

RESOLUTION OF THE TOWN OF BABYLON INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A CERTAIN FACILITY FOR 180 DEER PARK AVENUE LLC AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the Town of Babylon Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of Laws of 1969 of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 177 of the Laws of 1973 of New York, as amended, constituting Section 907-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, renovating, improving, maintaining, equipping and furnishing of, among others, manufacturing, warehousing, research, commercial or industrial facilities, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install “projects” (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, pursuant to an application (the “Application”) submitted to the Agency by 180 Deer Park Avenue LLC (the “Company”), on behalf of itself and/or entities formed or to be formed by it or on its behalf, the Company has requested that the Agency undertake a project (the “Project”) consisting of the following: (A)(1) the acquisition of an interest in approximately 1.0 acre of real estate located at 180 Deer Park Avenue, Babylon (Tax Map #0102-010.00-01.00-028.001) in the Village of Babylon, Town of Babylon, Suffolk County, New York (the “Land”); (2) the construction, equipping and furnishing of an approximately 30,511 square foot, three-story mixed use building on the Land, including approximately 27 residential units on the second and third floors with associated common spaces including lobby/mailboxes, and seven retail/office units each being approximately 1,000 square feet and located on the first floor, and related amenities for the building, including parking and green space (the “Improvements”); and (3) the acquisition and installation therein and thereon of various machinery, equipment and other personal property (the “Equipment” and, together with the Land and the Improvements, the “Facility”), which Facility is to be leased and subleased by the Agency to the Company and further subleased by the Company to residential tenants for housing and to commercial tenants for retail services and/or office space, and related uses permitted under the Act; (B) the granting of certain “financial assistance” (within the meaning of section 854(14) of the Act) with respect to the foregoing limited to potential exemptions from certain sales and use taxes, mortgage recording taxes (except as limited by Section 874 of the Act), transfer taxes and real property taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale

of the Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, in order to induce the Company to proceed with the Project within the Town it appears necessary for the Agency to assist the Company by taking a leasehold interest in the Facility so as to afford the Company certain relief from mortgage recording taxation (to the extent requested), relief from real property taxation and relief from sales and use taxation for a limited period; and

WHEREAS, in accordance with the requirements of Section 859-a(1-a) of the Act, a copy of the public hearing resolution with respect to the Project adopted by the Agency on November 20, 2024 was mailed or hand delivered on or about November 22, 2024 to the chief executive officers of each of the Affected Tax Jurisdictions in which the Facility is or is to be located (including with respect to the school district the district clerk and the district superintendent); and

WHEREAS, the Project is the subject of a project report of Grow America (formerly the National Development Council or NDC), dated December 26, 2024, which was submitted by Grow America to the Agency in connection with the Application; and

WHEREAS, the Agency (A) caused notice of public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the Financial Assistance being contemplated by the Agency with respect to the Project, to be mailed or hand delivered on December 26, 2024 to the chief executive officers of the County of Suffolk, the Village of Babylon, the Town of Babylon, the Babylon Union Free School District and the Babylon Public Library (collectively, the “Affected Tax Jurisdictions”), (B) caused notice of the Public Hearing to be published on December 28, 2024 in Newsday, a newspaper of general circulation available to the residents of the Town of Babylon, New York, (C) conducted the Public Hearing on January 7, 2025 at 3:00 p.m., at Old Town Hall, 47 W. Main Street, Babylon, New York, and (D) prepared a report of the Public Hearing that fairly summarized the views presented at said public hearing and distributed same to the members of the Agency; and

WHEREAS, the Agency caused a letter dated December 26, 2024 (the “PILOT Deviation Letter”) to be mailed or hand delivered to the chief executive officers of each of the Affected Tax Jurisdictions (including with respect to the school district the district clerk and the district superintendent), informing said individuals that the Agency would, at its meeting to be held on January 8, 2025, consider a proposed deviation from the Agency’s uniform tax exemption policy (the “UTEP”) with respect to the agreement of the Company to make certain payments in lieu of taxes to be entered into by the Company and the Agency with respect to the Facility; and

WHEREAS, prior to the date hereof, the Agency responded to all communications and correspondence received from the Affected Tax Jurisdictions regarding the proposed deviation from the UTEP; and

WHEREAS, the Agency allowed representatives from the Affected Tax Jurisdictions present at this meeting to address the Agency regarding such proposed deviation; and

