

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT (the "Agreement"), dated as of October 2, 2015, by and between AMERICAN HORIZONS GROUP, 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 1550 Vestal Parkway East – Suite E, Vestal, New York 13850 (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, as amended by Chapter 402 of the 1987 Laws of the State of New York, constituting Section 895-A of said General Municipal Law (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 and lease-back transaction, on the real property more particularly described on Exhibit "A" attached hereto, to facilitate the financing of the construction, renovation, and equipping of a residential community located in the Village of Endicott, Town of Union, County of Broome and State of New York, more particularly described in Exhibit "A" to be used as a 55 and older residential rental community to be named "Skye View Heights" (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 twenty-three (23) 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 Project, the Company has agreed that, notwithstanding such exemption, the Company will nevertheless make payments to the Village of Endicott (the "Village"), the Town of Union (the "Town"), the Union-

Endicott 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 by lease of the Facility by the Agency and the filing of an Equalization and Assessment Form RP-412-a (and "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 of Title 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 the record owner 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 Village, the Town, the County and the School District, in lieu of real property taxes, the amounts set forth on Exhibit "B" attached hereto. Commencing with the twenty-fourth (24) 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 Project that would have been imposed but for the Agency's tax exemption.

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 55 and older residential rental community, 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 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 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 terminate this Agreement and recapture benefits provided through the abatement of real property taxes upon the following:

- (A) lease of a residential unit within the Project to a sole tenant less than fifty-five years of age or to a pair or group of tenants, none of whom are fifty-five years of age or older, and otherwise fail to maintain the Project in conformity with the requirements of the Housing for Older Persons Act of 1995;
- (B) change in the majority ownership of the Company and/or the use of the Project for other than a fifty-five years of age and older residential community without the prior consent of the Agency, which consent shall not be unreasonably withheld;
- (C) substantive change in the building schedule for the Project not related to, or caused by, weather conditions, the elements, or acts of God; and
- (D) substantive change in the employment figure set forth in the Company's application to the Agency for financial assistance;

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

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: American Horizons Group, LLC
1550 Vestal Parkway East, Suite E
Vestal, New York 13850

Attn: Monarco DiFrancesco, Member

Copy to: Gary W. Farneti, Esq.
Levene, Gouldin & Thompson, LLP
450 Plaza Drive
Vestal, New York 13850

15. The Village, the Town, County, School District, Agency and the Company as used

herein shall include their successors and assigns.

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

AMERICAN HORIZONS GROUP, LLC

By: 
Monarco DiFrancesco, Member

BROOME COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

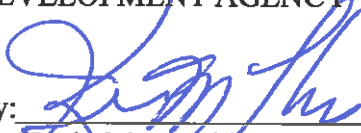
By: 
Kevin McLaughlin, Executive Director

EXHIBIT "A"

(SEE ATTACHED)

SCHEDULE "A"

"14.116+/- ACRE PARCEL"

ALL THAT TRACT OR PARCEL OF LAND SITUATE IN THE VILLAGE OF ENDICOTT, TOWN OF UNION, COUNTY OF BROOME AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

