



BOND, SCHOENECK & KING, PLLC
ATTORNEYS AT LAW ■ NEW YORK FLORIDA KANSAS

April 6, 2010

**VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Gilbert Kemp, Assessor
Town of Sangerfield
611 Craigfoot Road
Waterville NY 13480

*Re: Oneida County Industrial Development Agency 2010 PILOT Extension
Champion Home Builders Co. Facility*

Dear Mr. Kemp:

Enclosed you will please find Form RP-412-a (Application for Real Property Tax Exemption) in connection with the above-referenced transaction. Attached to the Application is a copy of the First Amended and Restated Payment in Lieu of Tax Agreement, which sets forth the revised terms of the tax abatement that the Agency will grant to the Company effective immediately. Enclosed for your ease of reference is a Closing Summary Sheet that summarizes the benefits the Company will receive.

Also enclosed is a copy of an Assignment and Assumption Agreement, pursuant to which Champion Home Builders Co. assigns all of its rights and obligations under the PILOT Agreement to Champion Home Builders, Inc.

Should you have any questions on the enclosed, please do not hesitate to contact our offices.

Very truly yours,

Laura S. Ruberto
Paralegal

Enclosures

c: Attached Distribution List (w/enclosures)

Distribution List

Anthony J. Picente, Jr.
Oneida County Executive
800 Park Avenue
Utica, New York 13501

Mr. Anthony R. Carvelli
Commissioner of Finance
Oneida County Finance Department
800 Park Avenue
Utica NY 13501

Kathy Pilbeam, Director
Real Property Tax Services
Oneida County
800 Park Avenue
Utica, New York 13501

County of Oneida
Receiver of Taxes
800 Park Avenue
Utica, New York 13501

Mr. Kevin Kelley, Supervisor
Town of Sangerfield
250 Tower Street
Waterville NY 13480

Receiver of Taxes
Town of Sangerfield
1084 State Route 12
Sangerfield NY 13455

Ms. Dana Nasypany, President
Board of Education
Waterville Central School District
381 Madison Street
Waterville NY 13480

Mr. Gary J. Lonczak, Superintendent
Waterville Central School District
381 Madison Street
Waterville NY 13480

Linda Hughes, Receiver of Taxes
Waterville Central School District
381 Madison Street
Waterville NY 13480

7008 2810 0001 3423 9776

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
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WATERVILLE NY 13480 OFFICIAL USE

Postage	\$ 1.56	0504
Certified Fee	2.80	03
Return Receipt Fee (Endorsement Required)	2.30	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.66	04/06/2010

Sent To Gilbert Kemp, Assessor
 Street, Apt. No.,
 or PO Box No. 611 Craigfoot Road
 City, State, ZIP+4 Waterville NY 13480

PS Form 3800, August 2006

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Gilbert Kemp, Assessor
Town of Sangerfield
611 Craigfoot Road
Waterville NY 13480

2. Article Number 7008 2810 0001 3423 9776
 (Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature Joan Kemp Agent Addressee
 B. Received by (Printed Name) Joan Kemp C. Date of Delivery 4/7/10
 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540



INDUSTRIAL DEVELOPMENT AGENCIES
APPLICATION FOR REAL PROPERTY TAX EXEMPTION
(Real Property Tax Law, Section 412-a and General Municipal Law, Section 874)

1. INDUSTRIAL DEVELOPMENT AGENCY (IDA)

Name Oneida County IDA
Street 153 Brooks Road
City Rome NY 13441
Telephone no. Day (315) 338-0393
Evening ()
Contact Shawna Papale
Title Executive Director

2. OCCUPANT (IF OTHER THAN IDA)

(If more than one occupant attach separate listing)

Name Champion Home Builders Co.
Street 951 Route 12 South
City Sangerfield NY 13455
Telephone no. Day (315) 841-4122
Evening ()
Contact Steve Salata
Title Controller

