

PAYMENT IN LIEU OF TAX AGREEMENT

THIS PAYMENT IN LIEU OF TAXATION AGREEMENT ("PILOT Agreement"), made as of the 1st day of July, 2015, by and between the COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, having its principal offices at One Cablevision Center, Ferndale, New York 12734 (the "Agency"), ROCK MEADOW PARTNERS, LLC ("Rock Meadow") together with its affiliates, GREAT PINE, LLC ("Great Pine"), NARO BUILDING, LLC ("Naro Building") and INDIAN FIELDS, LLC ("Indian Fields" together with Rock Meadow, Great Pine and NARO Building are collectively referred to as "Company") each a Delaware limited liability company, with a mailing address of 30 Essex Place, Bronxville, New York 10708.

RECITALS

WHEREAS, Title 1 of Article 18-A of the General Municipal Law of the State of New York ("Enabling Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York ("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, including, but not limited to, machinery and equipment 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, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve its standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease any or all of its facilities at such rentals and on such other terms and conditions as it deems advisable; and

WHEREAS, the Agency was created pursuant to and in connection with the provisions of the Enabling Act, Chapter 560 of the Laws of 1970 of the State (collectively, referred to as the "Act") and is empowered under the Act to undertake the providing, financing and leasing of the facility described below; and

WHEREAS, the Company has presented an application to the Agency ("Application"), a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project consisting of (i) the acquisition, construction, renovation, installation and equipping of existing buildings (collectively, the "Initial Phase") situate on two (2) parcels of real estate consisting of approximately 2.78 acres located at 23 Erie Avenue and 7 Erie Avenue, Town of Tusten ("Town"), County of Sullivan ("County"), State and identified on the Town's tax map as Section 10, Block 3 and Lots 19 and 1 ("Initial Phase Land"); (ii) the construction and equipping of the Initial Phase; (iii) the acquisition, construction and installation thereon and therein of certain furniture, fixtures, machinery, equipment and tools ("Initial Phase Equipment"); (iv) the

construction of improvements to the Initial Phase, the Initial Phase Land and the Initial Phase Equipment (collectively, the Initial Phase, the Initial Phase Land and the Initial Phase Equipment are referred to as the "Initial Phase Project"); and (v) leasing of the Initial Phase Project from the Agency to the Company; and

WHEREAS, the Application, as amended, also requests that the Agency undertake a long term project consisting of (i) the acquisition and future development of four (4) parcels of real estate consisting of approximately 16.03 acres located along Kirk Road, 6483 Route 97, West of Route 97 and North of Route 24 in the Town, County, State and identified on the Town Tax map as Section 10, Block 2, Lots 5.1, 17, 18 and 11 ("Future Phase Land" and together with Initial Phase Land collectively, the "Land"); (ii) the demolition of structures on the Future Phase Land; (iii) the construction, reconstruction, renovation and/or repair of sewer, water, storm sewer, utilities, roads and other infrastructure to ready the Future Phase Land for development ("Infrastructure Improvements"); (iv) the acquisition and installation in and around the Infrastructure Improvements of certain items of equipment and other tangible personal property (collectively, the Future Phase Land and future development of the Future Phase Land are referred to as the "Future Phases" and together with the Initial Phase, the "Project"); and

WHEREAS, by Resolutions, dated June 8, 2015 and June 30, 2015 (collectively, the "Resolutions"), the Agency authorized the Company to act as its agent relating to the Project; and

WHEREAS, in order to induce the Company to develop the Project, the Agency is willing to take title to the Land, improvements and personal property constituting the Project and lease said land, improvements and personal property back to the Company pursuant to the terms and conditions of that certain Lease Agreement of even date herewith by and among the Company and the Agency ("Lease Agreement"); and

WHEREAS, pursuant to Section 874(1) of the Act, the Agency is exempt from the payment of taxes imposed upon real property and improvements owned by it or under its jurisdiction, control or supervision, other than special ad valorem levies, special assessments and service charges against real property which are or may be imposed for special improvements or special district improvements; and

WHEREAS, the Agency and the Company deem it necessary and proper to execute and deliver this PILOT Agreement making provision for payments in lieu of taxes by the Company for the benefit of the County, Town and the Sullivan West School District ("School") (collectively, the County, the Town and the School are referred to as the "Taxing Jurisdictions"); and

WHEREAS, all agreements of the Agency and the Company relating to payments in lieu of taxes shall be governed by this PILOT Agreement.