Beginning a point on the nominal northwesterly highway boundary of East Franklin Street (Village of Endicott-East Franklin Street), said point standing at the intersection of the nominal northwesterly highway boundary of East Franklin Street with the southwesterly highway boundary of Skye Island Drive; thence **S47°09'06"W** a distance of **32.42 feet** along the nominal northwesterly highway boundary of East Franklin Street to a point; thence **S40°32'06"W** a distance of **78.32 feet** continuing along the nominal northwesterly highway boundary of East Franklin Street to an iron rod; thence **S50°08'32"W** a distance of **233.03 feet** still along the nominal northwesterly highway boundary of East Franklin Street to an iron rod standing nominal easterly highway boundary of East Franklin Street; thence **N05°26'10"W** a distance of **19.97 feet** along the nominal easterly highway boundary of East Franklin Street to an iron rod standing on the nominal northwesterly highway boundary of East Franklin Street; thence **S49 15'48"W** a distance of **58.57 feet** along the nominal northwesterly highway boundary of East Franklin Street to an iron rod; thence **S31°27'36"W** a distance of **48.63 feet** continuing along the nominal northwesterly highway boundary of East Franklin Street to an iron rod; thence **S50°31'08"W** a distance of **349.06 feet** to an iron rod; thence **S59°59'12"W** a distance of **20.90 feet** still along the nominal northwesterly highway boundary of East Franklin Street to an iron rod standing on the easterly boundary of Maria Del Carmen Perdomo (Now or Formerly); thence **N05°00'48"W** a distance of **111.01 feet** along the easterly boundary of Maria Del Carmen Perdomo to an iron rod standing on the northerly boundary of Maria Del Carmen Perdomo; thence **S84°59'12"W** a distance of **30.00 feet** along the northerly boundary of Maria Del Carmen Perdomo to an iron rod standing on the easterly boundary of Maria Del Carmen Perdomo; thence **N05°00'48"W** a distance of **340.49 feet** along the easterly boundary of Maria Del Carmen Perdomo to an iron rod standing on the northerly boundary of Maria Del Carmen Perdomo; thence **S84°59'12"W** a distance of **85.00 feet** along the northerly boundary of Maria Del Carmen Perdomo to an iron rod standing on the easterly boundary of Donald J. White and Paula M. White (Now or Formerly); thence **N05°00'48"W** a distance of **41.89 feet** along the easterly boundary of Donald J. White and Paula M. White to an iron rod standing on the southerly boundary of Joseph G. Torma and JoAnn Torma (Now or Formerly);

thence **N84°59'12"E** a distance of **85.00 feet** along the southerly boundary of Joseph G. Torma and JoAnn Torma to an iron rod standing on the easterly boundary of Joseph G. Torma and JoAnn Torma; thence **N05°00'48"W** a distance of **614.21 feet** along the easterly boundary of Joseph G. Torma and JoAnn Torma, the easterly highway boundary of Groats Street, the easterly boundary of Terry P. Hogan and Jill Marie Hogan (Now or Formerly), the easterly boundary of Joanne Charpinsky (Now or Formerly), the easterly highway boundary of Overton Street and then along the easterly boundary of Carol G. Battaglini (Now or Formerly) to an iron rod standing on the southerly boundary of David M. Grasso, Thomas Morris and Jayne Maliwacki (Now or Formerly); thence **N85°39'12"E** a distance of **619.74 feet** along the southerly boundary of David M. Grasso, Thomas Morris and Jayne Maliwacki to a point standing on the easterly boundary of David M. Grasso, Thomas Morris and Jayne Maliwacki; thence **N05°32'48"W** a distance of **47.59 feet** along the easterly boundary of David M. Grasso, Thomas Morris and Jayne Maliwacki to a point standing on the southerly boundary of Joseph R. Gennett and Domenica Gennett (Now or Formerly); thence **N85° 22'06"E** a distance of **191.46 feet** along the southerly boundary of Joseph R. Gennett and Domenica Gennett and then along the southerly boundary of the lands of the New York State Electric & Gas Corporation (Now or Formerly) to an iron rod standing on the northwesterly highway boundary of Skye Island Drive and on a curve to the right; thence southwesterly a distance of **127.94 feet** along said aforementioned curve to the right and along the northwesterly highway boundary of Skye Island Drive with a radius of **470.00 feet**, a delta angle of **15°35'47"** and a chord bearing and a distance of **S19°59'48"W 127.54 feet** to a point standing on a curve to the left; thence southerly a distance of **401.25 feet** along said aforementioned curve to the left and continuing along the northwesterly highway boundary of Skye Island Drive and then along the westerly highway boundary of Skye Island Drive with a radius of **730.00 feet**, a delta angle of **31°29'35"** and a chord bearing and a distance of **S12° 02'54"W 396.22 feet** to a point; thence **S03°41'54"E** a distance of **89.13 feet** continuing along the westerly highway boundary of Skye Island Drive to a point standing on a curve to the left; thence southeasterly a distance of **66.63 feet** along said aforementioned curve to the left and still along the westerly highway boundary of Skye Island Drive and then along the southwesterly highway boundary of Skye Island Drive with a radius of **96.00 feet**, a delta angle of **39°46'01"** and a chord bearing and a distance of **S23°34'54"E 65.30 feet** to a point; thence **S43°27'54"E** a distance of **43.10 feet** continuing along the southwesterly highway boundary of Skye Island Drive to the point and place of beginning.

