



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) 2. OCCUPANT (IF OTHER THAN IDA) (if more than one occupant attach separate listing)

Name Broome County Industrial Development Agency
 Street Broome County Office Building 44 Hawley Street
 City P.O. Box 1510 Binghamton, New York 13902
 Telephone no. Day (607) 778-1019
 Evening ()
 Contact Richard D'Attilio
 Title Executive Director

Name Maines Paper & Food Service, Inc.
 Street 101 Broome Corporate Parkway
 City P.O. Box 450 Conklin, New York 13748
 Telephone no. Day (607) 779-1316
 Evening ()
 Contact Richard Wilson
 Title _____

3. DESCRIPTION OF PARCEL

- a. Assessment roll description (tax map no./roll year) _____
- b. Street address 101 Broome Corporate Parkway
- c. City, Town or Village Conklin
- d. School District Susquehanna Valley
- e. County Broome
- f. Current assessment _____
- g. Deed to IDA (date recorded; liber and page) _____

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

- a. Brief description (include property use) 107,780+/- square foot metal building to be used as an office/cooler/warehouse facility.
- b. Type of construction Metal Building
- c. Square footage 107,780+/-
- d. Total cost \$13,000,000.00
- e. Date construction commenced _____
- f. Projected expiration of exemption (i.e. date when property is no longer possessed, controlled, supervised or under the jurisdiction of IDA) November 17, 2019

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 Pursuant to the attached PILOT Agreement: years 1 through 5 - 25% of the taxes that would otherwise be levied on the real property; years 6 through 10 - 50% of the taxes that would otherwise be levied on the real property; years 11 through 15 - 75% of the taxes that would otherwise be levied on the real property; and, thereafter, full taxes.
- b. Projected expiration date of agreement November 17, 2019

c. Municipal Corporations to which payments will be made

| | | |
|--------------------------------|-------------------------------------|--------------------------|
| | YES | NO |
| County <u>Broome</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Town/city <u>Conklin</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Village _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| Sch. dist. <u>Susq. Valley</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

d. Person or entity responsible for payment

Name Robert Fishbein

Title Chief Financial Officer

Address 101 Broome Corporate Parkway
P.O. Box 450
Conklin, New York 13748

Telephone _____

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

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 BCIDA Sale/Leaseback Transaction assessment roll year _____

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, RICHARD D'ATTILIO, Executive Director of Broome County Industrial Development Agency hereby certify that the information

Name Title
Organization

on this application and accompanying papers constitutes a true statement of facts.

November 18, 2004
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

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT (the "Agreement"), dated as of November 18, 2004, by and between MAINES PAPER & FOOD SERVICE, 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 101 Broome Corporate Parkway, P.O. Box 450, 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 44 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 Agency, which is empowered under the Act to undertake the providing, financing and leasing of the facility described below; and

WHEREAS, 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 Schedule "A" attached hereto (the "Land"), to facilitate the construction and equipping of an office/cooler/warehouse facility located at 101 Broome Corporate Parkway in the Town of Conklin, Broome County, New York (the Land and the improvements to be constructed thereon will hereinafter be collectively referred to as the "Facility"), and to lease the Facility from the Agency; and

WHEREAS, the Agency will lease the Facility to the Company for a term of 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 acquisition of the Facility, 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") (collectively, the "Taxing Authorities") while occupying the Facility 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 Land by the Agency and the filing of an Equalization and Assessment Form RP-412-a ("Exemption Form") with respect to the Facility, and for so long thereafter as the Agency shall own the Facility, the Facility shall be assessed by the various taxing entities having jurisdiction over the Facility, 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 of Title to the Land and the filing of the Exemption Form. The Parties hereto understand that the Facility 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 record owner of the Land and an Exemption Form is filed with all required Taxing Authorities ("Exemption Date"). The Company shall be required to pay all taxes and assessments lawfully levied and/or assessed against the Facility, including taxes and assessments levied for the current tax year and all subsequent years until the Facility 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 Facility, including the preparation and filing of the Exemption Form with all required Taxing Authorities.