NOW THEREFORE, in consideration of the foregoing recitals and the mutual terms, conditions, limitations and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is mutually agreed as follows:

ARTICLE I
PAYMENT IN LIEU OF AD VALOREM TAXES

- 1.1 Exemption From General Ad Valorem Property Taxes. Subject to the completion and filing by March 1, 2016 ("Taxable Status Date") of the New York State Form RP-412-a Application For Real Property Tax Exemption ("Exemption Application") under Section 412-a of the New York State Real Property Tax Law and Section 874 of the Act to the extent of the Land presently owned by the School, the Project is currently exempt from real estate taxes with such exemptions continuing to include real estate taxes for the July 1, 2015 School year and the January 1, 2016 County and Town tax year and to the extent of the Land not presently owned by the School, the Project shall be exempt from real estate taxes commencing with the July 1, 2016 School year and the January 1, 2017 County and Town tax year. For the purposes of the foregoing, "Real Estate Taxes" shall mean all general ad valorem real property taxes levied against the Project by the Taxing Jurisdictions (as hereinafter defined). The Company shall provide the Agency the information necessary for the completion and filing of the Exemption Application, and the Agency shall file the Exemption Application within thirty (30) days of the execution and delivery of this PILOT Agreement. Notwithstanding anything contained herein or in the Lease Agreement to the contrary, in the event the exemption from Real Estate Taxes is denied for any reason, the Company shall pay (and hereby agrees to pay, subject to the Company's right to challenge the underlying assessments on the Project pursuant to ¶5 hereof) all Real Estate Taxes levied upon the Project as they become due. After giving written notice to the Agency, the Company may in good faith contest the denial of the Exemption Application, provided that (i) the Project continues to qualify as a "project" under the Act; (ii) neither the Project nor any part of or interest in it would be in any danger of being sold, forfeited or lost; or (iii) neither the Company nor the Agency, as a result of such contest, shall be in any danger of any civil or criminal liability. The Company hereby waives any claim or cause of action against the Agency, and releases the Agency from any liability to the Company, arising from the denial of an exemption from Real Estate Taxes, except to the extent that such denial results solely from the failure of the Agency to timely file the Exemption Application with the appropriate assessors or Boards of Assessment Review by the Taxable Status Date.
- 1.2 Agreement to make payments in lieu of taxes. As long as the Project is owned by the Agency, the Company agrees to pay to the Agency at One Cablevision Center, Ferndale, New York 12734, or at such other address as shall be designated from time to time by the Agency, annual payments in lieu of taxes (each, a "PILOT Payment") computed in accordance with this PILOT Agreement.

the correct SBLs are 10.-3-1 and
10.-3-19

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| Tax Map Parcels 10-1-3 and 10-1-19 |
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1.3. Computation of PILOT Payments. The PILOT Payment shall be made in the amount:

1.3.1 With respect to the parcels identified on the Town tax map as 10-3-1 and 10-3-19, annual PILOT Payments shall be made in the following amounts:

(a) Years 1 – 3.

(i) For the year 2016, Town tax map parcel 10-3-19 is not exempt from real estate taxes. Accordingly, the owners shall pay real estate taxes directly to the Taxing Jurisdictions.

(ii) Tax lot 10-3-1 will be 100% exempt from ad valorem tax liens for the year 2016. Accordingly, there shall be no annual PILOT Payments due for this period.

(iii) Determination of TVSP. For the years 2017 through and including 2018, the total value subject to PILOT (“TVSP”) shall be \$172,000.00.

(iv) Calculation of Annual PILOT Payment in Lieu of Tax. The calculation of the annual PILOT Payments for years 2 and 3 shall be made, as follows:

(A) The TVSP shall be multiplied by the equalization rate as defined in ¶1.3.1(d) hereof; and

(B) The annual PILOT Payment shall be determined by multiplying the amount derived in ¶1.3(a)(iv)(A) hereof by the tax rates identified in ¶1.3.1(e) hereof.

(b) Years 4 - 14.

(i) Determination of TVSP. For the PILOT years 2019 - 2029, the TVSP shall be the following amounts for the following years:

| <u>Year</u> | <u>Payment Date</u> | <u>TVSP</u> |
|-------------|---------------------|---|
| 4 | February 1, 2019 | {[Assessed Value – (\$172,000 x Eq rate)] x 8.33%} + (\$172,000 x Eq rate) |
| 5 | February 1, 2020 | {[Assessed Value – (\$172,000 x Eq rate)] x 16.67%} + (\$172,000 x Eq rate) |
| 6 | February 1, 2021 | {[Assessed Value – (\$172,000 x Eq rate)] x 25.00%} + (\$172,000 x Eq rate) |
| 7 | February 1, 2022 | {[Assessed Value – (\$172,000 x Eq rate)] x 33.33%} + (\$172,000 x Eq rate) |
| 8 | February 1, 2023 | {[Assessed Value – (\$172,000 x Eq rate)] x 41.67%} + (\$172,000 x Eq rate) |
| 9 | February 1, 2024 | {[Assessed Value – (\$172,000 x Eq rate)] x 50.00%} + (\$172,000 x Eq rate) |
| 10 | February 1, 2025 | {[Assessed Value – (\$172,000 x Eq rate)] x 58.33%} + (\$172,000 x Eq rate) |
| 11 | February 1, 2026 | {[Assessed Value – (\$172,000 x Eq rate)] x 66.67%} + (\$172,000 x Eq rate) |
| 12 | February 1, 2027 | {[Assessed Value – (\$172,000 x Eq rate)] x 75.00%} + (\$172,000 x Eq rate) |
| 13 | February 1, 2028 | {[Assessed Value – (\$172,000 x Eq rate)] x 83.33%} + (\$172,000 x Eq rate) |
| 14 | February 1, 2029 | {[Assessed Value – (\$172,000 x Eq rate)] x 91.67%} + (\$172,000 x Eq rate) |

The Assessed Value shall be that value determined by the Town Assessor, and set on the final tax roll of the Town filed on or about the July 1 immediately preceding each Payment Date.

