

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT (the "Agreement"), dated as of March 1, 2017, by and between CENTURY SUNRISE REDEVELOPMENT LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, with an address for the transaction of business located at 1055 Saw Mill River Road #204, Ardsley, New York 10502 (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 sale and lease-back transaction, on the real property, more particularly described on Exhibit "A" attached hereto, to facilitate the renovation and equipping of an affordable housing apartment complex located at 135-139 Baldwin Street in the Village of Johnson City, 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 June 30, 2048; 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 leasing of the Project, the Company has agreed that, notwithstanding such exemption, the Company will nevertheless make payments to the Village of Johnson City (the "Village"), the Town of Union (the "Town"), the Johnson City 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 the acquisition by lease of the Project by the Agency and the filing of an Application for Real Property Tax Exemption 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 Village, 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 of 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 the 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 each tax year in which the Project shall be tax exempt, the Company agrees to pay to the Village, the Town, the School District and the County, the PILOT payments as shown on the PILOT Schedule attached hereto as Exhibit "B."

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

4. The Village, 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 mixed-use, mixed-income affordable housing apartment complex or allied purposes such as defined in Article 18-A of the General Municipal Law or acquire title during the term of this Agreement to the leased Project from the Agency, this Agreement shall terminate immediately and the Premises 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 shall give the Village, 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, beyond any applicable notice and cure period, 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 reasonable expenses, costs and disbursements so incurred whether or not an action is commenced.

12. Notwithstanding the foregoing, the Agency reserves the right to terminate, modify, or recapture any benefits provided to the Company pursuant to this PILOT Agreement, as well as any other benefit provided to the Company, in accordance with the policy of the Agency set forth in Exhibit "C" attached hereto.

13. 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.

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

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: Century Sunrise Redevelopment LLC  
1055 Saw Mill River Road #204  
Ardsley, New York 10502

Attn: Kenneth Regan

Copy to: Geoffrey J. Cannon, Esq.  
Cannon Heyman & Weiss LLP  
54 State Street  
5<sup>th</sup> Street  
Albany, New York 12207

If to HFA: New York State Housing Finance Agency  
641 Lexington Avenue  
New York, New York 10022

Copies to: President, Finance and Development  
and  
Counsel

Copy to  
(with respect to  
events of default): JPMorgan Chase Bank, N.A.  
c/o Community Development Banking  
270 Park Avenue, 45<sup>th</sup> Floor  
Mailcode NY1-K875  
New York, New York 10017-2014

Attn: Jane E. Silverman, Executive Director

15. The Village, 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 June 30, 2048.

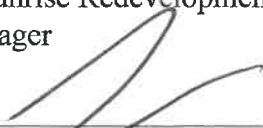
(SIGNATURE PAGE TO FOLLOW)

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

CENTURY SUNRISE REDEVELOPMENT LLC

By: Century Sunrise Redevelopment Manager  
LLC, Managing Member

By: Century Sunrise Redevelopment Associates  
LLC, Manager

By:   
Name: Lawrence Regan  
Title: Member

BROOME COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By:   
Terrence M. Kane, Chairman





**EXHIBIT "A"**

**FEE PARCEL (SECTION 143.73, BLOCK 1, LOT 1)**

ALL that tract or parcel of land situate in the Village of Johnson City, County of Broome, and State of New York, bounded and described as follows:

BEGINNING at a point on the nominal centerline of Willow Street, said point standing at the intersection of the nominal centerline of Willow Street with the southerly boundary of the Erie-Lackawanna Railroad (now or formerly) (formerly New York Lackawanna & Western Railway); said point of beginning being further described as standing therein distant South 03 degrees 14' 31" West 421.06 feet, South 08 degrees 31' 53" West 68.98 feet and South 88 degrees 52' 49" East 28.37 feet as measured respectively along the nominal westerly highway boundary of Willow Street and the southerly boundary of the Erie-Lackawanna Railroad from a point standing at the intersection of the nominal westerly highway boundary of Willow Street with the nominal southerly highway boundary of Corliss Avenue;

THENCE South 05 degrees 07' 39" West 129.20 feet along the nominal centerline of Willow Street to a point standing on the northerly boundary of the Islamic Organization of the Southern Tier (now or formerly);

THENCE North 88 degrees 45' 00" West 371.23 feet along the northerly boundary of the Islamic Organization of the Southern Tier to an iron rod standing on the northerly boundary of Mahir Eisa and Sofia Adam (now or formerly);

THENCE North 88 degrees 59' 24" West 446.56 feet along the northerly boundary of Mahir Eisa and Sofia Adam, the northerly boundary of Valerie A. Vergona (now or formerly), the northerly boundary of Ella Mae Koffel and Judith A. Lyon (now or formerly), the northerly boundary of Orlando A. Pessagno and Elaine H. Pessagno (now or formerly), the northerly boundary of Ronald E. Taylor and Lorraine C. Taylor (now or formerly), the northerly boundary of M. Nasreen Battla (now or formerly) and then along the northerly boundary of The Johnson City Alliance Church (now or formerly) to an iron rod standing on the nominal easterly highway boundary of Baldwin Street;

THENCE North 03 degrees 27' 54" East 129.00 feet along the nominal easterly highway boundary of Baldwin Street to an iron rod standing on the southerly boundary of the Erie-Lackawanna Railroad;

THENCE South 88 degrees 52' 49" East 821.53 feet along the southerly boundary of the Erie-Lackawanna Railroad to the point and place of BEGINNING.