3. DESCRIPTION OF PARCEL

a. Assessment roll description (tax map no./roll year)
398.000-1-19
b. Street address 951 Route 12 South
c. City, Town or Village Sangerfield

d. School District Waterville Central SD
e. County Oneida
f. Current assessment
g. Deed to IDA (date recorded; liber and page)
7/9/1999 Book 2877 Page 86

4. GENERAL DESCRIPTION OF PROPERTY (if necessary, attach plans or specifications)

a. Brief description (include property use) 171,000± sf manufacturing facility situated on 24± acre parcel of land for manufacture of single and double wide homes
b. Type of construction
c. Square footage 171,000±
d. Total cost N/A
e. Date construction commenced N/A
f. Projected expiration of exemption (i.e. date when property is no longer possessed, controlled, supervised or under the jurisdiction of IDA)
6/1/2029

5. SUMMARIZE AGREEMENT (IF ANY) AND METHOD TO BE USED FOR PAYMENTS TO BE MADE TO MUNICIPALITY REGARDLESS OF STATUTORY EXEMPTION

(Attach copy of the agreement or extract of the terms relating to the project).

a. Formula for payment Company pays 66.67% of taxes years 10 - 11; 73.4% of taxes year 12; 80% of taxes year 13; 86.7% of taxes year 14; 93.3% of taxes year 15 and 100% of taxes after year 15. First Amended and Restated PILOT Agreement attached.
b. Projected expiration date of agreement 6/30/2016

c. Municipal corporations to which payments will be made

	Yes	No
County _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Town/City _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Village _____		<input checked="" type="checkbox"/>
School District _____	<input checked="" type="checkbox"/>	

d. Person or entity responsible for payment

Name Champion Home Builders
Title Steve Salata, Controller

Address 951 Route 12 South
Sangerfield NY 13455

Telephone 315-841-4122

e. Is the IDA the owner of the property? Yes/No (circle one)
If "No" identify owner and explain IDA rights or interest in an attached statement.

6. Is the property receiving or has the property ever received any other exemption from real property taxation?
(check one) Yes No

If yes, list the statutory exemption reference and assessment roll year on which granted:
exemption GML §874 assessment roll year 2000

7. A copy of this application, including all attachments, has been mailed or delivered on 4/6/10 (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

CERTIFICATION

I, David C. Grow, Chairman of Oneida County Industrial Development Agency hereby certify that the information on this application and accompanying papers constitutes a true statement of facts.

3/17/10
Date

David C. Grow
Signature

FOR USE BY ASSESSOR

1. Date application filed _____
2. Applicable taxable status date _____
- 3a. Agreement (or extract) date _____
- 3b. Projected exemption expiration (year) _____
4. Assessed valuation of parcel in first year of exemption \$ _____
5. Special assessments and special as valorem levies for which the parcel is liable:

Date

Assessor's signature

CHAMPION HOME BUILDERS CO.

and

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

FIRST AMENDED AND RESTATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Oneida County Industrial Development Agency
2010 PILOT Extension
(Champion Home Builders Co. Facility)

Town of Sangerfield, Waterville Central School District

Tax Account No.: 398.000-1-19

FIRST AMENDED AND RESTATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS FIRST AMENDED AND RESTATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT (the "First Amended and Restated PILOT Agreement"), dated as of March 1, 2010 is between the **ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York having its office at 153 Brooks Road, Rome, New York 13441-4105 (the "Agency"), and **CHAMPION HOME BUILDERS CO.**, a duly organized and validly existing Michigan business corporation, duly authorized to do business in New York, having an office at 951 Route 12 South, Sangerfield, New York 13455 (the "Company").

