PAYMENT IN LIEU OF TAX AGREEMENT

THIS AGREEMENT is made by and between CITY CENTRE ASSOCIATES, LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having offices at 300 Plaza Drive, Vestal, New York 13850, (the "Company"), and the TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, having its offices at 401 East State Street, Suite 402B, Ithaca, New York 14850 (the "Agency").

W I T N E S S E T H :

WHEREAS, the Agency was created pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York as amended by Chapter 535 of the Laws of 1971, of the State of New York (collectively, the "Act"), as a body corporate of the State of New York; and

WHEREAS, the Agency has been asked to participate in the project whereby it will accept a leasehold interest in a facility ("the Facility") to be constructed by the Company pursuant to a Lease Agreement; and

WHEREAS, the premises and the buildings thereon will be exempt from city, county and school real estate taxes pursuant to the laws of the State of New York; and

WHEREAS, the Company, however, has agreed to pay sums of money in lieu of real property taxes;

NOW THEREFORE, in consideration of $1.00 each to the other in hand paid and receipt of which is hereby acknowledged, and other good and valuable consideration, the parties agree as follows:

(1) (a) 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 exemption from special assessments and special *ad valorem* levies, service charges and improvement district charges or similar tax equivalents. Pursuant to the Lease and Leaseback Agreements described herein, the Company is required to pay all special assessments and special *ad valorem* levies, service charges and improvement district charges or similar tax equivalents lawfully levied and/or assessed against the Facility.

(1) (b) It is agreed and understood by the parties that a leasehold interest in the total 0.76-acre premises owned by the Company at 301 East State Street in the City of Ithaca, Tompkins County, New York (currently designated as City of Ithaca tax parcel number 69.-4-1), upon which an eight-story, approximately 218,211-square-foot mixed-use building is to be constructed, has been conveyed to the Agency.

As long as the Land and improvements thereon are leased to the Agency and, therefore, exempt from general real property taxation, the Company agrees to pay annually to such Taxing Jurisdictions, i.e., the City of Ithaca, the County of Tompkins, and the Ithaca City School District (or cause any mortgagee to release any escrow for payments hereunder annually to such Taxing Jurisdiction), as a payment in lieu of general real property taxes respecting such premises:

(i) an amount equal to 100% of the real property taxes which would be due for said premises but for the leasehold interest of the Agency (but without reference to, or utilization of, Section 485-b of the Real

Property Tax Law of the State of New York) based on the valuation as set by the Tompkins County Department of Assessment as of the 2017 Final Assessment Roll; and

(ii) with respect to the portion of the assessed value of said premises attributable to the Project thereon, the following percentages of the general real property taxes which would be due in respect of the premises (i.e., the difference between the assessed value of the premises on the 2017 Final Assessment Roll and the assessed value for each year of exemption) but for the leasehold interest of the Agency (but without any reference to, or utilization of, Section 485-b of the Real Property Tax law of the State of New York), based on a then-current assessment of such improvements:

YEAR OF EXEMPTION	TAXES	TAXING JURISDICTIONS PAYMENT IN LIEU OF TAX FOR ASSESSED VALUE OF IMPROVEMENTS
1	2019-20 School; 2020 City & County	0%
2	2020-21 School; 2021 City & County	0%
3	2021-22 School; 2022 City & County	0%
4	2022-23 School; 2023 City & County	10%
5	2023-24 School; 2024 City & County	10%
6	2024-25 School; 2025 City & County	10%
7	2025-26 School; 2026 City & County	30%
8	2026-27 School; 2027 City & County	50%
9	2027-28 School; 2028 City & County	70%
10	2028-29 School; 2029 City & County	90%
11	and thereafter	100% (no abatement; full taxes paid)

(it being understood and agreed that from the date hereof until March 1, 2019, the Company shall be obligated to pay or cause to be paid annually to the Taxing Jurisdictions normal real property taxes on the full assessed value of the total land portion and the then-existing improvements on the subject premises).

In addition, the Company agrees to pay on the date of execution and delivery by the Agency of any mortgage on the Facility, as a payment in lieu of mortgage recording tax which would be due in respect of such mortgage on the Facility but for the leasehold interest of the Agency, a total amount of 3/4 of 1% of the maximum amount secured by any such mortgage, except such amount as reflects repayment of prior indebtedness, to the County of Tompkins and the City of Ithaca, with said amount allocated between them as follows: County of Tompkins: 1/4 of 1%; City of Ithaca: 1/2 of 1%.

(2) (a) Special district charges, special assessments, and special *ad valorem* levies, unless otherwise exempt, and all water and sewer charges, if any, are to be paid in full in accordance with normal billing practices.

