

AGREEMENT FOR PAYMENTS IN LIEU OF TAXES

THIS AGREEMENT FOR PAYMENTS IN LIEU OF TAXES (the "PILOT Agreement"), dated as of February 23, 2021, by and between the COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York having its principal place of business at 5 Warren Street, Glens Falls, New York 12801 (the "Agency") and FOWLER SQUARE, LLC (the "Company"), a limited liability company organized and existing under the laws of the State of New York, with an address at 427 New Karner Road, Albany, New York 12205.

RECITALS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "State"), as amended, and Section 890-c of the General Municipal Law of the State (collectively, the "Act"), the Agency was created and granted the authority to enter into agreements for the purpose of acquiring, constructing and equipping certain commercial facilities; and

WHEREAS, to advance the public purposes for which it was created, the Agency, upon application of the Company, has agreed to undertake a project (the "Project") consisting of: (i) the acquisition by the Agency of a leasehold interest in certain real property located at 719 Bay Road in the Town of Queensbury, County of Warren, New York (the "Land"); (ii) the planning, design, expansion, construction, operation and maintenance by the Company of 142 residential apartments, approximately 5,000 +/- square feet of professional office and service space, approximately 7,800 +/- square feet of property management and clubhouse space and approximately 25,700 +/- square feet of indoor parking space for use by the Company (collectively, the "Improvements"); (iii) the acquisition of and installation in and around the Land and Improvements by the Company of machinery, equipment, fixtures and other items of tangible personal property (the "Equipment" and, collectively with, the Land and the Improvements, the "Facility"); and (iv) entering into a straight lease transaction (within the meaning of subdivision (15) of Section 854 of the Act), pursuant to which the Agency will retain a leasehold interest in the Facility for a period of time and sublease such interest in the Facility back to the Company (the "Straight Lease Transaction"), all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, Chapter 862 of the Laws of 1971 of the State of New York (collectively, the "Act"), as amended; and

WHEREAS, the Agency has agreed to lease and the Company has agreed to rent the Project Facility pursuant to a lease agreement dated as of February 23, 2021 (the "Lease Agreement"); and

WHEREAS, the Agency will hold a leasehold interest to the Land and all improvements thereon until such time as it may convey its leasehold interest to the Project Facility pursuant to the Lease Agreement; and

WHEREAS, under Section 412-a of the Real Property Tax Law of the State and Section 874 of the General Municipal Law of the State, the Agency is exempt from the payment of taxes and assessments on any real property acquired by it or taken under its jurisdiction, supervision or control; and

WHEREAS, the Agency shall file, on or prior to March 1, 2021, a NYS Real Property Form 412-a with the assessor of the taxing jurisdiction, together with a copy of this PILOT Agreement; and

WHEREAS, Section 6.3 of the Lease Agreement provides that the Company will make certain payments in lieu of town, county, school district and other governmental taxes and charges; and

WHEREAS, in accordance with Section 874(4)(a) of the General Municipal Law of the State, the Agency has established a uniform tax exemption policy (the "Uniform Tax Exemption Policy").

NOW, THEREFORE, in partial consideration of the Agency undertaking the Project, the Company and Agency agree as follows:

AGREEMENT

SECTION 1. Definitions. Unless the context or use unambiguously indicates otherwise, all capitalized terms used herein shall have the meanings given to them in the Lease Agreement.

SECTION 2. Description of Property. This PILOT Agreement shall apply to the Land and Facility, as more particularly described within Schedule A hereto.

SECTION 3. Company Obligations.

(A) Subject to the completion and filing by the taxable status date of March 1, 2021 (the "Taxable Status Date") of New York State Form RP-412-a Application For Real Property Tax Exemption (the "Exemption Application") under Section 412-a of the New York State Real Property Tax Law and Section 874 of the Act, the Land (along with the Improvements once constructed by the Company, as agent of the Agency) shall be exempt from Real Estate Taxes for the periods set forth herein. For purposes of the foregoing "Real Estate Taxes" means all general levy real estate taxes levied against the Facility by the County, Town and the School. The Company shall provide to the Agency with the information necessary for the completion and filing of the Exemption Application and shall provide such additional information and take such actions as are required by the appropriate assessors or Board of Assessment Review to process and approve the Exemption Application. 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 and any such payment may be

made under protest reserving all rights at law and under this PILOT Agreement and the Lease Agreement) all Real Estate Taxes levied upon the Facility 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 overall operating efficiency of the Facility is not impaired and the Facility continues to qualify as a "project" under the Act; (ii) neither the Facility 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. At no cost or expense to the Agency, the Agency agrees to cooperate with the Company in any such contest. 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 file the Exemption Application with the appropriate assessors or Board of Assessment Review by the Taxable Status Date.

