

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT (the "Agreement"), dated as of February 25, 2016, by and between ADEC SOLUTIONS USA, INC., a corporation duly organized and validly existing under the laws of the State of New York, with an address for the transaction of business located at 56 Broome Corporate Parkway, Conklin, New York 13748 (the "Company") and the BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a public-benefit corporation duly organized and validly existing under the laws of the State of New York with an office for the transaction of business located at 60 Hawley Street, P.O. Box 1510, Binghamton, New York 13902 (the "Agency"), collectively, the "Parties."

WITNESSETH:

WHEREAS, Title 1 of Article 18-A, as amended, of the General Municipal Law of the State of New York (the "Enabling Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York (the "State"); and

WHEREAS, the Enabling Act authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial or industrial facilities, including industrial pollution control facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease any or all of its facilities on such terms and conditions as it deems advisable, to issue its bonds for the purpose of carrying out any of its corporate purposes; and, as security for the payment of the principal and redemption price of, and interest on, any such bonds so issued and any agreements made in connection therewith, to pledge the revenues and receipts from its facilities or from the lease

thereof; and

WHEREAS, pursuant to and in accordance with the provisions of the Enabling Act, Chapter 564 of the Laws of 1970 of the State (collectively, the "Act") created the Broome County Industrial Development Agency (the "Agency"), which is empowered under the Act to undertake the providing, financing and leasing of the facility described below; and

WHEREAS, BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Agency") was created as a public benefit corporation pursuant to and for the purposes specified in Title 1 of Article 18-A of the General Municipal Law; and

WHEREAS, the Company has agreed to a lease/leaseback transaction, on the real property more particularly described on Exhibit "A" attached hereto, to facilitate the renovation and equipping of a document management facility located at 56 Broome Corporate Parkway in the Town of Conklin, Broome County, New York (the "Project"), and to lease the Project from the Agency; and

WHEREAS, the Agency will lease the Project to the Company for a term not to exceed fifteen (15) years; and

WHEREAS, the Agency is exempt from the payment of taxes and assessments imposed upon real property, and as a further condition related to the renovation and equipping of the Project, the Company has agreed that, notwithstanding such exemption, the Company will nevertheless make payments to the Town of Conklin (the "Town"), the Susquehanna Valley Central School District (the "School District") and the County of Broome (the "County") while occupying the Project in lieu of general tax levies.

NOW, THEREFORE, in consideration of the covenants herein contained, it is mutually agreed as follows:

1. Pursuant to Section 874 of the General Municipal Law and Section 412-a of the Real Property Tax Law, the Parties hereto understand that, upon acquisition of the Facility by the

Agency and the filing of an Equalization and Assessment Form RP-412-a (the “Exemption Form”) with respect to the Project, and for so long thereafter as the Agency shall own the Project, the Project shall be assessed by the various taxing entities having jurisdiction over the Project, including, without limitation, the Town, the School District and the County as exempt on their respective assessment rolls prepared subsequent to the acquisition by the Agency by lease to the Project and the filing of the Exemption Form. The Parties hereto understand that the Project shall not be entitled to such exempt status on any tax roll until the first tax year following the tax status date subsequent to the date upon which the Agency became a lessee of the Project and an Exemption Form is filed. The Company shall be required to pay all taxes and assessments lawfully levied and/or assessed against the Project, including taxes and assessments levied for the current tax year and all subsequent years until the Project is entitled to exempt status on the tax roll. The Agency will cooperate with the Company to obtain and preserve the tax exempt status of the Project, including the preparation and filing of the Exemption Form.

2. During the period the Project is owned by the Agency, pursuant to a lease agreement with the Company, the Company agrees to pay to the Town, the County and the School District the following percentages of taxes that would otherwise be levied on said property if the same was subject to real property taxation:

<u>PILOT Year</u>	<u>Percentage of Tax Due</u>
Years 1-5	25%
Years 6-10	50%
Years 11-15	75%
Year 16 and thereafter	100%

Commencing with the sixteenth (16th) year and until such time as the Premises are conveyed by the Agency to the Company, the Company shall pay the actual taxes of the Facility that would have been imposed but for the Agency’s tax exemption.

3. During the term of this Agreement, the Company retains the right to contest the assessment(s) on the Project.

4. The Town, the County, and the School District shall separately bill the Company for each in-lieu-of payment due hereunder. For the purposes of this Agreement, the term "Timely Payment" shall be defined as payment made within thirty (30) days after receipt by the Company of a written bill demanding payment.

5. Should the Company use the Project for other than a document management facility or allied purposes such as defined in Article 18-A of the General Municipal Law, fail to retain substantially the number of jobs anticipated by the project, or acquire title during the term of this Agreement to the leased Project from the Agency, this Agreement shall terminate immediately and the Project shall be returned to the non-exempt portion of the tax roll and be subject to taxation thereafter, including any portion of a tax year not otherwise covered by this Agreement.