(ii) Calculation of Annual PILOT Payment in Lieu of Tax. The calculation of the annual PILOT Payments for years 4 – 14 shall be made, as follows:

(A) The TVSP shall be multiplied by the equalization rate as defined in ¶1.3.1(d) hereof; and

(B) The annual PILOT Payment shall be determined by multiplying the amount derived in ¶1.3.2(b)(ii)(A) hereof by the tax rates identified in ¶1.3.1(e) hereof.

(c) Reconveyance to Company. Pursuant to the Lease Agreement by and between the Agency and the Company of even date herewith, the Agency shall convey the title to Town tax map parcels 10-3-1- and 10-3-19 to the Company prior to the March 1, 2029 taxable status date.

(d) Equalization Rate. The equalization rate to be used in making the computation contemplated by ¶1.3.1(a)(iv)(A), ¶1.3.1(b)(ii)(A), ¶1.3.2(b)(ii)(A) and ¶1.3.3(b)(i) hereof shall mean the equalization rate for the Town used by the County to allocate and levy County taxes in connection with the January 1st tax roll immediately preceding the due date of the PILOT Payment. In the event that the equalization rate shall exceed one hundred (100%) percent, the equalization rate used in making the computation contemplated by ¶1.3.1(a)(vi)(A), ¶1.3.1(b)(ii)(A), ¶1.3.2(b)(ii)(A) and ¶1.3.3(b)(i) shall be one hundred (100%) percent.

(e) Tax Rates. For the purposes of determining the amount of the PILOT Payments as contemplated by ¶1.3.1(a)(iv)(B), ¶1.3.1(b)(ii)(B), ¶1.3.2(b)(ii)(B) and ¶1.3.3(b)(ii) hereof, the tax rates for each Taxing Jurisdiction shall mean the last tax rate used before the Taxable Status Date

for levy of taxes by each such jurisdiction. For County and Town purposes, the tax rates used to determine the PILOT Payment shall be the tax rates relating to the calendar year which includes the PILOT Payment due date. For school tax purposes, the tax rates used to determine the PILOT Payment shall be the rate relating to the school tax year which began in the calendar year immediately preceding the year in which the PILOT Payment is due.

Tax Map Parcel 10-2-5.1

1.3.2 With respect to the parcel identified on the Town tax map as 10–2–5.1, the annual PILOT Payments shall be made in the following amounts:

- (a) Years 1 - 3. The subject parcel shall be 100% exempt from ad valorem tax levies for the years 2016 through and including 2018. Accordingly there shall be no annual PILOT Payments due for this period.
- (b) Years 4 - 14.
 - (i) Determination of TVSP. For the years 2019 through and including 2029, the TVSP shall be the following amounts for the following years:

| <u>Year</u> | <u>Payment Date</u> | <u>TVSP</u> |
|-------------|---------------------|---|
| 4 | February 1, 2019 | {[Assessed Value – (\$51,000 x Eq rate)] x 8.33%} + (\$51,000 x Eq rate) |
| 5 | February 1, 2020 | {[Assessed Value – (\$51,000 x Eq rate)] x 16.67%} + (\$51,000 x Eq rate) |
| 6 | February 1, 2021 | {[Assessed Value – (\$51,000 x Eq rate)] x 25.00%} + (\$51,000 x Eq rate) |
| 7 | February 1, 2022 | {[Assessed Value – (\$51,000 x Eq rate)] x 33.33%} + (\$51,000 x Eq rate) |
| 8 | February 1, 2023 | {[Assessed Value – (\$51,000 x Eq rate)] x 41.67%} + (\$51,000 x Eq rate) |
| 9 | February 1, 2024 | {[Assessed Value – (\$51,000 x Eq rate)] x 50.00%} + (\$51,000 x Eq rate) |
| 10 | February 1, 2025 | {[Assessed Value – (\$51,000 x Eq rate)] x 58.33%} + (\$51,000 x Eq rate) |
| 11 | February 1, 2026 | {[Assessed Value – (\$51,000 x Eq rate)] x 66.67%} + (\$51,000 x Eq rate) |
| 12 | February 1, 2027 | {[Assessed Value – (\$51,000 x Eq rate)] x 75.00%} + (\$51,000 x Eq rate) |
| 13 | February 1, 2028 | {[Assessed Value – (\$51,000 x Eq rate)] x 83.33%} + (\$51,000 x Eq rate) |
| 14 | February 1, 2029 | {[Assessed Value – (\$51,000 x Eq rate)] x 91.67%} + (\$51,000 x Eq rate) |

(ii) Calculation of Annual PILOT Payment in Lieu of Tax. The calculation of the annual PILOT Payments for years 4-14 shall be made, as follows:

- (A) The TVSP shall be multiplied by the equalization rate as defined in ¶1.3.1(d) hereof; and
 - (B) The annual PILOT Payment shall be determined by multiplying the amount derived in ¶1.3.2(b)(ii)(A) hereof by the tax rates identified in ¶1.3.1(e) hereof.
- (c) Reconveyance to Company. Pursuant to the Lease Agreement by and between the Agency and the Company of even date herewith, the Agency shall convey the title to Town tax map parcel 10-2-5.1 to the Company prior

to the March 1, 2029 taxable status date.