(B) Throughout the period, a leasehold interest to the Land and the Facility is conveyed to the Agency, the Company shall pay to the Agency, in accordance with the terms of this agreement, certain taxes, assessments, rents and other governmental charges levied upon or against the Land and the improvements thereon in lieu of Real Property Taxes (the "PILOT Payments"). In determining the amount of any PILOT Payment, such payment shall be calculated (1) as if title and interest to the Land is in the Company and not the Agency, (2) as if the improvements contemplated by the Plans and Specifications are completed on or before the Completion Date and (3) in accordance with the PILOT Payment Schedule as set forth in Schedule B hereto.

(C) As long as the Facility is owned by the Agency or leased by the Company to the Agency, or under the Agency's jurisdiction, control or supervision, the Company agrees to pay annually to the Agency as a payment in lieu of taxes, on or before January 31 and September 30 of each year beginning September 2021 (for School Taxes), and thereafter on January 31 and September 30 of each year during the term hereof (collectively, the "Payment Date") for County and Town Taxes and School Taxes, respectively, an amount equal to the Total PILOT payment, which is the product of the following:

The then current tax rate for such Affected Tax Jurisdiction (after application of any applicable equalization rate) multiplied by the Total Taxable Valuation (as defined in Schedule B)

The parties agree and acknowledge that payments made hereunder are to obtain revenues for public purposes, and to provide a revenue source that the Affected Tax Jurisdictions would otherwise lose because the subject parcels are not on the tax rolls.

(C) In addition to the payments set forth in paragraph (A) of this Section 3, the Company shall be responsible for the payment to the Agency of all assessments, water/sewer rents and other governmental charges not included in Schedule B that would be levied upon or against the Land and the improvements thereon were title to them in the Company and not the Agency.

(D) If the lease of the Facility to the Agency remains in effect beyond the term allowed herein, the Company shall pay to the Agency all taxes that would have been levied on or against the Facility were title to it in the Company and not the Agency. Payments hereunder shall be made at such times and in such amounts as would be due were title to the Facility in the Company and not the Agency.

(E) If any payments under paragraph (A) and (B) of this Section 3 are untimely, such payments shall be subject to late charges, costs, expenses and penalties in accordance with Section 874(5) and Section 874(6) of the General Municipal Law of the State, as amended.

(F) Period of Benefits.

(i) It is anticipated that this PILOT Agreement will cover multiple phases of the total construction project. The proposed construction phases are described as follows:

(a) Phase 1: One (1) three (3) story multi-purpose building with the second and third floors consisting of multi-family residential units and the first floor consisting of indoor parking, a clubhouse/office facility and 5,000 +/- square feet of space for professional offices on 5.0 +/- acres.

(b) Phase 2: Four (4) two (2) story multi-family residential buildings with eight (8) units in each building on 6.0 +/- acres.

(c) Phase 3: Five (5) two (2) story multi-family residential buildings with eight (8) units in each building on 7.0 +/- acres.

It is the intention of this PILOT Agreement to apply the PILOT Payment Schedule as set forth in Schedule B to each of the above referenced construction phases and shall apply after a certificate of occupancy is issued for the Facility(ies) on each Phase. The Company and the Agency agree to amend this PILOT Agreement as may be necessary from time to time to confirm the periods of the benefits, the PILOT Payment Schedule and to amend the expiration date of this PILOT Agreement.

(ii) The Company shall pay the 2021-2022 School tax bill and the 2022 County and Town tax bill on the dates and in the amounts as if the Agency were not in title on the tax lien date with respect to said tax years based on the Base Valuation as defined in Schedule B herein plus any partial assessment for work in progress for the construction of the Facility.

