGARDLESS OF STATUTORY EXEMPTION

(Attach copy of the agreement or extract of the terms relating to the project).

- a. Formula for payment See PILOT Agreement attached hereto, which commences with the 2015 taxable status date.
b. Projected expiration date of agreement June 30, 2026

c. Municipal corporations to which payments will be made

	Yes	No
County _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Town/City _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Village _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
School District _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>

d. Person or entity responsible for payment

Name Family Dollar Services, Inc.
 Title Mary Winston, CFO
 Address 10401 Monroe Road
Matthews NC 28105

e. Is the IDA the owner of the property? Yes No (check one)
If "No" identify owner and explain IDA rights or interest in an attached statement.

Telephone _____

6. Is the property receiving or has the property ever received any other exemption from real property taxation? (check one) Yes No

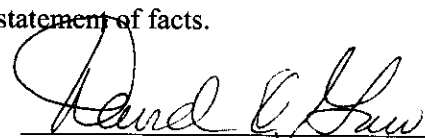
If yes, list the statutory exemption reference and assessment roll year on which granted:
exemption GML §854 assessment roll year 1995

7. A copy of this application, including all attachments, has been mailed or delivered on _____ (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

CERTIFICATION

I, David C. Grow, Chairman of
 Name Title
Oneida County Industrial Development Agency hereby certify that the information
 Organization
 on this application and accompanying papers constitutes a true statement of facts.

July, 2012
Date


 Signature

FOR USE BY ASSESSOR

1. Date application filed _____
2. Applicable taxable status date _____
- 3a. Agreement (or extract) date _____
- 3b. Projected exemption expiration (year) _____
4. Assessed valuation of parcel in first year of exemption \$ _____
5. Special assessments and special ad valorem levies for which the parcel is liable:

Date

Assessor's signature

FAMILY DOLLAR SERVICES, INC.

and

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Oneida County, City of Rome, Rome City School District

Tax Account No.: 244.000-3-3.2

Dated: July 30, 2012

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT (the "Agreement"), dated as of July 30, 2012, is by and between **FAMILY DOLLAR SERVICES, INC.**, a North Carolina corporation having an office at 10401 Monroe Road, Matthews, North Carolina 28105 (the "Company") and **ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, an industrial development agency and a public benefit corporation of the State of New York having its principal office at 584 Phoenix Drive, Rome, New York 13441 (the "Agency").

W I T N E S S E T H:

WHEREAS, the Agency is authorized and empowered by the provisions of Title 1 of Article 18-A of the General Municipal Law, Chapter 99 of the Consolidated Laws of New York, as amended, (the "Enabling Act"), and Chapter 372 of the Laws of 1970 of the State of New York, as amended, constituting Section 901 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of, among others, commercial and industrial facilities for the purpose of promoting, attracting and developing economically sound commerce and industry in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, pursuant to a certain lease agreement between the Company (as lessor) and the Agency (as lessee) dated July 30, 2012 (the "Lease Agreement"), the Company will lease to the Agency an approximately 907,000 sq. ft. distribution facility located on an approximately 86.69 acre parcel of land at 640 Perimeter Road in the City of Rome, Oneida County, New York (the "Facility"), with the Agency's leasehold interest thereunder commencing July 1, 2015; and

WHEREAS, pursuant to a certain Leaseback Agreement between the Agency (as lessor) and the Company (as lessee) dated July 30, 2012, the Agency will lease the Facility back to the Company, with the Company's leasehold interest thereunder commencing July 1, 2015; and

WHEREAS, pursuant to Section 874(1) of the New York General Municipal Law and Section 412-a of the New York Real Property Tax Law ("RPTL"), upon filing of the exemption application, described in RPTL Section 412-a, the Facility will be exempt from real property taxes, general property taxes, general school district taxes, general assessments, or other governmental charges of a similar nature levied and/or assessed upon the Facility or the interest therein of the Company or the occupancy thereof by the Company (the "Exempt Taxes") levied or assessed upon the Facility by the County of Oneida, City of Rome and Rome City School District (each, a "Taxing Authority" and collectively, the "Taxing Authorities"), beginning with

the first tax year of each Taxing Authority that commences after the July 28, 2015 taxable status date and continuing for the term of the Agency's leasehold interest in the Facility or until terminated under Section 8 of this Agreement because the Facility will be leased by the Agency and used for a purpose within the meaning of the applicable New York constitutional and statutory provisions, including the Enabling Act (the "Exemption Term"); and