WHEREAS, in connection with the Agency's evaluation of the Project for the provision of financial assistance, the Agency has (i) assessed all material information relating to the project included in the Application in order to afford a reasonable basis for the decision of the Agency to provide financial assistance to the Project; (ii) reviewed the Agency's written cost benefit analysis for the Project, which identifies the extent to which (A) the Project will create or retain permanent, private sector jobs; (B) the estimated value of any tax exemption to be provided to the Project; (C) the amount of private sector investment generated or likely to be generated by the Project; (D) reviewed the likelihood of accomplishing the proposed project in a timely fashion; and (E) considered the extent to which the Project will provide additional sources of revenue for the Town and the school district where the Facility is located; and

WHEREAS, in order to consummate the Project and the granting of the Financial Assistance described in the notice of the Public Hearing, the Agency proposes to enter into the following documents: (A) a company lease (and a memorandum thereof) (the "Company Lease") by and between the Company and the Agency, pursuant to which, among other things, the Agency will acquire a leasehold interest in the Land and the improvements now or hereafter located on the Land from the Company; (B) a lease and project agreement (and a memorandum thereof) (the "Lease Agreement") by and between the Agency and the Company, pursuant to which, among other things, the Company will agree to undertake and complete the Project as agent of the Agency and the Company further will agree to lease the Facility from the Agency and, as rental thereunder, to pay the Agency's administrative fee relating to the Project and to pay all expenses incurred by the Agency with respect to the Project and the Company will agree to make certain payments in lieu of taxes; and (C) various other documents and certificates relating to the Project (the "Other Documents" and, collectively with the Company Lease and the Lease Agreement, the "Agency Documents"); and

WHEREAS, in connection with the Project, the Company will execute and deliver to the Agency a bill of sale (the "Bill of Sale to Agency"), which conveys from the Company to the Agency all right, title and interest of the Company in the Equipment; and

WHEREAS, as security for the Loan (as such term is defined in the Lease Agreement), the Agency and the Company will execute and deliver to a lender or lenders to be determined (the "Lender") one or more mortgages, assignments of leases and rents and such other loan documents satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably required by the Lender, to be dated a date to be determined (collectively, the "Loan Documents") in connection with the financing, refinancing or permanent financing of the costs of acquiring, constructing and equipping of the Facility; and

WHEREAS, the Agency will file with the assessor and mail to the chief executive officers of each "affected tax jurisdiction" (within the meaning of such quoted term in Section 854(16) of the Act) a copy of a New York State Board of Real Property Services Form RP-412-a (the form required to be filed by the Agency in order for the Agency to obtain a real property tax exemption with respect to the Facility under Section 412-a of the Real Property Tax Law) (a "Real Property Tax Exemption Form") relating to the Project; and

WHEREAS, simultaneously with the execution of the Agency Documents, the Agency will file with the New York State Department of Taxation and Finance one or more forms entitled “IDA Appointment of Project Operator or Agent for Sales Tax Purposes” (the form required to be filed pursuant to Section 874(9) of the Act) (the “Thirty-Day Sales Tax Forms”); and

WHEREAS, for purposes of exemption from New York State (the “State”) sales and use taxation as part of the Financial Assistance requested, “sales and use taxation” shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TOWN OF BABYLON INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Agency, based upon the representations made by the Company to the Agency in the Application, hereby finds and determines that:

(A) The Agency has considered any and all responses from the Affected Tax Jurisdictions to the PILOT Deviation Letter;

(B) The Agency has reviewed and responded to all written comments received from any Affected Tax Jurisdiction with respect to the proposed deviation;

(C) The Agency has given all representatives from any Affected Tax Jurisdictions in attendance at this meeting the opportunity to address the members of the Agency regarding the proposed deviation;

(D) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(E) The Project constitutes a “project”, as such term is defined in the Act; and

(F) The acquisition, construction and equipping of the Facility and the leasing of the Facility to the Company will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Babylon and the State of New York and improve their standard of living (and prevent unemployment and economic deterioration) and thereby serve the public purposes of the Act; and

(G) The acquisition, construction and equipping of the Facility and the leasing of the Facility to the Company is reasonably necessary to induce the Company to maintain and expand its business operations in the Town and in the State; and

(H) Based upon representations of the Company and counsel to the Company, the Facility conforms with the local zoning laws and planning regulations of the Town and all regional and local land use plans for the area in which the Facility is located; and

(I) The completion of the Facility will not result in the removal of a plant or facility of the Company or any other proposed occupant of the Facility from one area of the State to another area of the State or in the abandonment of a plant or facility of the Company or of any proposed occupant of the Facility located in the State; and

(J) The Project does not constitute a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost.