(iii) Phase I. The tax benefits provided for herein for Phase I, as described in this Section, shall be deemed to include (i) the 2023 County and Town tax year through and including the 2033 County and Town Tax year and (ii) the 2022/2023 School tax year through and including the 2032/2033 School tax year. The PILOT period for Phase I shall expire on December 31, 2033; *provided, however*, the Company shall pay the 2034 County and Town tax

bill and the 2033/2034 School tax bill on the dates and in the amounts as if the Agency were not in title on the tax lien date with respect to said tax years.

(iv) Contemplating Phases II and II, this PILOT Agreement shall expire on December 31, 2036; *provided, however*, the Company shall pay the 2037 County and Town tax bill and the 2036/2037 School tax bill on the dates and in the amounts as if the Agency were not in title on the tax lien date with respect to said tax years.

(v) In no event shall the Company be entitled to receive tax benefits relative to the Facility for all Phases for more than the periods provided for herein, unless the period is extended by amendment to this Agreement executed by both parties after any applicable public hearings.

SECTION 4. Sales Tax Exemption.

(A) The initial construction and equipping of the Facility shall be exempt from sales tax. The initial sales tax exemption period for the Facility shall expire at the end of the Construction Period, subject to extension by approval of the Agency. No sales tax exemption shall be granted to the Company for the operations of the Facility.

(B) The Agency and the Company agree that the sales tax exemption shall be provided in accordance with Section 875 of the General Municipal Law, as amended and in accordance with the terms of the Agent Agreement dated January 6, 2021 entered into by and between the Company and the Agency. The Agency shall keep records of the amount of State and local sales and use tax exemption benefits provided to this Project and Company and its subagents, shall make such records available to the Commissioner of Tax & Finance upon request.

SECTION 5. Mortgage Tax Exemption. All mortgages placed against the Facility shall be exempt from the payment of mortgage recording tax, as would otherwise be charged pursuant to the Tax Law of the State, as amended.

SECTION 6. Recapture of Benefits. All benefits derived hereunder, including mortgage tax exemptions, real property tax exemptions and sales tax exemptions, shall be subject to the Recapture of Benefits Policy of the Agency as acknowledged as of the date hereof and as set forth on Schedule C hereto.

SECTION 7. Distribution of Payments. The Agency shall distribute each payment hereunder among the tax districts within which the Facility is located in accordance with Section 858(15) of the General Municipal Law of the State, as amended.

SECTION 8. Event of Default. Failure of the Company to make any payment required hereunder shall constitute an Event of Default under the Lease Agreement after notice thereof and opportunity to cure as provided thereunder.

SECTION 9. Remedies on Default.

(A) General. Whenever Default shall have occurred with respect to this Payment in Lieu of Tax Agreement, the Agency (or if such Event of Default concerns a payment required to be made hereunder to any Taxing Entity, then with respect to such Default such Taxing Entity) may take whatever action at law or in equity as may appear necessary or desirable to collect the amount then in default or to enforce the performance and observance of the obligations, agreement and covenants of the Company under this Payment in Lieu Agreement.

(B) Cross-Default. In addition, Default hereunder shall constitute an event of default under Article X of the Lease Agreement. Upon occurrence of Default hereunder resulting from a failure of the company to make any payment required hereunder, the Agency shall have, as a remedy therefor under the Lease Agreement, among other remedies, the right to terminate the Lease Agreement, thus subjecting the Project Facility to immediate full taxation pursuant to Section 520 of the Real Property Tax Law of the State.

SECTION 10. Term of Agreement. Except as otherwise stated in Section 3, the term of the PILOT Agreement shall commence as of the date hereof and run through and include December 31, 2036, unless terminated earlier in accordance with the provisions hereof. Until the leasehold interest in the Land and improvements is transferred into the Agency on the next ensuing taxable status date, the Company shall be liable for all real property taxes levied on, or which could be levied on, the Land and improvements based on the assessment roll in effect on the date of the Underlying Lease from the Company to the Agency. The Company shall be liable for all real property taxes levied on, or which could be levied on, the Land and improvements from the date of conveyance from the Agency to the Company pursuant to the provisions of Section 520 of the Tax Law of the State, provide however the Company shall not be obligated to pay any such real property taxes for any period for which it has made the PILOT Payments.