WHEREAS, each year of the Exemption Term is more particularly set forth on Schedule A attached hereto (each year being referred to as an "Exemption Year"); and

WHEREAS, the Agency and the Company deem it necessary and proper to enter into this Agreement requiring the Company to make payments to each Taxing Authority in lieu of real property taxes on the Facility; and

WHEREAS, all defined terms herein as indicated by the capitalization of the first letter thereof and not otherwise defined herein shall have the meanings ascribed to such terms as set forth in the Leaseback Agreement.

NOW, THEREFORE, in consideration of the covenants herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. (a) The Facility shall not be entitled to exempt status on the tax rolls of any Taxing Authority until the first fiscal tax year of such Taxing Authority following the first taxable status date occurring subsequent to the last to occur of (i) the commencement of the term of the Agency's leasehold interest under the Lease Agreement and (ii) the filing by the Agency of the Exemption Application (hereinafter defined).

(b) On or after June 1, 2015, the Company shall submit to the Agency a completed application for tax exemption pursuant to New York Real Property Tax Law Section 412-a (the "Exemption Application") and shall direct the Agency to execute and file the Exemption Application with the assessor for each Taxing Authority, and with any other governmental agency as may then be required by law, prior to the July 28, 2015 taxable status date.

(c) The Company hereby waives any claim or cause of action against the Agency, and releases the Agency from any liability, arising from any denial of an exemption from real property taxes and assessments, except to the extent that such denial results solely from the willful failure of the Agency, after written direction by the Company, to file the completed Exemption Application as set forth in this Agreement.

(d) The parties understand that the tax exemption extended to the Agency by Section 874 of the New York General Municipal Law and Section 412-a of the RPTL does not

entitle the Agency to exemption from special assessments and special ad valorem levies. The Company shall pay all special assessments and special ad valorem levies levied and/or assessed against the Facility and coming due and payable during the Exemption Term for which the Facility is not exempt from special assessments, but not later than the last day when such payments may be made without penalty.

2. The Company shall pay to each Taxing Authority to the applicable assessing entity (at its address):

(a) all taxes, special assessments and special ad valorem levies that are due with respect to the Facility prior to the Exemption Term, no later than the last day during which such payments may be made without penalty; and

(b) all special assessments and special ad valorem taxes levied and/or assessed against the Facility during the Exemption Term and coming due and payable during the Exemption Term, no later than the last day upon which such payments may be made without penalty.

Notwithstanding anything to the contrary herein contained, with respect to special assessments and ad valorem levies that may be lawfully paid in installments, the Company may elect to pay the same in such installments or in any combination of installments or payments that are allowed by the Taxing Authority or other entity assessing such levy.

3. (a) During the Exemption Term, the Company shall pay to the Agency an amount in lieu of the Exempt Taxes (the "PILOT Payments") for each Exemption Year as follows:

<u>Exemption Year</u>	<u>PILOT Payment</u>	<u>Payment Due Date</u>
One	\$1,132,679	July 1, 2016
Two	1,152,605	July 1, 2017
Three	1,172,731	July 1, 2018
Four	1,193,057	July 1, 2019
Five	1,213,587	July 1, 2020
Six	1,495,983	July 1, 2021
Seven	1,519,542	July 1, 2022
Eight	1,543,336	July 1, 2023
Nine	1,567,369	July 1, 2024
Ten	1,591,642	July 1, 2025
Thereafter	100% of Exempt Taxes	July 1, 2026

(b) The Company shall make PILOT Payments to the Agency on or before July 1 of each year, for distribution by the Agency to the Taxing Authorities. All PILOT Payments shall be remitted by the Agency to the Taxing Authorities and allocated among the Taxing Authorities in proportion to the amount of real property tax and other taxes which would have been received by each Taxing Authority had the Facility not been tax-exempt due to the Agency's leasehold or other interest in the Facility.