**EXHIBIT "A" (Continued)**

**LEASE PARCEL A**

All that tract or parcel of land situate in the Village of Johnson City, County of Broome and State of New York, bounded and described as follows:

BEGINNING at a metal survey marker on the nominal easterly highway boundary of Baldwin Street, said metal survey marker standing at the intersection of the nominal easterly highway boundary of Baldwin Street with the northerly boundary of Century Sunrise Redevelopment LLC (Now or Formerly), as described in a Bargain and Sale Deed dated December 21, 2016 and filed in the Broome County Clerk's Office in Liber 2512 of Deeds at Page 290 (Instrument Number 201600032904); the northerly boundary of Century Sunrise Redevelopment LLC being further described as the southerly boundary of the Erie - Lackawanna Railroad (Now or Formerly) (formerly New York Lackawanna & Western Railway);

THENCE North 03°27'54" East 35.58 feet along the nominal easterly highway boundary of Baldwin Street to a point;

THENCE South 88°52'49" East 796.33 feet to a point standing on the nominal westerly highway boundary of Willow Street;

THENCE South 08°31'53" West 35.85 feet along the nominal westerly highway boundary of Willow Street to an iron rod standing on the northerly boundary of Century Sunrise Redevelopment LLC;

THENCE North 88°52'49" West 793.16 feet along the northerly boundary of Century Sunrise Redevelopment LLC to the point and place of BEGINNING.

**LEASE PARCEL B**

All that tract or parcel of land situate in the Village of Johnson City, County of Broome and State of New York, bounded and described as follows:

BEGINNING at a point on the nominal westerly highway boundary of Baldwin Street, said point standing at the intersection of the nominal westerly highway boundary of Baldwin Street with the southerly boundary of Wayne A. Jones (d/b/a WAJ Development Company) (Now or Formerly), as described in a Warranty Deed dated December 20, 2013 and filed in the Broome County Clerk's Office in Liber 2421 of Deeds at Page 351; the southerly boundary of Wayne A. Jones (d/b/a WAJ Development Company) being further described as the northerly boundary of the Erie - Lackawanna Railroad (Now or Formerly) (formerly New York Lackawanna & Western Railway);

**EXHIBIT "A" (Continued)**

THENCE South 03°07'00" West 40.62 feet along the nominal westerly highway boundary of Baldwin Street to a point;

THENCE North 88°56'53" West 729.88 feet to a point;

THENCE North 01°07'13" East 40.78 feet to a point standing on the southerly boundary of United Health Services, Inc. (Reputed Owner);

THENCE South 88°56'00" East 731.29 feet along the southerly boundary of lands reputedly owned by United Health Services, Inc., the southerly boundary of Kradro Realty Corporation (Now or Formerly) and then along the southerly boundary of Wayne A. Jones (d/b/a WAJ Development Company) to the point and place of BEGINNING.

EXHIBIT "B"

(SEE ATTACHED PILOT PAYMENT SCHEDULE)

