

PAYMENT IN LIEU OF TAXES AGREEMENT

THIS PAYMENT IN LIEU OF TAXES AGREEMENT (the "Agreement"), dated as of September 14, 2016, by and among POLYMAR HOUSING SPE, LLC, a Delaware limited liability company authorized to do business in the State of New York, having its principal offices at 215 South La Cienega Boulevard, #204, Los Angeles, California 90211 ("Polymar") and WE'LL DO IT LIVE SPE, LLC, a Delaware limited liability company authorized to do business in the State of New York, having its principal offices at 215 South La Cienega Boulevard, #204, Los Angeles, California 90211 ("We'll Do It Live") (Polymar and We'll Do It Live are hereinafter, collectively, the "Company"), the CITY OF BINGHAMTON, a municipal corporation located within the County of Broome and the State of New York with offices at 38 Hawley Street, Binghamton, New York 13901 (the "City"), and the BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Agency"), a public-benefit corporation organized and existing under the laws of the State of New York with offices at 60 Hawley Street, P.O. Box 1510, Binghamton, New York 13902, collectively, the "Parties."

WITNESSETH:

1. The Company currently operates a senior housing development consisting of 148 units, subject to a Section 8 Housing Assistance Program Contract covering 147 of the 148 units, (the "Facility") on a 2.32 acre parcel of land located at 21 Exchange Street in the City of Binghamton, Broome County, New York, more particularly described as Broome County Tax Map Parcel No. 160.49-1-16 (the "Land.") The Facility and the Land are hereinafter collectively referred to as the "Project."
2. 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.

3. The Company has agreed to lease the Project to the Agency and has agreed to renovate and operate the Project thereon.

4. The Agency will lease the Project to the Company for a a twenty (20) year term from January 1, 2017 through December 31, 2036.

5. In that the Agency is exempt from the payment of real estate taxes and certain assessments imposed upon real property, the Company has agreed that, notwithstanding such exemption, the Company will nevertheless make payments to the City, the Binghamton City School District (the "School"), and the County of Broome (the "County") (collectively, the "Taxing Entities") during the term of the lease in lieu of general tax levies as provided herein.

6. The Parties to this Agreement acknowledge and agree that the Taxing Entities, although not all parties to this Agreement, are third party beneficiaries to this Agreement; having all the rights thereunder; including the ability and rights under law and under contract to enforce this Agreement. The Parties to this Agreement also acknowledge and agree that the Taxing Entities, collectively and individually, have all the rights and remedies available to them under New York State Law to enforce this Agreement; including but not limited to conversion of a delinquent PILOT payment to unpaid taxes; filing of a tax levy and tax lien; and collection of unpaid taxes using various methods under New York State Law.

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

SECTION 1. TAX-EXEMPT STATUS OF THE PROJECT

a. General Assessment of the Project: Pursuant to General Municipal Law §874 and Real Property Tax Law §412-a, the Parties hereto understand that, upon the Company leasing to

the Agency the Property in 2016, and provided the Project continues to be leased by the Agency, the Project shall be assessed by the Taxing Entities as exempt upon the assessment rolls of the respective Taxing Entities for the term as provided below.

b. **Water and Sewer charges and Special Assessments:** The Parties hereto understand that the tax exemption extended to the Agency by General Municipal Law §874 and Real Property Tax Law §412-a does not entitle the Agency to exemption from water and sewer charges, fire district charges, if any, or special assessments and special ad valorem levies. Commencing on the date hereof and continuing during the term of the lease, the Company will be required to pay all water and sewer charges, fire district charges, if any, special assessments and special ad valorem levies lawfully levied and/or assessed against the Project.