SECTION 11. Grievance Procedure.

(A) The Agency hereby assigns to the Company all of the Agency's rights under the Real Property Tax Law of the State to contest any assessment on or real property tax levied against the Land and the Facility. Should the Company commence any real property assessment review proceeding under this Section 11, the Company shall have the right to prosecute such action or administrative adjudication in the name of the Agency. If the Company shall prevail in such proceeding, the Agency shall pass through to the Company any refunds of payments in lieu of taxes the Agency receives from the taxing jurisdictions based upon the final order or judgment of the court or Governmental Authority reviewing the assessment or tax.

(B) The rights assigned in paragraph (A) of this Section 11 are subject to those rights and obligations created by the Lease Agreement.

SECTION 12. Assignment of Company Obligations. The obligations of the Company under the PILOT Agreement may not be assigned in whole or in part to any other Person without the prior written consent of the Agency.

SECTION 13. Merger of Agency.

(A) Nothing contained in the PILOT Agreement shall prevent the consolidation of the Agency with, or merger of the Agency into or assignment by the Agency of its rights and interests hereunder to any other body corporate and politic and public instrumentality of the State or political subdivision thereof which has the legal authority to perform the obligations of the Agency hereunder, provided that upon any such consolidation, merger or assignment, the due and punctual performance and observance of all the agreements and conditions of the PILOT Agreement and the Lease Agreement to be kept and performed by the Agency shall be expressly assumed in writing by the public instrumentality or political subdivision resulting from such consolidation or surviving such merger or to which the Agency's rights and interests hereunder shall be assigned.

(B) As of the date of any such consolidation, merger or assignment, the Agency shall give notice thereof in reasonable detail to the Company. Pursuant to Section 9.2 of the Lease Agreement, the Agency shall promptly furnish to the Company such additional information with respect to any such consolidation, merger or assignment as the Company reasonably may request.

SECTION 14. Uniform Tax Exemption Policy. This PILOT Agreement and its provisions are in compliance with the Agency's Uniform Tax Exemption Policy.

SECTION 15. Counterparts. This PILOT Agreement may be executed in several counterparts each of which shall be an original and all of which shall constitute but one instrument.

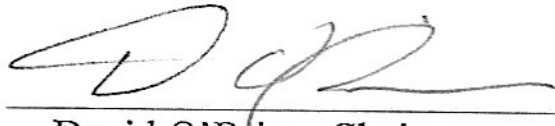
SECTION 16. Applicable Law. This PILOT Agreement shall be governed exclusively by the applicable laws of the State of New York.

SECTION 17. Section Headings. The section headings of this PILOT Agreement have been prepared for convenience only and shall not affect the meaning of any provision of this PILOT Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Agency and the Company have caused this PILOT Agreement to be executed by their Authorized Representatives as of the date first above written.

COUNTIES OF WARREN AND WASHINGTON
INDUSTRIAL DEVELOPMENT AGENCY

BY: 
David O'Brien, Chairman

STATE OF NEW YORK)
 SS
COUNTY OF WARREN)

On the 19th day of February in the year 2021, before me, the undersigned, a notary public in and for said state, personally appeared David O'Brien 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.


Notary Public

DONNA L. DERWAY
Notary Public, State of New York
Warren County #01DE4647371
Commission Expires Aug. 31, 2021

SCHEDULE A
PROPERTY DESCRIPTION & SOURCE OF TITLE

SCHEDULE "A"

ALL THAT CERTAIN PARCEL OF LAND situate in the Town of Queensbury, County of Warren, State of New York, lying Southerly of and adjacent to Blind Rock Road, a.k.a. County Road No. 17, and Westerly of and adjacent to Bay Road, a.k.a. County Road No. 7, and being more particularly bounded and described as follows:

BEGINNING at the point of intersection of the Southerly boundary of Blind Rock Road with the Westerly boundary of Bay Road, and which point marks the Northeasterly corner of the premises being hereby conveyed and runs thence along the Westerly boundary of Bay Road South 07 degrees 42 minutes 17 seconds West a distance of 1,135.56 feet to a point on the division line between the lands of BRB Group as described in Book 701 of Deeds at Page 250 on the North and the lands now or formerly of Church of the Nations, Inc. on the South; thence along said division line North 80 degrees 50 minutes 49 seconds West a distance of 632.00 feet to a point on the division line between said lands of the BRB Group on the West and said lands of Church of the Nations, Inc. on the East; thence along said division line South 00 degrees 40 minutes 11 seconds West a distance of 97.56 feet to a point on the division line between said lands of BRB Group on the North and the lands now or formerly of Woodbury Development Group on the South; thence along the division line North 81 degrees 34 minutes 35 seconds West a distance of 529.66 feet to a point; thence along the division line between said lands of BRB Group on the East and the lands now or formerly of O'Connor, the lands now or formerly of North American Medical Center, the lands now or formerly of Rutherford, the lands now or formerly of Thorne and other lands now or formerly of Thorne all on the West, North 07 degrees 07 minutes 35 seconds East a distance of 1,281.15 feet to a point on the Southerly boundary of Blind Rock Road; thence along the Southerly boundary of Blind Rock Road the following five courses: 1) North 67 degrees 18 minutes 15 seconds East a distance of 129.34 feet to a point; 2) North 78 degrees 14 minutes 25 seconds East a distance of 100.00 feet to a point; 3) North 89 degrees 12 minutes 39 seconds East a distance of 100.00 feet to a point; 4) South 78 degrees 54 minutes 17 seconds East a distance of 180.00 feet to a point; and 5) South 67 degrees 53 minutes 05 seconds East a distance of 700.00 feet to the point of beginning, containing 34.050± acres, being a portion of the lands of BRB Group as described in Book 701 of Deeds at Page 250 and being all of the lands of BRB Group as depicted on a map entitled "Subdivision Plan" prepared for BRB Group by Nace Engineering, P.C., Civil Engineers and VanDusen & Steves, Land Surveyors, LLC dated June 29, 1999, last revised July 20, 2000, which map was filed in the Warren County Clerk's Office on December 19, 2000 in Plat B, File 157.

INTENDING to be premises shown on a map sheet 1 of 4 entitled "Subdivision Plan" prepared for BRB Group by Nace Engineering, P.C., Civil Engineers and VanDusen & Steves, Land Surveyors, LLC dated June 29, 1999, last revised July 20, 2000 which said map was filed in the Warren County Clerk's Office on December 19, 2000 in Plat B, File 157.

SCHEDULE B

PILOT PAYMENT SCHEDULE

PILOT YEAR	PERCENTAGE OF ABATEMENT ON NEW FACILITY
Year 1	50% abatement on new construction
Year 2	45% abatement on new construction
Year 3	40% abatement on new construction
Year 4	35% abatement on new construction
Year 5	30% abatement on new construction
Year 6	25% abatement on new construction
Year 7	20% abatement on new construction
Year 8	15% abatement on new construction
Year 9	10% abatement on new construction
Year 10	5% abatement on new construction
Year 11	0% abatement on new construction

“Total PILOT Payment” shall be calculated as follows:

For the term of this PILOT Agreement, the Company shall pay full taxes based on the assessed value of the Land before the completion of any Project improvements (the “Base Valuation”). The amount of the Base Valuation has been frozen for the term of the PILOT at **Seven Hundred Eighty Nine Thousand Dollars (\$789,000.00)**.

The Total Taxable Valuation for each Total PILOT Payment shall be calculated such that a graduated abatement factor (“Abatement Factor”) shall be applied to the increased assessed valuation attributable to the Improvements made to the Project Facility by the Company, as an Agent of the Agency, for the Project (the “Added Value”).

Once the Total Taxable Valuation is established using the Abatement Factor, the Total PILOT Payment shall be determined by multiplying the Total Taxable Valuation by the respective tax rate for each affected tax jurisdiction (after application of any applicable equalization rate). After the tenth PILOT Year, the Project Facility shall be subject to full taxation by the affected taxing jurisdictions.

Total Taxable Valuation = Base Valuation + (Added Value x Abatement Factor)

Total PILOT Payment = Total Taxable Valuation (after equalization) x Tax Rate Year 1 is deemed to be the year as to each Phase after which the Facility(ies) is substantially completed and a certificate of occupancy is issued therefor the Added Value reflects the fully completed Facility as opposed to a work in progress Added Value.