

## PAYMENT IN LIEU OF TAX AGREEMENT

*THIS PAYMENT IN LIEU OF TAX AGREEMENT* ("Agreement"), made as of the 1<sup>st</sup> day of August, 2010, 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 ("Agency") and MOGENAVLAND LLC, a New York limited liability company with a mailing address of 444 East 58<sup>th</sup> Street, Apt 3C, New York, New York 10022 ("Company").

### 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 has presented an application ("Application") to the Agency, a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project consisting of the (i) acquisition, construction, reconstruction, rehabilitation, renovation, installation and equipping of a summer camp including, but not limited to bunkhouses, kitchen, dining hall, gymnasium, offices and other recreational buildings, fields, pools, tennis courts (collectively, the "Camp Buildings and Grounds") situate on four (4) parcels of real estate consisting of approximately 95.85± acres located along Laymon and Ranger Roads in the Town of Bethel ("Town"), County of Sullivan ("County"), State and identified on the Town tax map as Section 11, Block 1, Lot 20.3 and Section 16, Block 1, Lots 19, 20 and 35 (collectively, the "Land" or "Property") and related facilities an interest in which the Agency is to acquire; (ii) acquisition and installation thereon and therein of certain furniture, fixtures,

machinery, equipment and tools ("Equipment"); and (iii) construction of improvements to the Camp Buildings and Grounds, the Land and the Equipment (collectively, the Camp Buildings and Grounds, the Land and the Equipment are referred to as the "Facility" or the "Project"); and

*WHEREAS*, pursuant to that certain Operating Lease, made the 1<sup>st</sup> day of September, 2010 by and between the Company and Camps Mogen Avraham, Heller, Sternberg, Inc. ("Camp MAHS") the Company shall sublease the Facility to Camp MAHS ("Sublease"); 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 to this Agreement making provision for payments in lieu of taxes by the Company for the benefit of the County, the Town and the Liberty Central 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 Agreement; and

*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.

The Land is comprised of the following tax parcels:

11 - 1 - 20.3  
16 - 1 - 19  
16 - 1 - 20  
16 - 1 - 35

The Land has been exempt from general ad valorem real property taxes for a period in excess of three (3) years.

1.2 Agreement to Make Payments in Lieu of Taxes. As long as the Agency owns the Facility, to the extent applicable, 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") determined in accordance with Sections 1.3 or 1.4 of this Agreement.

1.3 Computation of PILOT Payments with Sublease in Effect.

- (a) So long as:
- (i) the Sublease shall remain in effect (including any extensions thereof that do not materially amend the terms of the Sublease); and
  - (ii) the subtenant shall be the principle occupant of the Property and operator of the summer camp at the Property.

the Company shall make annual PILOT payments to the Agency in an amount equal to the tax payment the Company would pay to the Taxing Jurisdictions, if the Agency had no involvement with the Project. Such payments shall be due and payable on February 15<sup>th</sup> of each year.

1.4 Computation of PILOT Payment if Sublease Terminates:

In the event the conditions of either 1.3(a)(i) and (ii) shall cease, the calculation of the annual PILOT payments shall be made as follows:

- (a) Total Value Subject to PILOT. The total value subject to PILOT ("Total Value Subject to PILOT") shall be the assessed value established by the assessing jurisdiction multiplied by the following exemption percentage for each payment date:

Payment Date	Exemption Percentage
February 15, 2012	100.00%
February 15, 2013	100.00%
February 15, 2014	100.00%
February 15, 2015	91.67%
February 15, 2016	83.33%
February 15, 2017	75.00%
February 15, 2018	66.67%
February 15, 2019	58.33%
February 15, 2020	50.00%
February 15, 2021	41.67%
February 15, 2022	33.33%
February 15, 2023	25.00%
February 15, 2024	16.67%
February 15, 2025	8.33%

- (i) The Total Value Subject to PILOT shall be multiplied by the equalization rate as defined in 1.4(b) hereof; and
- (ii) The annual PILOT payment shall be determined by multiplying the amount derived in 1.4(a)(i) hereof by the tax rates identified in 1.4(c) hereof.

(b) Equalization Rate. The equalization rate to be used in making the computation contemplated by 1.4(a)(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 payments. In the event that the equalization rate shall exceed one hundred (100%) percent, the equalization rate used in making the computation contemplated by 1.4(a)(i) shall be one hundred (100%) percent.

(c) Tax Rates. For the purposes of determining the amount of the PILOT payments as contemplated by 1.4(a)(ii) hereof, the tax rates for each Taxing Jurisdiction shall mean the last tax rate used 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. The chart which follows sets forth the years of the overall fifteen (15) year period governed by this Agreement; the date that a PILOT payment is due; and the appropriate tax periods utilized in determining the tax rates for computing the PILOT payment:

<b>Payment Date</b>	<b>School Fiscal Year Beginning</b>	<b>County &amp; Town</b>
February 15, 2012	July 1, 2011	January 1, 2012
February 15, 2013	July 1, 2012	January 1, 2013
February 15, 2014	July 1, 2013	January 1, 2014
February 15, 2015	July 1, 2014	January 1, 2015
February 15, 2016	July 1, 2015	January 1, 2016
February 15, 2017	July 1, 2016	January 1, 2017
February 15, 2018	July 1, 2017	January 1, 2018
February 15, 2019	July 1, 2018	January 1, 2019
February 15, 2020	July 1, 2019	January 1, 2020
February 15, 2021	July 1, 2020	January 1, 2021
February 15, 2022	July 1, 2021	January 1, 2022
February 15, 2023	July 1, 2022	January 1, 2023
February 15, 2024	July 1, 2023	January 1, 2024
February 15, 2025	July 1, 2024	January 1, 2025

ARTICLE II  
GENERAL PROVISIONS

2. 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:

Mogenavland LLC  
444 East 58<sup>th</sup> Street, Apt 3C  
New York, New York 10022  
Attn: President

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 ¶2(a). All notices shall be deemed given when mailed or personally delivered in the matter provided in this ¶2(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.
- (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) 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 Agreement effective as of the date hereof.

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY

*Allan C. Scott*

By: Allan C. Scott, Chief Executive Officer

MOGENAVLAND LLC

*Michael Shabsels*

By: Michael Shabsels, Managing Member

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

On the 31<sup>st</sup> day of August in the year 2010 before me, the undersigned, a Notary Public in and for said proved personally appeared Allan C. Scott, 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.

*Tara S. Lewis*

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 14

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

On the 31<sup>st</sup> day of August in the year 2010 before me, the undersigned, a Notary Public in and for said State, personally appeared Michael Shabsels, 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.

*Tara S. Lewis*

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 14