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| Town Tax Map Parcels 10-2-17, 10-2-18 and 10-2-11 |
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1.3.3 With respect to the parcel identified on the Town tax map as 10-2-17, 10-2-18 and 10-2-11, annual PILOT Payments shall be made in the following amounts:

(a) Determination of TVSP. TVSP shall be the following amounts for the following years:

| Year | Payment Date | |
|------|------------------|--|
| 1 | February 1, 2016 | Property Not Exempt from Tax |
| 2 | February 1, 2017 | {[Assessed Value - (\$68,000 x Eq Rate)] x 50.0%} + (\$68,000 x Eq Rate) |
| 3 | February 1, 2018 | {[Assessed Value - (\$68,000 x Eq Rate)] x 52.5%} + (\$68,000 x Eq Rate) |
| 4 | February 1, 2019 | {[Assessed Value - (\$68,000 x Eq Rate)] x 55.0%} + (\$68,000 x Eq Rate) |
| 5 | February 1, 2020 | {[Assessed Value - (\$68,000 x Eq Rate)] x 57.5%} + (\$68,000 x Eq Rate) |
| 6 | February 1, 2021 | {[Assessed Value - (\$68,000 x Eq Rate)] x 60.0%} + (\$68,000 x Eq Rate) |
| 7 | February 1, 2022 | {[Assessed Value - (\$68,000 x Eq Rate)] x 62.5%} + (\$68,000 x Eq Rate) |
| 8 | February 1, 2023 | {[Assessed Value - (\$68,000 x Eq Rate)] x 65.0%} + (\$68,000 x Eq Rate) |
| 9 | February 1, 2024 | {[Assessed Value - (\$68,000 x Eq Rate)] x 67.5%} + (\$68,000 x Eq Rate) |
| 10 | February 1, 2025 | {[Assessed Value - (\$68,000 x Eq Rate)] x 70.0%} + (\$68,000 x Eq Rate) |
| 11 | February 1, 2026 | {[Assessed Value - (\$68,000 x Eq Rate)] x 72.5%} + (\$68,000 x Eq Rate) |
| 12 | February 1, 2027 | {[Assessed Value - (\$68,000 x Eq Rate)] x 75.0%} + (\$68,000 x Eq Rate) |
| 13 | February 1, 2028 | {[Assessed Value - (\$68,000 x Eq Rate)] x 77.5%} + (\$68,000 x Eq Rate) |
| 14 | February 1, 2029 | {[Assessed Value - (\$68,000 x Eq Rate)] x 80.0%} + (\$68,000 x Eq Rate) |
| 15 | February 1, 2030 | {[Assessed Value - (\$68,000 x Eq Rate)] x 82.5%} + (\$68,000 x Eq Rate) |
| 16 | February 1, 2031 | {[Assessed Value - (\$68,000 x Eq Rate)] x 85.0%} + (\$68,000 x Eq Rate) |
| 17 | February 1, 2032 | {[Assessed Value - (\$68,000 x Eq Rate)] x 87.5%} + (\$68,000 x Eq Rate) |
| 18 | February 1, 2033 | {[Assessed Value - (\$68,000 x Eq Rate)] x 90.0%} + (\$68,000 x Eq Rate) |
| 19 | February 1, 2034 | {[Assessed Value - (\$68,000 x Eq Rate)] x 92.5%} + (\$68,000 x Eq Rate) |
| 20 | February 1, 2035 | {[Assessed Value - (\$68,000 x Eq Rate)] x 95.0%} + (\$68,000 x Eq Rate) |
| 21 | February 1, 2036 | {[Assessed Value - (\$68,000 x Eq Rate)] x 97.5%} + (\$68,000 x Eq Rate) |

(b) Calculation of Annual PILOT Payment in Lieu of Tax. The annual PILOT Payment shall be calculated as follows:

- (i) The TVSP shall be multiplied by the Eq Rate defined in ¶1.3.1(d); and
- (ii) The calculation of the annual PILOT Payments for the years 2017 through and including 2026 shall be made by multiplying the amount derived in ¶1.3.3(b)(i) by the tax rates identified in ¶1.3.1(e) hereof.

1.4 Other Agreements Relating to PILOT Payments. The Agency shall remit to the Taxing Jurisdictions amounts received hereunder within thirty (30) days of receipt, and shall

allocate the PILOT Payments among the Taxing Jurisdictions in the same proportion as normal taxes would have been allocated but for the Agency's involvement.