6. If any default shall be made in the payment referred to in Paragraph 2, supra, the Company hereby agrees to pay the same to the extent above specified:

A. Without requiring any notice of non-payment or of default to the Company, the Agency, or to any other person;

B. Without proof of demand.

7. The Parties hereto understand that the tax exemption extended to the Agency by Section 874 of the General Municipal Law and Section 412-A of the Real Property Tax Law does not entitle the Agency to an exemption from special assessments and special ad valorem levies such as, but without limitation, charges for metered water and sewer rent. The Company hereby agrees to pay all special assessments and special ad valorem levies lawfully levied and/or assessed against the Project.

8. Pursuant to Section 858 (15) of the General Municipal Law, the Agency agrees to give the Town, the School District and the County a copy of this PILOT Agreement within fifteen (15) days of the execution and delivery hereof, together with a request that a copy thereof be given to the appropriate officer or officers with respect to each taxing jurisdiction responsible

for preparing the tax rolls for said jurisdiction, together with a request that said officer or officers submit to the Company and the appropriate receiver of taxes periodic statements specifying the amount and due date or dates of the payments due to each hereunder. Such periodic statements to be submitted to the Company at approximately the times that tax bills are mailed by such jurisdictions.

9. The Company agrees to pay the amounts due hereunder to each particular taxing jurisdiction in any calendar year to the appropriate receiver of taxes within the period that such taxing entity allows the payment of taxes levied in such calendar year without penalty. The Company shall be entitled to receive receipts for such payments.

10. Pursuant to Section 874(5) of the General Municipal Law, if the Company shall fail to make any payment required by this PILOT Agreement when due, the Company shall pay the same, together with a late-payment penalty equal to five (5%) percent of the amount due. If the Company shall remain in default beyond the first month after such payment is due, the Company shall hereafter pay a late-payment penalty of one (1%) percent per month for each month, or part thereof, that the payment due thereunder is delinquent beyond the first month plus interest thereon, to the extent permitted by law, at the greater of (a) one (1%) percent per month, or (b) the rate per annum which would have been payable if such amount were delinquent taxes, until so paid in full.

11. Pursuant to Section 874(6) of the General Municipal Law, if the Company should default in performing any of its obligations, covenants or agreements under this PILOT Agreement and the Agency or any taxing jurisdiction should employ attorneys or incur other expense for the collection of any amounts payable hereunder, or for the enforcement or performance or observation of any obligation, covenant or agreement on the part of the Company herein contained, the Company agrees that it will, on demand therefore, pay to the Agency or such taxing jurisdiction, as the case may be, not only the amounts adjudicated due hereunder, together with the late-payment penalty and interest due thereon, but also reasonable fees and

disbursements of such attorneys and all other expenses, costs and disbursements so incurred whether or not an action is commenced.

12. No remedy herein conferred upon or reserved to the Agency or any taxing jurisdiction is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this PILOT Agreement or now and hereafter existing at law or in equity or by statute. No delay or admission in exercising any such right or power accruing upon a default hereunder shall impair any such right or power or be construed as a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

13. The Agency reserves the right to recapture benefits provided through the abatement of real property taxes in the event that the Company's performance is substantially different than anticipated as defined below:

- A. Sale or closure of the Project and departure of the Company from Broome County;
- B. Significant change in the use of the Project and/or business activities of the Company; and
- C. Significant employment reductions not reflective of the Company's normal business cycle and/or local and national economic conditions.

In cases deemed to meet one or more of the above conditions, the following recapture schedule will apply:

<u>Period</u>	<u>Accumulative Amount of Recapture</u>
Within 1 Year	100%
Within 2 Years	75%
Within 3 Years	50%
Within 4 Years	25%
After 4 Years	0%

The time period above is from the effective date of the PILOT Agreement. Imposition of

this recapture policy is at the sole discretion of the Agency and will be considered on a case by case basis.

14. The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

IF TO THE AGENCY: Broome County Industrial Development Agency
60 Hawley Street
P.O. Box 1510
Binghamton, New York 13902

Attn: Executive Director

With a Copy to: Joseph B. Meagher, Esq.
Thomas, Collison & Meagher
1201 Monroe Street
P.O. Box 329
Endicott, New York 13761-0329

IF TO THE COMPANY: ADEC Solutions USA, Inc.
56 Broome Corporate Parkway
Conklin, New York 13748

Attn: Marisel L. Arbolente, Comptroller

With a Copy to: Cheryl I. Sacco, Esq.
Coughlin & Gerhart LLP
P.O. Box 2039
Binghamton, New York 13902-2039

15. The Town, the County, the School District, the Agency and the Company as used herein shall include their successors and assigns. The terms of this Agreement shall inure to the benefit of, and shall be binding upon, any future owners of the Project and the Company's successors and assigns.