(K) Based upon a consideration of the following factors, the Agency hereby determines that it is desirable and in the public interest of the Agency to deviate from its UTEP and enter into payment-in-lieu-of-tax provisions within the Lease Agreement with such terms as are outlined in the PILOT Deviation Letter:

1. **The extent to which the Project will create or retain private sector employment in the Town of Babylon.** The Project will create at least two new full-time jobs at the Facility. In addition, the Facility will have seven units of retail and/or office space (anticipated to be 3 retail units facing Deer Park Avenue and 4 office space units not facing Deer Park Avenue), which space may result in additional private sector employment within the Town. Additionally, the Project will create 27 new residential apartment units in the Town, which will support employment opportunities within the Town by creating needed market-rate, transit-oriented housing for workers (the residential units are comprised of 25 one-bedroom units, 1 two-bedroom unit and 1 studio unit). Furthermore, the Project will create approximately 25 construction jobs in the first year and 10 construction jobs in the second year.
2. **The impact of the Project on existing and proposed business and economic development projects in the Town of Babylon.** In addition to filling a need within the Village and the Town for additional market rate, transit oriented housing, the Project will promote continued economic development in the Village and the Town. As a mixed-use, transit-oriented development located 0.2 miles from the Babylon Long Island Railroad Station (LIRR), the Project will not only create needed housing, but will also contribute to the economic vitality of Babylon Village, supporting nearby businesses and enhancing the area's appeal as a thriving community hub. The Company has provided as part of its application to the Agency a market study confirming the demand for such housing in the Village and the Town and the limited amount of housing that currently existing within the Village and the Town. This mixed-use Project would encourage a pedestrian-friendly street, business development, and additional housing options within the Village and the Town.
3. **The amount of private sector investment likely to be generated by the Project.** In its application to the Agency, the Company indicates that it has expended \$4,000,000 on the acquisition of the Land and site clearance, and that it expects to expend an additional approximately \$7,354,700 on the construction, equipping and installation of the Facility and related costs.

4. **The public support for the Project.** There is public support for the Project as demonstrated by the local approvals that have been granted for the Facility.
5. **The likelihood of timely completion of the Project.** The Project has received all zoning and planning approvals and construction is expected to commence in January 2025. Principals of the Company have successfully undertaken similar projects, and currently own approximately 15 properties throughout New York.
6. **The environmental impact of Project.** The Village of Babylon Zoning Board of Appeals has issued a negative declaration for the Project pursuant to the New York State Environmental Quality Review Act (sometimes referred to as “SEQRA”).
7. **The need for additional municipal and educational services resulting from the Project.** The Project, in creating additional housing, may have some impact on the utilization of the school district. However, with the housing units consisting primarily of one-bedroom units, it is unlikely that the Project would attract families with children who would be users of the school district. The Company expects that many of the residents will utilize the accessible public transportation. The Project likely will have a demand on fire and emergency medical services (EMT) and payments under the Proposed PILOT Agreement are intended to reimburse the Village and the Town for the costs of these services. Minimal demand for police services is anticipated. The building will be fully sprinkled.
8. **The extent to which the Project will provide additional sources of revenue for the Affected Taxing Jurisdictions.** The Project will make payments in lieu of taxes according to the formula described in Exhibit A attached to this letter, which payments will be an increase in tax revenues compared to the taxes being paid on the currently vacant land. The Project will generate at least two full time equivalent jobs for the community. In addition, tenants of the Facility are likely to do some of their shopping within the Village and/or the Town, thus generating sales and use tax revenue.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (A) proceed with the Project; (B) acquire (i) a leasehold interest in the Land and all improvements now or hereafter located on the Land from the Company pursuant to the Company Lease, and (ii) title to the Equipment pursuant to the Bill of Sale to Agency from the Company to the Agency, (C) lease the Facility to the Company pursuant to the Lease Agreement; (D) acquire, construct, reconstruct and install the Project, or cause the Project to be acquired, constructed, reconstructed, and installed, as provided in the Lease Agreement; (E) grant to the Company exemptions from real estate taxes with respect to the Facility, provided that the Company executes and delivers to the Agency the Lease Agreement; (F) grant to the Lender such mortgage lien on and security interest in its interest in the Facility and assign to the Lender all leases and rents with respect to the Facility, in each case as required by the Lender and the Loan Documents; and (G) grant to the Company the Financial Assistance with respect to the Project. In the event of the occurrence of a recapture event under the Lease Agreement, the Agency will pursue recapture of Financial Assistance as provided therein.