The PILOT Payments provided for herein shall commence as of February 1, 2016 which follows the first (1st) year of an approximately twenty-one (21) year period in which the Company is to receive tax benefits relative to the Project. In no event shall the Company be entitled to receive tax benefits relative to the Project for more than the period provided in this PILOT Agreement. The Company agrees that it will not seek any tax exemption for the Project which could provide benefits for more than the periods provided for in this PILOT Agreement and specifically agrees that the exemptions provided for in this PILOT Agreement, to the extent actually received (based upon the number of years elapsed), supersede and are in substitution of the exemptions provided by §485b of the Real Property Tax Law ("RPTL"). It is hereby agreed and understood that the Taxing Jurisdictions can rely upon and enforce this waiver to the same extent as if it were signatories hereto.

| Year | PILOT Payment Due Date | School Fiscal Year Beginning | County & Town |
|-------------|-------------------------------|-------------------------------------|--------------------------|
| 1 | February 1, 2016 | July 1, 2015 | January 1, 2016 |
| 2 | February 1, 2017 | July 1, 2016 | January 1, 2017 |
| 3 | February 1, 2018 | July 1, 2017 | January 1, 2018 |
| 4 | February 1, 2019 | July 1, 2018 | January 1, 2019 |
| 5 | February 1, 2020 | July 1, 2019 | January 1, 2020 |
| 6 | February 1, 2021 | July 1, 2020 | January 1, 2021 |
| 7 | February 1, 2022 | July 1, 2021 | January 1, 2022 |
| 8 | February 1, 2023 | July 1, 2022 | January 1, 2023 |
| 9 | February 1, 2024 | July 1, 2023 | January 1, 2024 |
| 10 | February 1, 2025 | July 1, 2024 | January 1, 2025 |
| 11 | February 1, 2026 | July 1, 2025 | January 1, 2026 |
| 12 | February 1, 2027 | July 1, 2026 | January 1, 2027 |
| 13 | February 1, 2028 | July 1, 2027 | January 1, 2028 |
| 14 | February 1, 2029 | July 1, 2028 | January 1, 2029 |
| 15 | February 1, 2030 | July 1, 2029 | January 1, 2030 |
| 16 | February 1, 2031 | July 1, 2030 | January 1, 2031 |
| 17 | February 1, 2032 | July 1, 2031 | January 1, 2032 |
| 18 | February 1, 2033 | July 1, 2032 | January 1, 2033 |

| | | | |
|----|------------------|--------------|-----------------|
| 19 | February 1, 2034 | July 1, 2033 | January 1, 2034 |
| 20 | February 1, 2035 | July 1, 2034 | January 1, 2035 |
| 21 | February 1, 2036 | July 1, 2035 | January 1, 2036 |

- 1.5. Termination of Use, Modification. Contemporaneously herewith, the Company and the Agency have entered into a Master Development and Agent Agreement, of even date herewith (“MDAA”) under the terms and conditions of which the Company has been appointed as Agent of the Agency to install the Initial Phase improvements. In the event the Agency shall rescind the rights granted to the Company pursuant to §1(a) of the MDAA, this PILOT Agreement (along with the Lease Agreement) shall terminate effective as of the date of rescission of the Company’s rights under the MDAA.

ARTICLE II
SPECIAL DISTRICT TAXES - NO ABATEMENTS

2. Additional Payments. In addition to the PILOT Payments to be made by the Company to the Agency pursuant to this PILOT Agreement, the Company shall pay to the Agency all special assessments, special ad valorem levies, and any other charges for which the Agency (or in the case of 2016, the School) shall be liable and for which it is not wholly exempt from taxation. Such payments shall be made within ten (10) days after the date upon which a bill shall be rendered by the Agency to the Company. Such charges shall be paid without adjustment, exemption or other deduction provided; in each case, however, to the Company’s right to obtain exemption and credits, if any, which would be afforded a private owner of the Project as if the Agency had no involvement with the Project. The Company hereby authorizes the Agency to request that any Taxing Jurisdiction bill the Company directly for all special assessments, special ad valorem levies and any other charges for which the Agency shall be liable and for which it is not wholly exempt from taxation. In the event the Company is directly billed for such charges, the Company shall pay such charges within the time in which such statement or bill may be paid without interest or penalty.

ARTICLE III
COMPANY'S REPRESENTATIONS AND WARRANTIES

3. Representations and Warranties.
- (a) The Company is duly authorized under all applicable provisions of law to enter into and perform this PILOT Agreement. The Company’s entry into and performance of this PILOT Agreement will not violate any applicable provisions of law and will not result in a breach of or a default under any agreement or instrument to which the Company is a party and will not result in the creation of any lien, charge or encumbrance upon any of the assets of the Company under any such agreement or instrument.

- (b) The Company is not a party to any agreement or subject to any restriction (including without limitation any agreement by its shareholders), that materially and adversely affects its business assets or financial condition.
- (c) When executed, this PILOT Agreement will be a valid and binding obligation of the Company.

ARTICLE IV RIGHT TO CHALLENGE ASSESSMENTS

- 4. The Company's Right to Challenge. Except as otherwise provided in this PILOT Agreement, 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 PILOT Agreement, as if and to the same extent as if the Agency had no interest in the Project.