(c) Notwithstanding anything herein to the contrary, upon the failure of the Company to make any payment when due hereunder and upon failure to cure such default within thirty (30) days after receipt of notice thereof from the Agency, the Company shall thereafter pay as PILOT Payments one hundred (100%) percent of the Exempt Taxes together with interest at the rate of nine (9%) percent per annum on any delinquent PILOT Payments together with expenses of collection, including but not limited to, payment of attorneys' fees; provided, however, nothing herein contained shall be deemed to limit any other rights and remedies the Agency may have hereunder or under any other Transaction Document.

(d) The Agency will provide to the Company an invoice for each PILOT payment due hereunder at least thirty (30) days prior to the due date of such payment, which shall upon the Company's written request to the Agency during the Exemption Term, include the latest assessment notice from the City of Rome Assessor's Office as evidence of the Facility's assessed value.

4. (a) The parties intend that the Company will have all the rights, remedies and standing of a taxpayer with respect to any real property or other tax, service charge, special benefit, ad valorem levy, assessment or special assessment or service charge because of which, or in lieu of which, the Company is obligated to make a payment hereunder, as if and to the same extent as if the Agency did not have a leasehold or other interest in the Facility. The parties further intend that the Company will have all of the rights and remedies of a taxpayer as if and to the same extent as if the Agency did not have a leasehold or other interest in the Facility with respect to any proposed assessment or change in assessment concerning the property, or any portion thereof, whether through an assessor, board of assessment review, court of law, or otherwise and likewise will be entitled to protest before and be heard by such assessor, board of assessment review, court of law or otherwise and will be entitled to take any and all appropriate appeals or initiate any proceedings to review the validity or amount of any assessment or the validity or amount of any taxes that would have been payable but for the provisions hereof. In the event, however, that a court of competent jurisdiction shall enter an order or judgment determining or declaring that, by reason of the Agency's interest in the Facility, the Company does not have the right to bring a proceeding to review such assessment under the Real Property Tax Law or any other law, then the Company shall have the right to contest such assessment in the name and as the agent of the Agency, and the Agency agrees to cooperate with the Company in all respects in any such proceeding at the sole cost and expense of the Company.

It is the further intent of the parties that the Agency and its assigns and successors will have those same rights to enforce the obligations of the Company hereunder as any taxing jurisdiction would have to collect taxes if the Facility were owned by the Company and not the Agency or if the Facility were otherwise not exempt from Exempt Taxes.

(b) Notwithstanding the foregoing or anything herein or in the Lease Agreement or Leaseback Agreement to the contrary, and notwithstanding any other right available to the Company at law or equity, commencing July 30, 2015 and continuing thereafter so long as this Agreement remains in effect, the Company shall not contest the assessed value of the Facility set by the assessor for any year unless or until such value exceeds \$50,056,000 (excluding the value of any additions to the Facility hereafter constructed).

(c) Any reduction or increase in the assessed value of the Facility, or any other remedy granted to the Company upon the exercise of its rights under this Section 4, shall neither reduce nor increase the amount of PILOT Payments required pursuant to Section 3 of this Agreement.

(d) The valuation set forth in this Agreement shall in no way be binding on the Company or constitute an admission of value for any tax year after the Exemption Term.

5. The PILOT Payments to be made by the Company pursuant to this Agreement are intended to be in lieu of all Exempt Taxes that would have to be paid on the Facility leased to the Company by the Agency pursuant to the Lease Agreement as if the Facility was owned by the Company.

6. If by reason of a change in the Constitution or laws of the State of New York, or an interpretation of the Constitution or the laws of the State of New York by the Court of Appeals (or such lower court from which the time to appeal has expired) of the State of New York, or for any other reason, the Company is required to pay any tax which the payments specified herein are intended to be in lieu of, the Company may deduct the aggregate of any such payments made by it from the amount herein agreed to be paid in lieu of such taxes and need only pay the difference.