**PAYMENT IN LIEU OF TAX (PILOT) -- SCHEDULE OF ESTIMATED AMOUNTS**  
**CENTURY SUNRISE HOUSING, JOHNSON CITY, NY**

<u>Year</u>		<u>Collected Rent --</u>		<u>Estimated Library</u>	
<u>No.</u>	<u>Year Ending</u>	<u>3% Annual</u>	<u>Total PILOT</u>	<u>and Ambulance</u>	
		<u>Escalation</u>	<u>(3.4115% of</u>	<u>District Taxes</u>	
		<u>Assumed (Note 1)</u>	<u>Collected Rent)</u>	<u>(Assumed</u>	
				<u>Valuation of</u>	
				<u>\$110,930 and</u>	
				<u>current rates with</u>	<u>Estimated</u>
				<u>3% Annual</u>	<u>Remaining Balance</u>
				<u>Escalation in Taxes)</u>	<u>- To County, Town,</u>
					<u>Village &amp; School</u>
Constr.	6/30/2017	NA	17,398.76	249.45	17,149.31
Constr.	6/30/2018	NA	17,398.76	249.45	17,149.31
1	6/30/2019	615,565	21,000.00	1,598.53	19,401.47
2	6/30/2020	634,032	21,630.00	1,646.49	19,983.51
3	6/30/2021	653,053	22,278.90	1,695.88	20,583.02
4	6/30/2022	672,644	22,947.27	1,746.76	21,200.51
5	6/30/2023	692,824	23,635.69	1,799.16	21,836.52
6	6/30/2024	713,609	24,344.76	1,853.14	22,491.62
7	6/30/2025	735,017	25,075.10	1,908.73	23,166.37
8	6/30/2026	757,067	25,827.35	1,965.99	23,861.36
9	6/30/2027	779,779	26,602.17	2,024.97	24,577.20
10	6/30/2028	803,173	27,400.24	2,085.72	25,314.51
11	6/30/2029	827,268	28,222.24	2,148.29	26,073.95
12	6/30/2030	852,086	29,068.91	2,212.74	26,856.17
13	6/30/2031	877,649	29,940.98	2,279.12	27,661.85
14	6/30/2032	903,978	30,839.21	2,347.50	28,491.71
15	6/30/2033	931,097	31,764.38	2,417.92	29,346.46
16	6/30/2034	959,030	32,717.32	2,490.46	30,226.85
17	6/30/2035	987,801	33,698.84	2,565.18	31,133.66
18	6/30/2036	1,017,435	34,709.80	2,642.13	32,067.67
19	6/30/2037	1,047,958	35,751.09	2,721.39	33,029.70
20	6/30/2038	1,079,397	36,823.63	2,803.04	34,020.59
21	6/30/2039	1,111,779	37,928.34	2,887.13	35,041.21
22	6/30/2040	1,145,132	39,066.19	2,973.74	36,092.45
23	6/30/2041	1,179,486	40,238.17	3,062.95	37,175.22
24	6/30/2042	1,214,871	41,445.32	3,154.84	38,290.48
25	6/30/2043	1,251,317	42,688.68	3,249.49	39,439.19
26	6/30/2044	1,288,856	43,969.34	3,346.97	40,622.36
27	6/30/2045	1,327,522	45,288.42	3,447.38	41,841.04
28	6/30/2046	1,367,348	46,647.07	3,550.80	43,096.27
29	6/30/2047	1,408,368	48,046.48	3,657.33	44,389.15
30	6/30/2048	1,450,619	49,487.88	3,767.05	45,720.83
<b>Total</b>			<b>999,083.73</b>	<b>76,050.84</b>	<b>923,032.89</b>

Note 1: 3% annual escalation is shown as an example. The PILOT shall increase as actual collected rents increase.

EXHIBIT "C"

(SEE ATTACHED AGENCY POLICY FOR  
TERMINATION, MODIFICATION AND/OR RECAPTURE OF AGENCY BENEFITS)

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
POLICY FOR TERMINATION, MODIFICATION  
AND/OR RECAPTURE OF AGENCY BENEFITS**

The goal of this Policy is to establish and provide a procedure as required by Section 875 of the New York State General Municipal Law for the termination, modification and/or recapture of Broome County Industrial Development Agency (the "Agency") benefits provided to an applicant in order to induce such applicant to undertake a project in Broome County. For purposes of this policy, Agency benefits shall include any or all of the following:

- (i) exemptions from New York State and local sales and use tax;
- (ii) an exemption from the New York State mortgage recording tax; and/or
- (iii) an abatement from real property taxes provided through a payment-in-lieu-of-tax ("PILOT") Agreement.

The Agency reserves the right to terminate, modify, or recapture Agency benefits if :

- (i) an applicant or its sub-agency (if any) authorized to make purchases for the benefit of the project is not entitled to the sales and use tax exemption benefits;
- (ii) sales and use tax exemption benefits are in excess of the amounts authorized by the Agency to be taken by the applicant or its sub-agents;
- (iii) sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the project;
- (iv) the applicant has made material, false, or misleading statements in its application for financial assistance;
- (v) the applicant has committed a material violation of the terms and conditions of a Project Agreement; and/or
- (vi) there is a material shortfall in job creation and retention projections as set forth in its application.

Upon the occurrence of any of the above conditions, the Agency Board may, upon



recommendation of the Executive Director, terminate, modify and/or recapture the Agency benefits provided to a specific project. Prior to undertaking such action, the Agency shall give written notice of its intention to terminate, modify and/or recapture Agency benefits to the applicant specifying the reasons why the Agency is considering such action. The applicant shall have twenty (20) days to respond to the Agency, either in writing or in person, providing such information and documentation as it deems appropriate for the Board to consider prior to making its decision. All such recaptured Agency benefits shall be redistributed to the appropriately affected taxing jurisdictions unless agreed to otherwise by such jurisdictions.

Notwithstanding the foregoing, the Agency retains the right to terminate Agency benefits as otherwise provided in project transaction documents including, but not limited to, failure of the applicant to make timely PILOT payments, to provide required reports, or to cooperate with Agency personnel in providing data regarding project progress.