WITNESSETH:

WHEREAS, the Agency is authorized and empowered by the provisions of Title 1 of Article 18-A of the General Municipal Law, Chapter 99 of the Consolidated Laws of New York, as amended, (the "Enabling Act"), and Chapter 372 of the 1970 Laws of New York, as amended, constituting Section 901 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, reconstructing, improving, maintaining, equipping and furnishing of, among others, industrial facilities for the purpose of promoting, attracting and developing economically sound commerce and industry in order 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, the Agency is the owner of a certain facility consisting of a 171,000± square foot building (the "Improvements") situated on a 24± acre parcel of land located at 951 Route 12 South in the Town of Sangerfield, County of Oneida, New York (the "Land") (the Land and the Improvements referred to collectively as the "Facility"), all used by the Company for the manufacture of single and double wide homes; and

WHEREAS, the Agency issued its Variable Rate Demand Industrial Development Revenue Bonds on June 1, 1999 in the amount of \$6,820,000 to finance certain costs of the Facility; and

WHEREAS, the Company conveyed title to the Facility to the Agency by way of a deed dated June 1, 1999 recorded in the Oneida County Clerk's Office on July 9, 1999 as Instrument Number 1999-015773 in Liber 2877 of Deeds at Page 86; and

WHEREAS, the Agency leases the Facility to the Company pursuant to a Lease Agreement dated as of June 1, 1999, as amended (the "Lease Agreement") by and between the Agency and the Company, a memorandum of which was recorded in the Oneida County Clerk's Office on July 9, 1999 as Instrument Number 1999-015771 in Liber 2877 of Deeds at Page 70; and

WHEREAS, the Agency and the Company entered into Payment-in-Lieu-of-Tax Agreement dated as of June 1, 1999 (the "PILOT Agreement") pursuant to which the Company agreed to make certain payments in lieu of taxes assessed on the Facility; and

WHEREAS, the Company has requested the Agency enter into a transaction in which the Agency will provide financial assistance to the Facility in the form of extending the abatement of real property taxes under the PILOT Agreement; and

WHEREAS, it is the intention of the parties to extend the real property tax abatements described in the PILOT Agreement for an additional five (5) years by way of this First Amended and Restated PILOT Agreement; and

WHEREAS, the Facility will continue to be exempt from real property taxes, general property taxes, general school district taxes, general assessments, service charges or other governmental charges of a similar nature levied and/or assessed upon the Facility or the interest therein of the Company or the occupancy thereof by the Company (the "Exempt Taxes"), because the Facility is, or will be, under the jurisdiction, supervision and/or control of the Agency and used for a purpose within the meaning of the applicable Constitutional and statutory provisions, including the Enabling Act, provided, however, such exemption will not extend to special assessments or ad valorem levies; and

WHEREAS, the Company understands that it, as lessee of the Facility leased by the Agency, will, in fact, have no Exempt Taxes to pay under the provisions of the Lease Agreement through the term of the Lease Agreement (the "Exemption Term"); and

WHEREAS, each year of the Exemption Term is more particularly set forth on Schedule B attached hereto (each year being referred to as an "Exemption Year"); and

WHEREAS, the Agency and the Company deem it necessary and proper to enter into an amended and restated agreement making provision for payments-in-lieu-of-taxes and such assessments by the Company to the Town of Sangerfield or any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be, wholly or partially located, Oneida County, Waterville Central School District and appropriate special districts (hereinafter each a "Taxing Authority" and collectively the "Taxing Authorities") in which any part of the Facility is or is to be located; and

WHEREAS, the parties intend the PILOT Agreement be superseded in its entirety by this First Amended and Restated PILOT Agreement; and

WHEREAS, all defined terms herein as indicated by the capitalization of the first letter thereof and not otherwise defined herein shall have the meanings ascribed to such terms as set forth in the Lease Agreement.

NOW, THEREFORE, to provide for certain payments to the Taxing Authorities, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. The Company shall pay to each Taxing Authority:

(a) all taxes or PILOT Payments that are due with respect to the Facility prior to the Exemption Term, no later than the last day during which such payments may be made without penalty; and

(b) all special assessments and ad valorem taxes coming due and payable during the term of the Lease Agreement for which the Facility is not exempt, no later than the last day during which such payments may be made without penalty.