7. This Agreement shall be effective as of July 1, 2015 and shall continue in effect until the earlier of (i) the termination of this Agreement pursuant to the terms of the Lease Agreement, the Leaseback Agreement or of this Agreement, or (ii) the date on which the Agency's leasehold interest in the Facility expires or is terminated and the Facility has been returned to the tax rolls as taxable property.

8. This Agreement shall be binding upon the successors and assigns of the parties, but only during the term of this Agreement.

9. All amounts payable by the Company hereunder will be paid in such lawful money of the United States of America as at the time of payment is legal tender for the payment of public and private debts, including a check payable in such money.

10. (a) If any term or provision hereof should be for any reason held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction, such term or provision will be deemed separate and independent and the remainder hereof will remain in full force and effect and will not be invalidated, impaired or otherwise affected by such holding or adjudication.

(b) This Agreement may not be effectively amended, changed, modified, altered or terminated except by an instrument in writing executed by the parties hereto.

(c) All notices, certificates or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, to the Agency or the Company, as the case may be, addressed as follows:

To the Agency: Oneida County Industrial Development Agency
584 Phoenix Drive
Rome, New York 13441-4105
Attn.: Chairman

With a Copy To: Bond, Schoeneck & King, PLLC
501 Main Street
Utica, New York 13501
Attn.: Linda E. Romano, Esq.

To the Company: Family Dollar Services, Inc.
10401 Monroe Road
Matthews, North Carolina 28105
Attn.: David Styka, Vice President-Finance

With a Copy To: Richard W. Cook, Esq.
Hancock Estabrook, LLP
100 Madison Street
1500 AXA Tower 1
Syracuse NY 13202-2791

With a Copy To: Heather B. Adams, Esq.
Assistant General Counsel
Family Dollar Services, Inc.
10401 Monroe Road
Matthews, North Carolina 28105

provided, that the Agency or the Company may, by notice given hereunder to the other, designate any further or different addresses to which subsequent notices, certificates or other communications to them shall be sent.

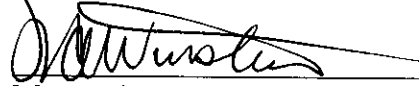
(d) This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this **Payment in Lieu of Tax Agreement** as of the date first above written.

FAMILY DOLLAR SERVICES, INC.

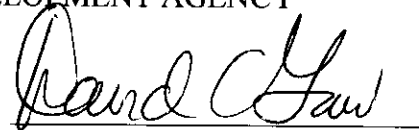
By:



Mary Winston, Chief Financial Officer

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By:



David C. Grow
Chairman

SCHEDULE A

EXEMPTION YEARS

Exemption Year (Assessment Roll Year)	City/County Taxes	School Taxes	Paid
Year One (2016/17)	01/01/2016 – 12/31/2016	07/01/2016 – 06/30/2017	7/1/2016
Year Two (2017/18)	01/01/2017 – 12/31/2017	07/01/2017 – 06/30/2018	7/1/2017
Year Three (2018/19)	01/01/2018 – 12/31/2018	07/01/2018 – 06/30/2019	7/1/2018
Year Four (2019/20)	01/01/2019 – 12/31/2019	07/01/2019 – 06/30/2020	7/1/2019
Year Five (2020/21)	01/01/2020 – 12/31/2020	07/01/2020 – 06/30/2021	7/1/2020
Year Six (2021/22)	01/01/2021 – 12/31/2021	07/01/2021 – 06/30/2022	7/1/2021
Year Seven (2022/23)	01/01/2022 – 12/31/2022	07/01/2022 – 06/30/2023	7/1/2022
Year Eight (2023/24)	01/01/2023 – 12/31/2023	07/01/2023 – 06/30/2024	7/1/2023
Year Nine (2024/25)	01/01/2024 – 12/31/2024	07/01/2024 – 06/30/2025	7/1/2024
Year Ten (2025/26)	01/01/2025 – 12/31/2025	07/01/2025 – 06/30/2026	7/1/2025