Except as otherwise provided in this PILOT Agreement, the Company shall have all of the rights and remedies of a taxpayer as if and to the same extent as if the Agency had no interest in the Project, with respect to the assessed value of the Project by any of the Taxing Jurisdictions and 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.

ARTICLE V TRANSFER OF PROJECT TO COMPANY

- 5. Transfer of Project to the Company. In the event that the Project is ineligible for a continued tax exemption under some other tax incentive program, or any available exemptions result in a payment to the Taxing Jurisdictions in excess of the payment computed pursuant to this PILOT Agreement, the Company shall pay, no later than the next tax lien date (plus any applicable grace period), to each of the Taxing Jurisdictions, an amount equal to the taxes and assessments which would have been levied on the Project if the Project had been classified as fully taxable as of the date of transfer or loss of eligibility of all or a portion of the exemptions provided for herein.

ARTICLE VI INVOLUNTARY TERMINATION

- 6. Involuntary Termination of Agreement. To the extent the Project is declared to be subject to taxation or assessment by an amendment to the Act, other legislative change, or by final judgment of a Court of competent jurisdiction, the Company's obligations hereunder shall, to such extent, be amended, and the obligation of the Company to pay amounts pursuant to this Agreement with respect to the Project shall be reduced in each PILOT Year by the

amount paid by the Company as property taxes with respect to the Project.

ARTICLE VII EVENTS OF DEFAULT

7. Events of Default. During the term of this PILOT Agreement, the following shall be an event of default:
- (a) The failure to make PILOT Payments within the time allowed for payment, time being of the essence;
 - (b) The adjudication of the Company as a bankrupt and the failure to vacate, set aside or terminate such adjudications within ninety (90) days thereafter;
 - (c) The failure of the Company to pay the amounts required to be paid pursuant to Sections 2.6, 3.3 or 3.7 of the Lease Agreement and such failure shall have continued for a period of ten (10) days after the Agency gives written notice of such failure to the Company;
 - (d) The appointment by any court of a receiver or trustee to take possession of all, or substantially all, of the assets of the Company which said appointment shall not have been discharged within a period of ninety (90) days after the filing of same;
 - (e) The making by the Company of an assignment for the benefit of creditors;
 - (f) The abandonment of the Project by the Company for a period of thirty (30) consecutive days or more, unless such abandonment is caused by fire or other catastrophe, war, act of God or governmental order or decree without fault of the Company contributing thereto; provided, however, that in the event of fire or other catastrophe, the Company indicates its intent within ninety (90) days from the happening of such event to reconstruct the Project;
 - (g) The attachment, execution or other seizure of all or substantially all of the assets of the Company, which such attachment, execution or other seizure is not discharged within a period of sixty (60) days after the date of levy; or
 - (h) The failure, refusal or neglect of the Company to perform, keep or observe any of the terms, covenants and agreements herein contained on the part of the Company to be performed, kept or observed.

ARTICLE VIII REMEDIES

8. Remedies.
- (a) Remedies on Default in Payment; Termination. Upon the happening of an event of

default as defined in ¶7(a) hereof, the Agency may immediately terminate this PILOT Agreement with notice to the Company and without prejudice or limitation as to all other rights or remedies herein and/or under law or in equity. Such termination may be accomplished by conveying title to the Land (as improved) by quitclaim deed, as determined by the Agency and the recording of said deed in the County Clerk's Office shall be deemed to be delivery thereof. The Company hereby appoints the Chief Executive Officer and Chairman, each acting individually, as its attorneys-in-fact for the limited purpose of signing any forms that must necessarily accompany the deed in order for the deed to be recorded. The Company acknowledges that the foregoing appointment is coupled with an interest and is irrevocable.

- (b) Remedies On Other Defaults. Upon the happening of any event of default as defined in ¶7 (b - h) hereof, if after thirty (30) days written notice to the Company specifying the event of default, the default shall not have been remedied within such thirty (30) day period, (or if, with reasonable diligence the default cannot be remedied within such thirty (30) day period, then within such extended period as may be reasonably required therefor) the Agency, at its option, may take any action hereinafter set forth and all such remedies shall be cumulative and not exclusive:
- (i) Recover damages for the breach of any covenant or condition hereof;
 - (ii) Seek an injunction to bar any actual or threatened violation or breach of this PILOT Agreement;
 - (iii) Seek any other remedy authorized by law or in equity; or
 - (iv) Terminate this PILOT Agreement, without prejudice or limitation as to all other rights or remedies of the parties herein and/or under law or in equity. Such termination may be accomplished by conveying title to the Land (as improved) by quitclaim deed, as determined by the Agency and the recording of said deed in the County Clerk's Office shall be deemed to be delivery thereof. The Company hereby appoints the Chief Executive Officer and Chairman, each acting individually, as its attorneys-in-fact for the limited purpose of signing any forms that must necessarily accompany the deed in order for the deed to be recorded. The Company acknowledges that the foregoing appointment is coupled with an interest and is irrevocable.
- (c) Legal Fees on Default. If the Agency shall be required to take any action to enforce this PILOT Agreement or to collect any amount due hereunder, the Company shall be liable to pay, in addition to any other costs and expenses incurred by the Agency, its reasonable legal fees and the reasonable fees of any experts, accountants, or other professionals retained by it, without regard to whether the Agency shall have instituted any lawsuit or action at law or in equity in any court or before anybody, provided such expenses were actually and necessarily incurred.