The above described parcel containing **14.116 acres (614,915.8 sq.ft.)** of land, more or less.

Subject to any easements, covenants or restrictions of record.

EXHIBIT "B"

**PILOT SCHEDULE
AMERICAN HORIZONS GROUP, LLC**

Year	Pilot Payment	Village	Town	County	School
		31.04%	3.40%	13.68%	51.88%
2016	\$ 11,803.74	\$ -	\$ -	\$ -	\$ 11,804.00
2017	\$ 23,207.00	\$ 7,203.45	\$ 789.04	\$ 3,174.72	\$ 12,039.79
2018	\$ 147,654.00	\$ 45,831.80	\$ 5,020.24	\$ 20,199.07	\$ 76,602.90
2019	\$ 158,138.00	\$ 49,086.04	\$ 5,376.69	\$ 21,633.28	\$ 82,041.99
2020	\$ 168,982.00	\$ 52,452.01	\$ 5,745.39	\$ 23,116.74	\$ 87,667.86
2021	\$ 180,196.00	\$ 55,932.84	\$ 6,126.66	\$ 24,650.81	\$ 93,485.68
2022	\$ 191,791.00	\$ 59,531.93	\$ 6,520.89	\$ 26,237.01	\$ 99,501.17
2023	\$ 203,778.00	\$ 63,252.69	\$ 6,928.45	\$ 27,876.83	\$ 105,720.03
2024	\$ 216,168.00	\$ 67,098.55	\$ 7,349.71	\$ 29,571.78	\$ 112,147.96
2025	\$ 228,971.00	\$ 71,072.60	\$ 7,785.01	\$ 31,323.23	\$ 118,790.15
2026	\$ 242,201.00	\$ 75,179.19	\$ 8,234.83	\$ 33,133.10	\$ 125,653.88
2027	\$ 255,868.00	\$ 79,421.43	\$ 8,699.51	\$ 35,002.74	\$ 132,744.32
2028	\$ 269,985.00	\$ 83,803.34	\$ 9,179.49	\$ 36,933.95	\$ 140,068.22
2029	\$ 284,564.00	\$ 88,328.67	\$ 9,675.18	\$ 38,928.36	\$ 147,631.80
2030	\$ 299,618.00	\$ 93,001.43	\$ 10,187.01	\$ 40,987.74	\$ 155,441.82
2031	\$ 315,161.00	\$ 97,825.97	\$ 10,715.47	\$ 43,114.02	\$ 163,505.53
2032	\$ 331,206.00	\$ 102,806.34	\$ 11,261.00	\$ 45,308.98	\$ 171,829.67
2033	\$ 347,766.00	\$ 107,946.57	\$ 11,824.04	\$ 47,574.39	\$ 180,421.00
2034	\$ 364,856.00	\$ 113,251.30	\$ 12,405.10	\$ 49,912.30	\$ 189,287.29
2035	\$ 382,491.00	\$ 118,725.21	\$ 13,004.69	\$ 52,324.77	\$ 198,436.33
2036	\$ 400,685.00	\$ 124,372.62	\$ 13,623.29	\$ 54,813.71	\$ 207,875.38
2037	\$ 419,454.00	\$ 130,198.52	\$ 14,261.44	\$ 57,381.31	\$ 217,612.74
2038	\$ 438,813.00	\$ 130,198.52	\$ 14,919.64	\$ 60,029.62	\$ 227,656.18
TOTAL	\$ 5,883,356.74	\$ 1,816,521.33	\$ 199,632.84	\$ 803,228.59	\$ 3,057,966.22