Section 3. The Agency is hereby authorized to acquire an interest in the Facility and to do all things necessary or appropriate for the accomplishment of the Project, and all acts heretofore taken by the Agency with respect to such Project are hereby approved, ratified and confirmed.

Section 4. (A) The Agency Documents and the Loan Documents shall be in form and substance satisfactory to the Chief Executive Officer (“CEO”) or the Chief Financial Officer (“CFO”) and the Agency Counsel and shall be in substantially similar form to the documents used in connection with prior Agency projects. The CEO, the CFO, the Chairman and the Secretary (each an “Authorized Representative”) are each hereby authorized, on behalf of the Agency, to execute and deliver the Agency Documents and the Loan Documents, and, where appropriate, the Secretary of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same.

(B) The CEO, the CFO and any other Authorized Representatives are each hereby further authorized, on behalf of the Agency, to designate any additional Authorized Representatives to execute any Agency Documents, Loan Documents or certificates of the Agency authorized pursuant to this Resolution and determine the terms of the Agency Documents and the Loan Documents.

Section 5. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 6. The Agency hereby delegates to the Company, as agent of the Agency, the authority to designate (following the execution and delivery of the Agency Documents), agents and sub-agents of the Agency (each, a “Sub-Agent”) for purposes of utilizing the Agency sales and use tax exemption with respect to the acquisition, construction and installation of the Facility; provided that any such sub-agency designation shall become effective only upon submission to the Agency within fifteen (15) days of such agency and sub-agency designation: (1) an executed sub-agent appointment agreement (in a form approved by the Agency) and (2) a completed Form ST-60 of the New York State Department of Taxation and Finance (IDA Appointment of Project Operator or Agent for Sales Tax Purposes). Such agents and sub-agents may include contractors and subcontractors involved in the acquisition, construction and installation of the Facility.

Section 7. The terms and conditions of subdivision 3 of Section 875 of the Act are herein incorporated by reference and the Company shall agree to such terms as a condition precedent to receiving or benefiting from an exemption from New York State sales and use exemptions benefits. Notwithstanding anything herein to the contrary, the amount of State and local sales and use tax exemption benefits comprising the Financial Assistance approved herein shall not exceed **\$262,500 and shall last no longer than two years from the execution and delivery of the Agency Documents.**

Section 8. Notwithstanding anything herein to the contrary, the amount of mortgage recording tax exemption benefits comprising the Financial Assistance approved herein shall not exceed **\$45,000**.

Section 9. Notwithstanding anything herein to the contrary, the amount of real property tax exemption benefits comprising the Financial Assistance approved herein shall be approximately **\$2,288,860**, which such amount reflects the total estimated real property tax exemptions for the Facility (which constitute those taxes that would have been paid if the Facility were on the tax rolls and not subject to the Lease Agreement) of approximately \$6,200,798 less the estimated payments in lieu of taxes of approximately \$3,911,938 to be made by the Company to the affected tax jurisdictions with respect to the Facility during the term of the Lease Agreement. The approximate amount of estimated real property tax exemptions and the approximate amount of estimated payments in lieu of taxes are estimated based on an assumed assessed value of the Facility and assumed future tax rates of the affected tax jurisdictions. The actual amount of real property tax abatement benefit is subject to change over the terms of the Lease Agreement depending on any changes to assessed value and/or tax rates of the Affected Tax Jurisdictions. Exhibit A attached hereto reflects the calculation for the annual amount of the payments in lieu of taxes to be made to the affected tax jurisdictions in each year during the term of the Lease Agreement.