(2) (b) The Company shall pay to the Taxing Jurisdictions, at the times real estate taxes are due and prior to incurrence of any penalty, the amounts set forth in paragraph 1(b).

(2) (c) If the Company shall fail to make any payment required by this Agreement when due, its obligation to make the payment so in default shall continue as an obligation of the Company until such payment in default shall have been made in full, and the Company shall pay the same together with interest,

penalties, fees and costs thereon, to the extent permitted by law, at the same rate per annum as if such amounts were delinquent taxes, until so paid in full.

(3) In the event that the Facility is transferred from the Agency to the Company, and the Company is ineligible for a continued tax exemption under some other tax incentive program, or the exemption is less than that described in paragraph 1(b) herein, the Company agrees to pay no later than the next tax lien date (plus any applicable grace period) to the Taxing Jurisdictions an amount which would have been levied on the Facility if the Facility had been classified as fully taxable, *pro rata* for the unexpired portion of the year of transfer.

The Company agrees that in the event the Facility covered by this Agreement is sold, the purchaser will be required by the Company to continue to make payments in lieu of taxes according to the terms of this Agreement until the property being sold has been returned to the taxable assessment rolls and until payment of property taxes becomes due according to the Real Property Tax Law of the State of New York. Any amounts paid in lieu of taxes will be eligible for proration up to the time of payments of property taxes.

The intent of this paragraph is to ensure that the current and future owners are at all times paying either the payment in lieu of taxes or real estate taxes as assessed from time to time on the property conveyed. There shall be no duplication of payments in any year.

(4) The Company shall have all of the rights and remedies of a taxpayer with respect to any tax, service charge, special benefit, *ad valorem* levy, assessment, or special assessment or service charge in lieu of which the Company is obligated to make a payment pursuant to this Agreement, as if and to the same extent as if the Company were the sole owner of the Facility.

(5) Following the expiration of the term of the Leaseback Agreement executed concurrently herewith, and the conveyance of its interest in the Facility to the Company by the Agency, the Company shall thereafter pay 100% of all such taxes which would be due but for the Agency's leasehold interest in the Facility based on the then-current assessment.

(6) While the Agency holds a leasehold interest in the Facility, to the extent permitted by law, the Company or any tenant of the Facility shall have all of the rights and remedies of a taxpayer as if and to the same extent as if the Company or any tenant of the Facility were the owner of the Facility with respect to any proposed assessment or change in assessment with respect to the Facility by any of the Taxing Jurisdictions and likewise shall be entitled to protest before and be heard by the appropriate assessors or Board of Assessment Review, and shall be entitled to take any and all appropriate appeals or initiate any proceedings to review the validity or amount of any assessment or the validity or the amount of any tax equivalent provided for herein. The Agency agrees to sign any papers, petitions, notices or other documents to permit the Company or any tenant of the Facility to contest assessments of the Project Facility and to otherwise cooperate, at the Company's or tenant's cost, with efforts of the Company or tenant to contest assessments of the Project Facility.

(7) To the extent the Facility is declared to be subject to general real property taxation by an amendment to the Act, other legislative change, or by final judgment of a Court of competent jurisdiction, the obligations of the Company hereunder shall, to such extent be null and void.

(8) If payments are not made as provided for herein, the Agency and/or the Taxing Jurisdictions, collectively, shall be entitled to pursue any and all remedies afforded a municipal taxing entity at law or in equity.

(9) The rights and obligations of the Company hereunder may not be assigned, transferred or assumed without the prior written consent of the Agency which consent shall not be unreasonably withheld or delayed.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the 11th day of October, 2017.

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Heather D. McDaniel
Administrative Director

CITY CENTRE ASSOCIATES, LLC
by: Newman Morgan Ithaca, LLC, Member
by: Newman Development Group of Ithaca, LLC, Member

By: _____
Name: Marc Newman
Title: Member

STATE OF NEW YORK)
COUNTY OF TOMPKINS) ss.:

On the 11th day of October, in the year 2017, before me, the undersigned, a Notary Public in and for said State, personally appeared HEATHER D. McDANIEL, 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 on behalf of whom the individual acted, executed the instrument.

_____
Notary Public

MARIETTE GELDENHUYS
NOTARY PUBLIC-STATE OF NEW YORK
No. 02GE4947128
Qualified in Tompkins County
My Commission Expires February 13, 2019

STATE OF NEW YORK)
COUNTY OF TOMPKINS) ss.:

On the 11th day of October, in the year 2017, before me, the undersigned, a Notary Public in and for said State, personally appeared MARC NEWMAN, 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 whom the individual acted, executed the instrument.

_____
Notary Public

HOWARD M. RITTBERG
Notary Public, State of New York
No. 4623413
Residing in Broome County
My Commission Expires Aug. 31, 2021