2. During the period the Facility 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: for the period from year one (1) through year five (5), twenty-five percent (25%) of the taxes that would otherwise be levied on the real property described in Exhibit "A" attached hereto; for the period from year six (6) through year ten (10), fifty percent (50%) of the taxes that would otherwise be levied on the real property described in Exhibit "A" attached hereto; for the period from year eleven (11) through year fifteen (15), seventy-five percent (75%) of the taxes that would otherwise be levied on the real property described in Exhibit "A" attached hereto; and thereafter full taxes shall be paid on the assessed value of the real property described in Exhibit "A" attached hereto.

3. As long as this Agreement is in effect, the Agency and the Company agree that the Company shall be deemed to be the owner of the Facility for purposes of filing and instituting, and shall have the right to file and institute administrative and judicial review of assessments of the Facility pursuant to the provisions of Article 7 of the Real Property Tax Law or any other applicable law, as the same may be amended from time to time. However, the Parties hereto agree that no review of the assessments of the Facility, administrative or judicial, shall be permitted except in connection with a review of the assessments of the entire tax map parcel upon which the Facility is situated. In the event that the assessment of the Facility is reduced, by settlement or court determination, as a result of any such judicial review so that the Company would be entitled to receive a refund or refunds of taxes paid to the respective Taxing Authorities, if the Company was the owner of the Facility, the Company shall be entitled to

receive a refund or refunds of the payments in lieu of taxes paid pursuant to this Agreement, adjusted for the payment percentages set forth in the Schedule of Payments in Paragraph 2 above.

4. The Town, the County, and the School District shall separately bill the Company for each payment-in-lieu-of-tax 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 (i) use the Facility for other than office/cooler/warehouse or allied purposes such as defined in Article 18-A of the General Municipal Law, (ii) fail to retain substantially the number of jobs anticipated by the project, when such job reductions are not reflective of the Company's normal business cycle and/or local and national economic conditions or (iii) acquire title during the term of this Agreement to the leased Facility 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 Facility.

8. Pursuant to Section 858 (15) of the General Municipal Law, the Agency agrees to give each of the Taxing Authorities 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 Timely Payment required by this PILOT Agreement, 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 foreclosure of the Facility and departure of the Company from Broome County;
- B. Significant change in the use of the Facility 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
44 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:

Maines Paper & Food Service, Inc.
101 Broome Corporate Parkway
P.O. Box 450
Conklin, New York 13748
Attn: William R. Maines
Executive Vice President

Copy to: Lillian L. Levy, Esq.
Hinman, Howard & Kattell, LLP
700 Security Mutual Building
80 Exchange Street
P.O. Box 5250
Binghamton, New York 13902-5250

15. The Town, County, School District, Agency and the Company as used herein shall include their successors and assigns.

16. With respect to the premises described in Schedule "A", this Agreement shall supersede an earlier PILOT Agreement between the Company, the County, the School District and the Town dated June 1, 1997.

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

MAINES PAPER & FOOD SERVICE, INC.

By: 
Robert Fishbein, Chief Financial Officer

BROOME COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Richard D'Attilio, Executive Director

STATE OF NEW YORK :

: ss.:

COUNTY OF BROOME :

On this 18th day of November, 2004, before me, the undersigned, personally appeared ROBERT FISHBEIN, 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.

Lisa Tagliaferrri

Notary Public

LISA TAGLIAFERRI
Notary Public, State of New York
No. 01TA4950216
Residing in Broome County
My Commission Expires April 24, 20 07

STATE OF NEW YORK :

: ss.:

COUNTY OF BROOME :

On this 18th day of November, 2004, before me, the undersigned, personally appeared RICHARD D'ATTILIO, 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.