Section 10. The Agency Documents and the Loan Documents shall be deemed the obligations of the Agency, and not of any member, officer, agent or employee of the Agency in his/her individual capacity, and the members, officers, agents and employees of the Agency shall not be personally liable thereon or be subject to any personal liability or accountability based upon or in respect hereof or of any transaction contemplated hereby. The Agency Documents and the Loan Documents shall not constitute or give rise to an obligation of the State of New York or Town of Babylon, New York and neither the State of New York nor Town of Babylon, New York shall be liable thereon, and further, such agreement shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency.

Section 11. This resolution shall take effect immediately upon adoption.

Exhibit A

Payments in Lieu of Village Real Property Taxes:

Payments Prior to Village Abatement Commencement Date

Until the Village Abatement Commencement Date, or such later date as the Facility Realty is determined to be exempt from real estate taxes, the Company shall pay to the Town or the Agency, as the case may be, the Village Base PILOT, as applicable, plus any special ad valorem levies, special assessments and service charges levied against real property located in the Town of Babylon.

Payments After Village Abatement Commencement Date

For the period commencing on the Village Abatement Commencement Date (hereinafter defined) until the Village Abatement Termination Date (hereinafter defined), the Company shall make payments in lieu of real estate taxes to the Village (the “**Village PILOT Payments**”) as follows.

Definitions

Village Abatement Commencement Date = The Taxable Status Date of the Village (i.e., January 1) immediately following the issuance of one or more certificates of occupancy, certificates of completion or any other documents that attests to compliance with applicable building codes after substantial completion of the Facility (“**Certificate of Occupancy**”).

Village Abatement Termination Date = The December 31 immediately preceding the twenty-first (21st) anniversary of the Village Abatement Commencement Date or such earlier date on which (i) the Lease Agreement expires, (ii) the Lease Agreement is terminated or (iii) the date on which the Agency is no longer maintaining a leasehold interest in the Land and the Improvements.

Tax Year = Each Tax Year of the Village currently commences June 1 and ends May 31. The first Tax Year below shall commence on the June 1 of the year immediately following the January 1 of such year immediately succeeding issuance of the Certificate of Occupancy, but in no event, later than the January 1 immediately succeeding the Required Completion Date.

A = The “**Village Full Assessed Value**” of the Facility as determined by the Village Tax Assessor immediately after the issuance of the Certificate of Occupancy for the Facility and any modification of the assessed value as thereafter determined by the Village Tax Assessor.

B = The “**Village Base PILOT**”, which equals the Village Stabilized Assessed Value multiplied by the then current tax rate of the Village for such Tax Year.

C = The current tax rate of the Village then in effect for such Tax Year.

S = The “Village Stabilized Base Assessed Value” of \$36,000.

<u>Tax Year</u>							
1	B	+	0			x	C
2	B	+	((A-S)	x	5.0%)	x	C
3	B	+	((A-S)	x	10.0%)	x	C
4	B	+	((A-S)	x	15.0%)	x	C
5	B	+	((A-S)	x	20.0%)	x	C
6	B	+	((A-S)	x	25.0%)	x	C
7	B	+	((A-S)	x	30.0%)	x	C
8	B	+	((A-S)	x	35.0%)	x	C
9	B	+	((A-S)	x	40.0%)	x	C
10	B	+	((A-S)	x	45.0%)	x	C
11	B	+	((A-S)	x	50.0%)	x	C
12	B	+	((A-S)	x	55.0%)	x	C
13	B	+	((A-S)	x	60.0%)	x	C
14	B	+	((A-S)	x	65.0%)	x	C
15	B	+	((A-S)	x	70.0%)	x	C
16	B	+	((A-S)	x	75.0%)	x	C
17	B	+	((A-S)	x	80.0%)	x	C
18	B	+	((A-S)	x	85.0%)	x	C
19	B	+	((A-S)	x	90.0%)	x	C
20	B	+	((A-S)	x	95.0%)	x	C
21 and thereafter	Full taxes due on the assessed value of the Facility in accordance with the then current tax rate of the Village and then current assessed value of the Facility.						

The tax benefits provided for in this schedule shall be deemed to commence on the Village Abatement Commencement Date. In no event shall the Company be entitled to receive Village real property tax benefits due to the Project under the Lease Agreement for a period longer than the period set forth in the formula immediately above. Notwithstanding the foregoing schedule, the Company further covenants and agrees that for any period that the Agency continues to hold a leasehold interest in the Facility after the Village Abatement Termination Date the Company shall pay 100% of the Village real property taxes due on the then current assessed value of the Facility together with any special assessment and services charges relating to the Facility whichever may be imposed for special district improvements in accordance with the provisions of the Lease Agreement.