SECTION 2. DEFAULT, LOSS OF EXEMPTION STATUS AND TERMINATION OF LEASES

In addition to the expiration of the term of this Agreement, any of the following specified events shall constitute a default hereunder, any default shall terminate any leases between the Company and the Agency relating to the Project, and the tax exemption herein shall terminate and be of no further force or effect:

a. The failure of the Company to diligently and consistently undertake the renovation of the Project as set forth in Exhibit "A" attached hereto once commenced, subject to force majeure and to pursue the Project to completion with all due speed.

b. The failure of the Company to make timely payments of the sums due and payable hereunder.

c. In the event of a failure of the Company to comply with the terms of Section 2(a) or 2(b) above, the Agency or one or more of the Taxing Entities may deliver written notice

of such failure to the Company and any Mortgagee or Lender of record and the Company (or the Mortgagee or Lender of record), shall have sixty (60) days to cure any monetary failure and, in the event of a non-monetary failure, sixty (60) days to cure or commence to diligently proceed to cure such failure, if it can not be reasonably cured within such sixty (60) day period, subject to force majeure. Only upon the passage of such sixty (60) day period, if the Company or any Mortgagee or Lender of record has not cured such failure or default, shall the Agency or any of the Taxing Entities be entitled to the remedies described herein.

d. The Taxing Entities, collectively and individually, have all the rights and remedies available to them at law, under this Agreement and under New York State Real Property Tax Law and any other relevant laws, statutes and codes to enforce payment of any unpaid monies due under this Agreement. As this Agreement is not meant to be a complete substitution for real property taxes and assessments, the act of a default and/or nonpayment under this Agreement allows the Taxing Entities to convert any nonpayment into a tax levy or tax lien and shall entitle the Taxing Entities to employ the remedies and procedures enumerated in the New York State Real Property Tax Law and any other relevant laws, statutes and codes to enforce payment of the monies due and owing. In addition, the Company agrees to pay all costs of collection, including reasonable attorney fees.

e. Any nonpayment shall survive bankruptcy, as the Parties agree that a default converts those unpaid monies into unpaid taxes and such protects and empowers the Taxing Entities to proceed as such.

SECTION 3. AMOUNT OF PAYMENTS IN LIEU OF TAXES

a. During the twenty (20) year period commencing January 1, 2017, the Company agrees to pay to the Taxing Entities the amounts set forth in Exhibit "B" annexed hereto and

made a part hereof. The amounts to be paid in Exhibit "B" provide a total to be paid and the amount to be paid to each of the Taxing Entities.

b. The payments in lieu of taxes set forth in Exhibit "B" are based upon an agreed assessment of \$1,850,000 for the Project during the entire term of this Agreement. The payment schedule is not subject to challenge or adjustment by the Company, the Agency, or the Taxing Entities, even if the City or County conducts a City wide reassessment of all commercial properties.

c. The County, acting as collecting agent for all the Taxing Entities, shall bill the Company on or about January 1 of each year for the payment due hereunder for the City and County payments and on September 1 of each year for the payment due hereunder for the School payment. The Company shall pay the City and County payments on or before January 31 of each year and shall pay the School payment on or before September 30 of each year.

d. The County will pay the City and School their respective payments within the same time allowed to pay over taxes collected during the same time period, i.e., the City will be paid on or before February 10 of each year.

SECTION 4. ADDITIONS TO PROJECT

Should the Company, during the term of this Agreement, cause to be constructed on the Property any addition to the Project, then such addition shall be assessed and real estate taxes imposed in the same manner as all other non-tax-exempt real property is then being assessed and taxed by the City, County, and School, unless otherwise agreed by all of the Parties hereto.

SECTION 5. TERM OF AGREEMENT

This Agreement shall become effective and the obligations of the Company shall arise absolutely and unconditionally upon (a) the execution of this Agreement by the Agency and

the Company, and (b) the execution and filing of Real Property Tax Form RP-412-a with the Assessor of the City of Binghamton, and (c) the delivery of a copy of this Agreement and Real Property Tax Form RP-412-a to the City, the School and the County. This Agreement shall continue to remain in effect through December 31, 2036, or the date upon which the leasehold interest to the Project is no longer held by the Agency, including a change of title due to foreclosure, whichever shall be sooner. In addition, the City, School and County shall have the same rights afforded by the New York State Real Property Tax Law regarding the collection and enforcement of unpaid taxes.