- (d) Late charges. If any PILOT Payment is not made by the Payment Due Date, or if any other payment required to be made hereunder is not made when due by the last day of any applicable cure period, the Company shall pay penalties and interest as provided herein. With respect to PILOT Payments, if said payment is not received by the Payment Due Date, the Company shall pay, in addition to the PILOT Payment, a late charge equal to five percent (5%) of the amount due plus interest on said payment equal to one percent (1%) per month or fraction thereof until the PILOT Payment, penalty and interest is paid in full. With respect to all other payments due hereunder, if said payment is not received when due or by the last day of any applicable cure period, the Company shall pay, in addition to said payment, the greater of (a) a late charge equal to five percent (5%) of the amount due plus interest on said payment equal to one percent (1%) per month or fraction thereof until said payment, penalty and interest is paid in full; or (b) penalties and interest which would have been incurred had payments made hereunder been made to the Taxing Jurisdictions. However, the Taxing Jurisdictions are not authorized to enforce any other provisions of this Agreement.

ARTICLE IX INDEMNIFICATION

9. Indemnification. The Company shall indemnify, defend and hold the Agency (and its chief executive officer, executive director, directors, officers, members, agents (except the Company), employees, servants and their successors, representative and assigns) harmless from all claims and liabilities for loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever in relation to the Project, other than, with respect to each of the aforementioned Agency indemnified parties, losses arising from the negligence, fraud or willful misconduct of such parties, including expenses incurred by the Agency (and its chief executive officer, executive director, directors, officers, members, agents (except the Company), employees, servants and their successors, representative and assigns) in defending any claim, suit or action which may result as a result of the foregoing.

ARTICLE X AGENCY NO RECOURSE

10. No Recourse, Special Obligation.
- (a) The obligations and agreements of the Agency contained herein and any other instrument or document executed in connection herewith, and any other instrument or document supplemental thereto or hereto, shall be deemed the obligations and agreements of the Agency, and not any director, officer, employee, member, agent (other than the Company) or representative of the Agency in his individual capacity, and the directors, officers, employees, members, agents (other than the Company) or representatives of the Agency shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof

or thereof or of any transaction contemplated hereby or thereby.

- (b) The obligations and agreements of the Agency contained hereby shall not constitute or give rise to an obligation of the State or of the County and neither the State nor the County shall be liable hereon or thereon, and, further, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency, payable solely from the revenues of the Agency derived and to be derived from the sale or other disposition of the Project (except for revenues derived by the Agency with respect to the Unassigned Rights (as defined in the Lease Agreement)).
- (c) No order or decree of specific performance with respect to any of the obligations of the Agency hereunder shall be sought or enforced against the Agency unless (i) the party seeking such order or decree shall first have requested the Agency in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Agency shall have refused to comply with such request (or, if compliance therewith would reasonable be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, (ii) if the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Agency an amount or undertaking sufficient to cover such reasonable fees and expenses, and (iii) if the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it or any of its directors, officers, employees, members, agents (other than the Company) or representatives of the Agency shall be subject to potential liability, the party seeking such order or decree shall agree to indemnify and hold harmless the Agency and its directors, officers, employees, members, agents (other than the Company) and representatives of the Agency against all liability expected to be incurred as a result of compliance with such request.
- (d) The obligations and agreements of the Company contained herein and any other instrument or document executed in connection herewith, and any other instrument or document supplemental thereto or hereto, shall be deemed the obligations and agreements of the Company, and not of any member, direct or indirect beneficial owners, affiliates, partners, shareholders, officers, directors, agents, employees or representatives of the company in his or their individual capacity, and the members, direct or indirect beneficial owners, affiliates, partners, shareholders, officers, directors, agents and employees or representatives of the Company shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby.

ARTICLE XI
GENERAL PROVISIONS

11. General Provisions.

- (a) Notices. All notices provided for by this Agreement shall be made in writing, and shall be deemed to have been given on the date of delivery if personally served on the party to whom notice is to be given, or on the next day after mailing if mailed to the party to whom notice is to be given by overnight courier of national reputation providing evidence of receipt and properly addressed, or on the third day after mailing if mailed to the party to whom notice shall be given by First Class, Certified mail, postage prepaid and properly addressed to the following:

If to the Agency:

County of Sullivan Industrial Development Agency
One Cablevision Center
Ferndale, New York 12734
Attn: Chief Executive Officer

with a copy to:

GARIGLIANO LAW OFFICES, LLP
449 Broadway
P.O. Drawer 1069
Monticello, New York 12701-1069
Attn: Agency Counsel

to the Company:

Rock Meadow Partners, LLC
Great Pine, LLC
NARO Building, LLC
Indian Fields, LLC
30 Essex Place
Bronxville, New York 10708
Attn: Kathleen Weiden

with a copy to:

Jacobowitz & Gubits, LLP
548 Broadway
Monticello, New York 12701
Attn: Larry Wolinsky, Esq.

and to such other addresses and/or addressees as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this ¶11(a). All notices shall be deemed given when mailed or personally delivered in the matter provided in this ¶11(a).