[Signature]

Notary Public

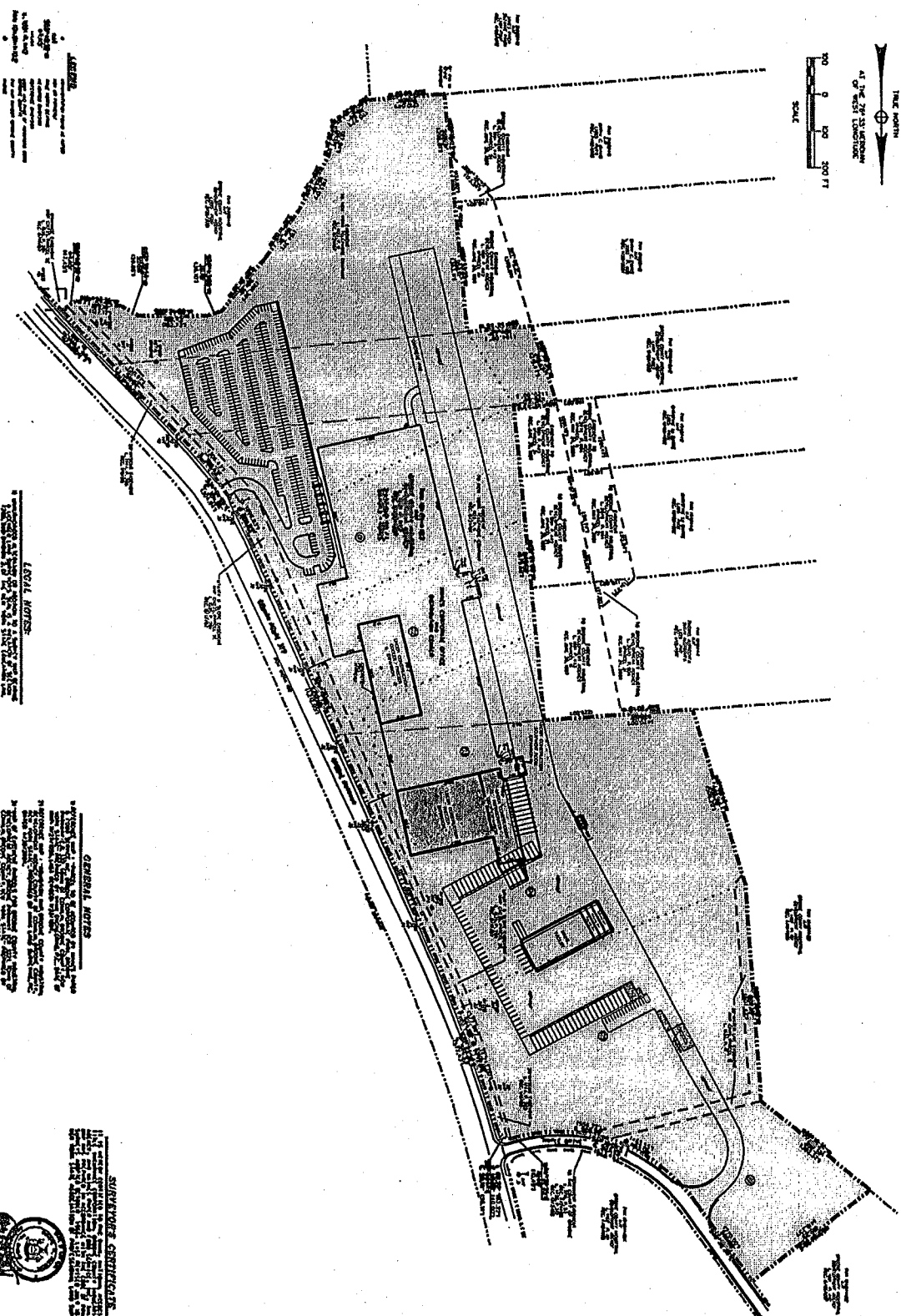
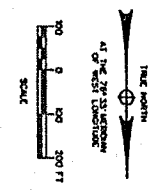
LILLIAN L. LEVY
Notary Public, State of New York
No. 02LE4802893
Residing in Broome County
My Commission Expires November 30 2005