SECTION 6. PRIORITY

The Parties agree that payments due hereunder shall be accorded a lien priority equivalent to the lien of unpaid real property taxes as provided in the Real Property Tax Law of the State of New York and, as such, shall have priority over any mortgages or other liens filed against the Property. The Parties do hereby further agree that a Memorandum of this Agreement shall be recorded in the office of the Broome County Clerk.

SECTION 7. REPRESENTATIONS OF THE COMPANY

Polymar and We'll Do it Live represent and warrant that:

- a. They are duly organized as limited liability companies in good standing in accordance with the laws of the State of Delaware and are authorized to do business in the State of New York.
- b. They have full power and authority to execute and deliver this Agreement and to perform their obligations.
- c. This Agreement constitutes a legal, valid, and binding obligation of them enforceable in accordance with its terms.

d. To the best of their knowledge, the execution and delivery of this Agreement does not, and the performance of this Agreement will not, violate any law, regulation, ordinance, judicial order, judicial decree, or any agreement, indenture, note, or other instrument to which either is a party.

e. To the best of their knowledge, there is no claim, action, arbitration, or administrative proceeding pending, threatened against, or involving the Company which if adversely determined, would question the validity of this Agreement or would have a material adverse effect on their financial condition.

SECTION 8. AMENDMENT OF AGREEMENT

This Agreement may not be amended, changed, modified, altered or terminated unless such amendment, change, modification, alteration or termination is in writing intended for such purpose and executed and delivered by each of the Parties hereto.

SECTION 9. BINDING EFFECT

This Agreement shall inure to the benefit of, and shall be binding upon, the Agency, the Company and their respective successors and assigns, regardless of the tax exempt status of any successor or assign.

SECTION 10. NOTICES

All notices, certificates and other communications hereunder shall be in writing and shall be sufficiently deemed given when sent to the applicable address stated below by registered or certified mail, postage prepaid, return receipt requested, by recognized overnight carrier, or by such other method as shall provide the sender with documentary evidence of such delivery. The addresses to which notices, certificates or other communications hereunder, shall be delivered are as follows:

To the Company: Polymer Housing SPE, LLC
215 South La Cienega Boulevard, #203
Los Angeles, California 90211
Attn: Patrick Luke

We'll Do It Live SPE, LLC
215 South La Cienega Boulevard, #203
Los Angeles, California 90211
Attn: Patrick Luke

To the City: City of Binghamton
38 Hawley Street
Binghamton, New York 13901
Attn: Mayor

To the School: Binghamton City School District
164 Hawley Street
Binghamton, New York 13901
Attn: District Superintendent

To the County: Broome County
60 Hawley Street
Binghamton, New York 13901
Attn: County Executive

To the Agency: Broome County Industrial Development Agency
60 Hawley Street
P.O. Box 1510
Binghamton, New York 13902
Attn: Executive Director

A duplicate copy of each notice, certificate or other communication given hereunder shall be given to each party. Any person entitled to notice may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent. Notices shall be deemed delivered upon actual receipt or refusal of delivery.

SECTION 11. SEVERABILITY

If any article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or

unenforceable by any court of competent jurisdiction, such article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion so adjudged invalid, illegal or unenforceable shall be deemed separate, distinct and independent, and the remainder of this Agreement shall be and remain in full force and effect and shall not be invalidated or rendered illegal or unenforceable or otherwise affected by such holding or adjudication.

SECTION 12. COUNTERPARTS

This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 13. APPLICABLE LAW

This Agreement shall be construed in accordance with the laws of the State of New York. Venue for any action or proceeding shall be in Broome County, New York.

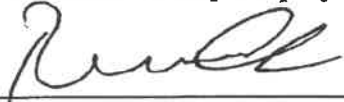
SECTION 14. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement of the Parties and shall not be modified unless in writing and signed by all of the Parties hereto in the same manner as this Agreement is executed.

(SIGNATURE PAGE TO FOLLOW)

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be duly executed the date set opposite their signature.