16. This Agreement shall remain in effect until termination or expiration of the Leaseback Agreement from the Agency to the Company which, by its terms, expires February 25, 2031.


IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be duly executed the date set forth hereinabove.

**BROOME COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: 

Kevin McLaughlin, Executive Director

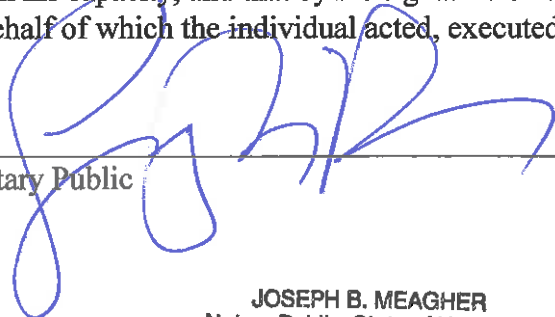
ADEC SOLUTIONS USA, INC.

By: 

Marisel L. Arbolente, Comptroller and
Coordinator for US Operations

STATE OF NEW YORK :
 : ss.:
COUNTY OF BROOME :

On this 25th day of February, 2016, before me, the undersigned, personally appeared KEVIN McLAUGHLIN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

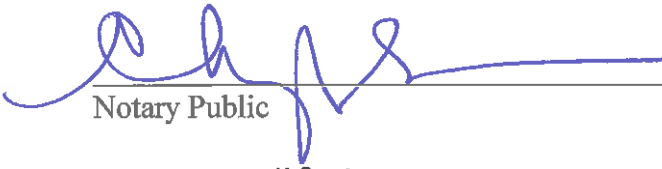


Notary Public

JOSEPH B. MEAGHER
Notary Public, State of New York
Broome County 02ME4974837
Commission Expires Nov. 26, 2015

STATE OF NEW YORK:
 : ss.:
COUNTY OF BROOME:

On February 26, 2016, before me, the undersigned, personally appeared MARISEL L. ARBOLANTE, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

Cheryl I. Sacco
Notary Public, State of New York
Qualified in Broome Co.
No. 02IN6022087
Commission Expires March 22, 2015

EXHIBIT "A"

ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND situate, lying and being on the easterly side of Broome Parkway (C.R. No. 322) in the Town of Conklin, County of Broome, and State of New York, bounded and described as follows:

BEGINNING at a 5/8 inch rebar with cap on the existing easterly boundary of Broome Parkway (C.R. No. 322) at its intersection with the division line between Parcel B-16 on the North and Parcel B-15 on the South, said rebar being northwesterly and northerly measured 1,144.96 feet measured along said boundary from a point at its intersection with the westerly boundary of NYS Route 7 (S.H. 421); RUNNING THENCE along said boundary the following two (2) courses and distances: (1) North 16 degrees 00 minutes 55 seconds West along said boundary, a distance of 311.14 feet to a point of curvature; (2) thence on a curve to the left having a radius of 902.52 feet, an arc distance of 365.23 feet to a 5/8 inch rebar with cap at its intersection with the division line between said Parcel B-16 on the southeast and Parcel G-7 on the northwest, said curve being subtended by a chord having a bearing of North 27 degrees 36 minutes 29 seconds West and a length of 362.74 feet; thence North 54 degrees 56 minutes 54 seconds East along the last mentioned division line, a distance of 90.10 feet to a 5/8 inch rebar with cap at its intersection with the division line between said Parcel B-16 on the south and said Parcel G-7 on the north; thence South 89 degrees 21 minutes 48 seconds East along the last mentioned division line, a distance of 436.40 feet to a 5/8 inch rebar with cap at its intersection with the division line between said Parcel B-16 on the west and Parcel G-6 on the east; thence South 06 degrees 59 minutes 34 seconds West along the last mentioned division line, a distance of 659.46 feet to a 5/8 inch rebar with cap at its intersection with the above first mentioned division line; thence South 85 degrees 49 minutes 21 seconds West along said first mentioned division line, a distance of 176.37 feet to the POINT OR PLACE OF BEGINNING. Containing 216,948 square feet or 4.9804 acres, more or less.

All bearings are referred to True North at the 76 degree 35 minute Meridian of West Longitude.

TOGETHER with all the right, title and interest of the defendants, if any, in and to the land lying in the streets and roads in front of and adjoining said premises to the center line thereof.

TOGETHER with all fixtures and articles of personal property attached to or used in connection with said premises.

Said premises are sold subject to any state of facts an accurate survey may show, to covenants, restrictions and easements, if any, to taxes, assessments, water charges, violations, zoning regulations and ordinances of the city, town or village in which said premises lie.