SCHEDULE "A"

| REV. NO. | DATE | DESCRIPTION |
|----------|------|-------------|
| | | |
| | | |
| | | |

LEGEND

--- Proposed Right-of-Way
 --- Proposed Easement
 --- Proposed Roadway
 --- Proposed Utility
 --- Proposed Structure
 --- Proposed Landmark
 --- Proposed Boundary
 --- Proposed Survey Line
 --- Proposed Survey Point
 --- Proposed Survey Station
 --- Proposed Survey Monument
 --- Proposed Survey Marker
 --- Proposed Survey Control Point
 --- Proposed Survey Control Station
 --- Proposed Survey Control Monument
 --- Proposed Survey Control Marker
 --- Proposed Survey Control Point
 --- Proposed Survey Control Station
 --- Proposed Survey Control Monument
 --- Proposed Survey Control Marker



LEGAL NOTES

1. THIS PLAN IS A PRELIMINARY PLAN AND IS NOT TO BE USED FOR CONVEYANCE OF INTERESTS IN REAL ESTATE.

2. THE BOUNDARIES SHOWN ON THIS PLAN ARE BASED ON THE SURVEY DATA SUBMITTED TO THE TOWN ENGINEER.

3. THE TOWN ENGINEER HAS CONDUCTED A VISUAL INSPECTION OF THE SITE AND HAS FOUND THAT THE SURVEY DATA IS ACCURATE AND COMPLETE.

4. THE TOWN ENGINEER HAS CONDUCTED A VISUAL INSPECTION OF THE SITE AND HAS FOUND THAT THE SURVEY DATA IS ACCURATE AND COMPLETE.

5. THE TOWN ENGINEER HAS CONDUCTED A VISUAL INSPECTION OF THE SITE AND HAS FOUND THAT THE SURVEY DATA IS ACCURATE AND COMPLETE.

GENERAL NOTES

1. THE BOUNDARIES SHOWN ON THIS PLAN ARE BASED ON THE SURVEY DATA SUBMITTED TO THE TOWN ENGINEER.

2. THE TOWN ENGINEER HAS CONDUCTED A VISUAL INSPECTION OF THE SITE AND HAS FOUND THAT THE SURVEY DATA IS ACCURATE AND COMPLETE.

3. THE TOWN ENGINEER HAS CONDUCTED A VISUAL INSPECTION OF THE SITE AND HAS FOUND THAT THE SURVEY DATA IS ACCURATE AND COMPLETE.

4. THE TOWN ENGINEER HAS CONDUCTED A VISUAL INSPECTION OF THE SITE AND HAS FOUND THAT THE SURVEY DATA IS ACCURATE AND COMPLETE.

5. THE TOWN ENGINEER HAS CONDUCTED A VISUAL INSPECTION OF THE SITE AND HAS FOUND THAT THE SURVEY DATA IS ACCURATE AND COMPLETE.

SUPERVISOR CERTIFICATE

I, _____, SUPERVISOR OF THE TOWN OF CORNHILL, YORK COUNTY, VERMONT, DO HEREBY CERTIFY THAT THE ABOVE IS A TRUE AND CORRECT COPY OF THE ORIGINAL PLAN AS FILED IN MY OFFICE ON _____, 2004.

 SUPERVISOR

BOUNDARY MAP FOR
MAINES PAPER AND FOOD SERVICE, INC.
101 BROOME CORNHILL PARKWAY
TOWN OF CORNHILL, YORK COUNTY, VERMONT
OCTOBER 6, 2004

HAVN
 Land Surveying, PC

101 BROOME CORNHILL PARKWAY
 CORNHILL, VERMONT 05751
 TEL: 802-253-1234
 FAX: 802-253-1235
 WWW.HAVNSURVEYING.COM