2. The Company shall pay to each Taxing Authority as set forth on Schedule A attached hereto and made a part hereof an amount in lieu of the Exempt Taxes (the "PILOT Payments") during each Exemption Year as follows:

- (a) 66.67% of the Exempt Taxes during the tenth Exemption Year;
- (b) 66.67% of the Exempt Taxes during the eleventh Exemption Year;
- (c) 73.4% of the Exempt Taxes during the twelfth Exemption Year;
- (d) 80% of the Exempt Taxes during the thirteenth Exemption Year;
- (e) 86.7% of the Exempt Taxes during the fourteenth Exemption Year;
- (f) 93.3% of the Exempt Taxes during the fifteenth Exemption Year; and
- (g) one hundred percent of Exempt Taxes after the fifteenth Exemption Year.

Anything herein to the contrary, notwithstanding, this Agreement shall terminate on the date on which the Lease Agreement shall terminate and the Agency shall convey its interest in the Facility to the Company or its designee pursuant to the Lease Agreement.

Anything herein to the contrary, notwithstanding, upon the failure of the Company in making any payment when due hereunder and upon failure to cure such default within thirty (30) days of receipt of notice as herein provided, the Company shall thereafter pay as PILOT Payments one hundred (100%) percent of the Exempt Taxes that are attributable to the period from and after the date such payment was due, together with interest at the rate of nine (9%) percent per annum on any delinquent PILOT Payments together with reasonable expenses of collection, including but not limited to, payment of reasonable attorneys' fees; provided, however, nothing herein contained shall be deemed to limit any other rights and remedies the Agency may have hereunder or under any other Transaction Document.

3. The Company will make PILOT Payments to each Taxing Authority hereunder for each Exemption Year by making the required payment to such Taxing Authority no later than the last day during which such Exempt Taxes could otherwise be made without penalty if the Agency did not have an interest in the Facility. Because the Company and its affiliates have filed chapter 11 cases captioned In re Champion Enterprises Inc, et al., Case No. 09-14019 (Jointly Administered) in the United States Bankruptcy Court for the District of Delaware, any amounts arising under this Agreement after the November 15, 2009 petition date shall be administrative expenses of the bankruptcy estates.

4. The PILOT Payments to be made by the Company pursuant to this Agreement are intended to be in lieu of all Exempt Taxes that would have to be paid on the Facility leased to the Company by the Lease Agreement if the Agency did not have an interest in the Facility.

5. If by reason of a change in the Constitution or laws of the State of New York, or an interpretation of the Constitution or the laws of the State of New York by the Court of Appeals (or such lower court from which the time to appeal has expired) of the State of New York, or for any other reason, the Company is required to pay any tax which the payments specified herein are intended to be in lieu of, the Company may deduct the aggregate of any such payments made by it from the amount herein agreed to be paid in lieu of such taxes and need only pay the difference. Furthermore, inasmuch as the PILOT Payments herein agreed to be made by the Company are intended to be in lieu of all Exempt Taxes, it is agreed that said payments shall not, as to any Exemption Year, be in an amount greater than would be payable for such year for such Exempt Taxes, in the aggregate, by a private corporation on account of its ownership of the Facility.

6. This Agreement shall be binding upon the successors and assigns of the parties and any successor to the Company shall be entitled to the benefits of this Agreement, provided that such successor assumes all obligations of the Company under the Agreement and is in compliance with Section 2.2(f) of the Lease Agreement as amended by the First Amendment to Lease Agreement.

7. It is the intent of the parties that the Company will have all the rights and remedies of a taxpayer with respect to any real property or other tax, service charge, special benefit, ad valorem levy, assessment or special assessment or service charge because of which, or in lieu of which, the Company is obligated to make a payment hereunder, as if and to the same extent as if the Agency did not have a leasehold or other interest in the Facility. It is the further intent of the parties that the Company will have all of the rights and remedies of a taxpayer as if and to the same extent as if the Company were the owner of the Facility with respect to any proposed assessment or change in assessment concerning the property, or any portion thereof, whether through an assessor, board of assessment review, court of law, or otherwise and likewise will be entitled to protest before and be heard by such assessor, board of assessment review, court of law or otherwise and will be entitled to take any and all appropriate appeals or initiate any proceedings to review the validity or amount of any assessment or the validity or amount of any taxes that would have been payable but for the provisions hereof. In the event, however, that a court of competent jurisdiction shall enter an order or judgment determining or declaring that, by reason of the Agency's interest in the Facility, the Company does not have the right to bring a proceeding to review such assessment under the Real Property Tax Law or any other law, then the Company shall have the right to contest such assessment in the name and as the agent of the Agency, and the Agency agrees to cooperate with the Company in all respects in any such proceeding at the sole cost and expense of the Company.

