

SECOND AMENDMENT TO PAYMENT IN LIEU OF TAXATION AGREEMENT

THIS SECOND AMENDMENT TO PAYMENT IN LIEU OF TAXATION AGREEMENT ("Second Amendment"), effective as of the 9th day of November, 2020, which amends that certain Payment in Lieu of Taxation Agreement, made the 1st day of December, 2016 ("Agreement") by and among 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 548 Broadway, Monticello, New York 12701 ("Agency"), RJ BAKER CORP., a New York corporation ("RBC") and BEAVERKILL STUDIO, INC., a New York corporation, both having their principal offices located at 36 Main Street, PO Box 595, Parksville, New York 12768 ("BSI" and together with RBC collectively, the "Company"), which was amended by that certain First Amendment to Payment in Lieu of Taxation Agreement, dated June 8, 2020 ("First Amendment") by and between the Agency and the Company.

Unless otherwise defined herein, all capitalized terms shall have the meaning given them in the PILOT Agreement.

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, 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") created the Agency which is empowered under the Act to undertake the providing, financing and leasing of the facility described below; and

WHEREAS, the Company presented an application to the Agency on September 16, 2015 ("Application"), a copy of which is on file with the Agency, requesting the Agency's assistance with respect to a certain project consisting of (i) the construction, reconstruction, renovation, installing and equipping of a former restaurant and hardware store into a film studio and catering

facility (“Building”) situate on two (2) parcels of real estate consisting of approximately .48± acres located at 36/38 Main Street, Parksville, Town of Liberty, County of Sullivan, State of New York and identified on the Town of Liberty tax map as Section 7, Block 8, Lots 7 and 8 (“Land”); (ii) the construction and equipping of the Building; (iii) the acquisition and installation thereon and therein certain furniture, fixtures, machinery, equipment and tools (“Equipment”); (iv) the construction of improvements to the Building, the Land and the Equipment (collectively the Building, the Land and the Equipment are referred to as the “Facility” or the “Project”); and (v) lease of the Facility from the Agency to the Company; and

WHEREAS, on December 14, 2015 by resolution #32-15 the Agency approved the Project; and

WHEREAS, on or about December 1, 2016, the Company and the Agency entered into a Payment in Lieu of Tax Agreement (“PILOT”); and

WHEREAS, on June 8, 2020 by resolution #30-20 the Company and the Agency entered into an Amendment of Payment in Lieu of Taxation Agreement to authorize an escrow account to be funded by monthly deposits to secure future PILOT payments; and

WHEREAS, Article III, Section 3(a), of the PILOT Agreement established employment goals for the Project pursuant to which the Company agreed to employ not less than three (3) full-time equivalent employees (“FTEs”) at the Facility; and

WHEREAS, the Company, by letter dated October 15, 2020, requested the Agency suspend employment goals for the Project due to the COVID-19 Pandemic; and

WHEREAS, Chairman Steingart appointed Agency Board members Paul Guenther and Joseph Perrello to make a recommendation to the Board in response to the Company’s request and Board members Paul Guenther and Joseph Perrello recommended the waiver of employment goals for two (2) employment years.

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:

1. Employment Obligations. Section 3(a)(ii) of the PILOT is hereby deleted and a revised Section 3(a)(ii) is inserted in its place and stead, to read as follows:

“(ii) FT Employment Goals: Except for the FT Employment Years October 1, 2019 through September 30, 2020 and October 1, 2020 through September 30, 2021, during which FT Employment Years there shall be no FT employment goals, the Company agrees that an FT employment goal of three (3) shall be maintained for any FT Employment Year (as defined below).

The Company shall file with the Agency not later than October 15, 2017 and on October 15th of each year thereafter a statement certified under oath setting forth the actual FTs employed at the Facility for the preceding

October 1st to September 30th period (each a “FT Employment Year”). Such statement shall contain such additional information as the Agency may reasonably request. The Company shall make available to the Agency such information as it may request to verify the information provided to the Agency including, but not limited to State and Federal employment tax forms and payroll records of the Company. "Actual average FT - employment" shall be determined by adding the actual FTs employed in each month of the applicable FT Employment Year and dividing such sum by twelve (12).”

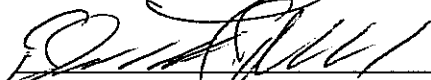
2. Integration. Except as herein amended, all other terms and conditions of the PILOT Agreement shall remain in full force and effect. If there shall be any conflict or inconsistency between the terms of this Second Amendment, the First Amendment and the PILOT Agreement, the terms of this Second Amendment shall control.

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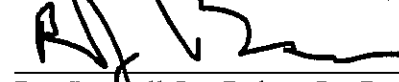
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IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment effective as of the date hereof.


COUNTY OF SULLIVAN INDUSTRIAL
DEVELOPMENT AGENCY


By: Edward T. Sykes, Executive Director

RJ BAKER CORP.


By: Russell Jay Baker, Jr., President

BEAVERKILL STUDIO INC.


By: Russell Jay Baker, Jr., President