Payments in Lieu of Real Property Taxes (County, Town, School District and Library):

Payments Prior to Abatement Commencement Date

Until the Abatement Commencement Date, or such later date as the Facility Realty is determined to be exempt from real estate taxes, the Company shall pay to the Town or the Agency, as the case may be, the Town Base PILOT, as applicable, plus any special ad valorem levies, special assessments and service charges levied against real property located in the Town of Babylon.

Payments After Abatement Commencement Date

For the period commencing on the Town Abatement Commencement Date (hereinafter defined) until the Town Abatement Termination Date (hereinafter defined), the Company shall make payments in lieu of County, Town, School District and Library real estate taxes (the “**Non-Village PILOT Payments**”) as follows:

Definitions

Town Abatement Commencement Date = The Taxable Status Date of the Town (i.e., March 1) immediately following the issuance of a Certificate of Occupancy for the substantial completion of the Facility.

Town Abatement Termination Date = The February 28 immediately preceding the twenty-first (21st) anniversary of the Town Abatement Commencement Date or such earlier date on which (i) the Lease Agreement expires, (ii) the Lease Agreement is terminated or (iii) the date on which the Agency no longer maintains a leasehold interest in the Land and the Improvements.

Tax Year = Each Tax Year of the Town currently commences December 1 and ends November 30. The first Tax Year below shall commence on the December 1 of the year immediately following the March 1 of such year immediately succeeding issuance of the Certificate of Occupancy for substantial completion, but in no event later than the March 1 immediately succeeding the Required Completion Date.

A = The “**Town Full Assessed Value**” of the Facility as determined by the Town Tax Assessor immediately after the issuance of the Certificate of Occupancy for the Facility and any modification of the assessed value as thereafter determined by the Town Tax Assessor.

B = The “**Town Base PILOT**”, which equals the Town Stabilized Assessed Value multiplied by the then current tax rate of the Town for such Tax Year.

C = The current tax rate of the Town then in effect for such Tax Year.

S = The “**Town Stabilized Base Assessed Value**” of \$14,170.

Tax Year

1	B	+	0			x	C
2	B	+	((A-S)	x	5.0%)	x	C
3	B	+	((A-S)	x	10.0%)	x	C
4	B	+	((A-S)	x	15.0%)	x	C
5	B	+	((A-S)	x	20.0%)	x	C
6	B	+	((A-S)	x	25.0%)	x	C
7	B	+	((A-S)	x	30.0%)	x	C
8	B	+	((A-S)	x	35.0%)	x	C
9	B	+	((A-S)	x	40.0%)	x	C
10	B	+	((A-S)	x	45.0%)	x	C
11	B	+	((A-S)	x	50.0%)	x	C
12	B	+	((A-S)	x	55.0%)	x	C
13	B	+	((A-S)	x	60.0%)	x	C
14	B	+	((A-S)	x	65.0%)	x	C
15	B	+	((A-S)	x	70.0%)	x	C
16	B	+	((A-S)	x	75.0%)	x	C
17	B	+	((A-S)	x	80.0%)	x	C
18	B	+	((A-S)	x	85.0%)	x	C
19	B	+	((A-S)	x	90.0%)	x	C
20	B	+	((A-S)	x	95.0%)	x	C

21 and thereafter Full taxes due on the assessed value of the Facility in accordance with the then current tax rate of the Town and then current assessed value of the Facility.

The tax benefits provided for in this schedule shall be deemed to commence on the Town Abatement Commencement Date. In no event shall the Company be entitled to receive County, Town, School District and Library real property tax benefits due to the Project under the Lease Agreement for a period longer than the period set forth in the formula immediately above. Notwithstanding the foregoing schedule, the Company further covenants and agrees that for any period that the Agency continues to hold a leasehold interest in the Facility after the Town Abatement Termination Date the Company shall pay 100% of the County, Town, School District and Library taxes due on the then current assessed value of the Facility together with any special assessment and services charges relating to the Facility whichever may be imposed for special district improvements in accordance with the provisions of the Lease Agreement.