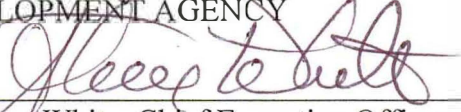
- (b) Assignment. This Agreement may not be assigned by the Company, nor shall any person other than the Company be entitled to succeed to or otherwise obtain any benefits hereunder without the prior written consent of the Agency, which consent may be withheld by the Agency in its sole and absolute discretion. Notwithstanding

anything in this Agreement or any of the other applicable agreements between the Company and the Agency, this Agreement or the Company's interests thereto, may be assigned or transferred, in its entirety or in parts, without the consent of the Agency to any entity controlling, controlled by, or under common control with, the Company, provided, that the Company shall provide the Agency with fifteen (15) days prior written notice thereof.

- (c) Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Agency, the Company and its respective permitted successors and assigns.
- (d) Waiver. No waiver of any of the provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver.
- (e) Severability. If any provision of this Agreement shall be determined to be illegal and unenforceable by any court of law or any competent governmental or other authority, the remaining provisions shall be severable and enforceable in accordance with its terms so long as this Agreement without such terms or provisions does not fail of its essential purpose or purposes. The parties will negotiate in good faith to replace any such illegal or unenforceable provision or provisions with suitable substitute provisions which will maintain the economic purposes and intentions of this Agreement.
- (f) Governing Law, Venue. This Agreement shall be governed by and construed in accordance with the laws of the State. The parties hereby designate a court of proper jurisdiction located in the County, State as the exclusive venue for resolution of any disputes which may arise under or by reason of this Agreement.
- (g) Survival of Obligations. The obligations of the Company to make PILOT Payments and all of the Company's indemnification obligations shall survive any termination or expiration of this Agreement.
- (h) Section Headings Not Controlling. The headings of the several sections in this Agreement have been prepared for convenience of reference only and shall not control, affect the meaning or be taken as an interpretation of any provision of this Agreement.
- (i) Counterparts. This Agreement may be executed in any number of counterparts each of which shall be deemed an original but which together shall constitute a single instrument.
- (j) Entire Agreement. This Agreement sets forth the entire agreement and understanding between the parties relating to the subject matter hereof and supersedes all prior discussions and negotiations between them. This Agreement may not be amended in any respect except by a written amendment expressly referring to this Agreement and executed by the parties to be bound thereby.

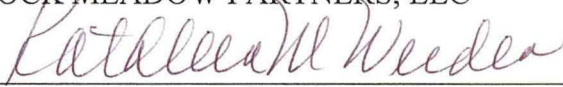
IN WITNESS WHEREOF, the parties hereto have executed this PILOT Agreement effective as of the date hereof.

COUNTY OF SULLIVAN INDUSTRIAL
DEVELOPMENT AGENCY



By: Steve White, Chief Executive Officer

ROCK MEADOW PARTNERS, LLC



By: Kathleen M. Weiden, Member



By: Brendan P. Weiden, Member

GREAT PINE, LLC

By: Rock Meadow Partners, LLC



By: Kathleen M. Weiden, Member



By: Brendan P. Weiden, Member

NARO BUILDING, LLC

By: Rock Meadow Partners, LLC



By: Kathleen M. Weiden, Member



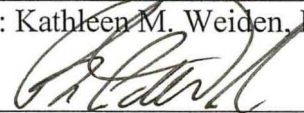
By: Brendan P. Weiden, Member

INDIAN FIELDS, LLC

By: Rock Meadow Partners, LLC



By: Kathleen M. Weiden, Member



By: Brendan P. Weiden, Member

STATE OF NEW YORK)
)ss:
COUNTY OF SULLIVAN)

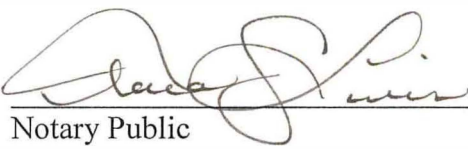
On the 1st day of July, in the year 2015 before me, the undersigned, a Notary Public in and for said State, personally appeared Steve White, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



WALTER F. GARIGLIANO
Notary Public, State of New York
Sullivan County Clerk #4
Commission Expires June 30, 2018

STATE OF NEW YORK)
)ss:
COUNTY OF SULLIVAN)

On the 1st day of July, in the year 2015 before me, the undersigned, a Notary Public in and for said State, personally appeared Kathleen M. Weiden and Brendan P. Weiden, personally known to me or proved to me on the basis of satisfactory evidence to be the individuals whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their capacities, and that their signatures on the instrument, the individuals, or the persons upon behalf of which the individuals acted, executed the instrument.



Notary Public
TARA S. LEWIS
Notary Public, State of New York
NYS Reg. No. 01LE6072554
Qualified in Sullivan County
My Commission Expires April 8, 20 18