POLYMAR HOUSING SPE, LLC
a Delaware limited liability company

By: 

Brian Chien-Chih Chen
President

Date: September 16, 2016

POLYMAR HOUSING SPE, LLC
a Delaware limited liability company

By: 

Alan B. Smolinisky
Secretary

Date: September 16, 2016


WE'LL DO IT LIVE SPE, LLC
A Delaware limited liability company

By: 

Brian Chien-Chih Chen
President and Secretary

Date: September 16, 2016


CITY OF BINGHAMTON

By: 

Richard D'Amico

Date: September 21, 2016

BROOME COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

By: 

Kevin McLaughlin
Executive Director

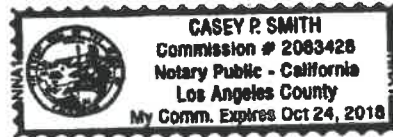
Date: September 14, 2016

STATE OF CALIFORNIA :
 : SS.:
COUNTY OF Los Angeles :

On September 16, 2016, before me, the undersigned, personally appeared BRIAN CHIEN-CHIH CHEN, 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 and that such individual made such appearance before the undersigned in the city/town/village of Los Angeles, State of California.



Notary Public

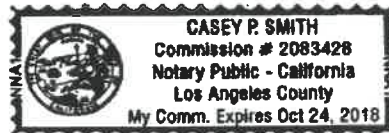


STATE OF CALIFORNIA :
 : SS.:
COUNTY OF Los Angeles :

On September 16, 2016, before me, the undersigned, personally appeared ALAN B. SMOLINISKY, 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 and that such individual made such appearance before the undersigned in the city/town/village of Los Angeles, State of California.

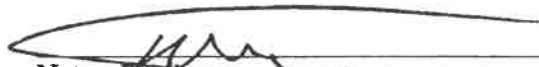


Notary Public




STATE OF NEW YORK)
)SS.
COUNTY OF BROOME)

On this 21st day of September, in the year 2016, before me, the undersigned, a notary public in and for said state, personally appeared Richard C. Durr Mayr, 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 they executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.


Notary Public
Notary Public, State of New York
Qualified in Broome County
Commission Expires 02/23/2018

STATE OF NEW YORK)
)SS.
COUNTY OF BROOME)

On this 14th day of September, in the year 2016, before me, the undersigned, a notary public in and for said state, 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 on behalf of which the individual acted, executed the instrument.


Notary Public

SERENA APRIL WECKEL-PURTELL
Notary Public, State of New York
No. 02WE6320028
Qualified in Broome County
Commission Expires 02/23/2018

EXHIBIT "A"

(SEE ATTACHED)

EXHIBIT "B"

(SEE ATTACHED)

City's Originally Proposed First Payment \$169,201.00
 Current Proposed First Payment \$147,518.00
 Difference \$21,683.00
 1/20th of Difference \$1,084.15

Year	Percentage Escalator	Rised Payment Increase	Annual Payment
1	0.00%	\$1,084.15	\$148,602.15
2	2.00%	\$1,084.15	\$152,658.34
3	1.00%	\$1,084.15	\$155,269.08
4	1.00%	\$1,084.15	\$157,905.92
5	2.00%	\$1,084.15	\$162,148.19
6	1.00%	\$1,084.15	\$164,853.82
7	1.00%	\$1,084.15	\$167,586.51
8	1.00%	\$1,084.15	\$170,346.52
9	1.00%	\$1,084.15	\$173,134.14
10	2.00%	\$1,084.15	\$177,680.97
11	1.00%	\$1,084.15	\$180,541.93
12	1.00%	\$1,084.15	\$183,431.50
13	1.00%	\$1,084.15	\$186,349.96
14	1.00%	\$1,084.15	\$189,297.61
15	2.00%	\$1,084.15	\$194,167.71
16	1.00%	\$1,084.15	\$197,193.54
17	1.00%	\$1,084.15	\$200,249.63
18	1.00%	\$1,084.15	\$203,336.27
19	1.00%	\$1,084.15	\$206,453.79
20	2.00%	\$1,084.15	\$211,667.01