8. All amounts payable by the Company hereunder will be paid to the respective Taxing Authority and will be payable in such lawful money of the United States of America as at the time of payment is legal tender for the payment of public and private debts, including a check payable in such money.

9. (a) If any term or provision hereof should be for any reason held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction, such term or provision will be deemed separate and independent and the remainder hereof will remain in full force and effect and will not be invalidated, impaired or otherwise affected by such holding or adjudication.

(b) This Agreement may not be effectively amended, changed, modified, altered or terminated except by an instrument in writing executed by the parties hereto.

(c) All notices, certificates or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, to the Agency or the Company, as the case may be, addressed as follows:

To the Agency:

Oneida County Industrial Development Agency
153 Brooks Road
Rome, New York 13441-4105
Attn: Executive Director

With a Copy to:

Linda E. Romano, Esq.
Bond, Schoeneck & King, PLLC
501 Main Street
Utica, New York 13501

To the Company:

Champion Home Builders Co.
951 Route 12 South
P.O. Box 177
Sangerfield NY 13455-0177
Attn.: _____

With a Copy to:

Champion Enterprises
755 Big Beaver Road, Suite 1000
Troy MI 48084
Atten: General Counsel

provided, that the Agency or the Company may, by notice given hereunder to the other, designate any further or different addresses to which subsequent notices, certificates or other communications to them shall be sent.

(e) This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: David C. Grow
David C. Grow
Its Chairman

CHAMPION HOME BUILDERS CO.

By: _____
Roger K. Scholten
Its Vice President and Secretary

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
David C. Grow
Its Chairman

CHAMPION HOME BUILDERS CO.

By: *RK*
Roger K. Scholten
Its Vice President and Secretary

STATE OF NEW YORK)
) SS:
COUNTY OF ONEIDA)

On the 17th day of March 2010 before me, the undersigned a notary public in and for said state, personally appeared **David C. Grow**, 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

LAURA S. RUBERTO
Notary Public, State of New York
Appointed in Oneida County
Commission Expires August 1, 2010

STATE OF MICHIGAN)
) SS:
COUNTY OF OAKLAND)

On the ____ day of March 2010 before me, the undersigned a notary public in and for said state, personally appeared **Roger K. Scholten**, 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

STATE OF NEW YORK)
) SS:
COUNTY OF ONEIDA)

On the 17th day of March 2010 before me, the undersigned a notary public in and for said state, personally appeared **David C. Grow**, 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

LAURA S. RUBERTO
Notary Public, State of New York
Appointed in Oneida County
Commission Expires August 1, 2010

STATE OF MICHIGAN)
) SS:
COUNTY OF OAKLAND)

On the 17th day of March 2010 before me, the undersigned a notary public in and for said state, personally appeared **Roger K. Scholten**, 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.

Debbie Doetsch
Notary Public

Debbie Doetsch
Notary Public of Michigan
Macomb County
Acting in Oakland County
Expires 01/19/2011



SCHEDULE A

COUNTY OF ONEIDA
Receiver of Taxes
800 Park Avenue
Utica, New York 13501

TOWN OF SANGERFIELD
Receiver of Taxes
1084 State Route 20
Sangerfield, NY 13455

WATERVILLE CENTRAL SCHOOL DISTRICT
Receiver of Taxes
381 Madison Street
Waterville NY 13480

SCHEDULE B

EXEMPTION YEARS

Exemption Year (Assessment Roll Year)	Town/County Taxes	School Taxes
Year Ten (03/01/2009)	01/01/2010 – 12/31/2010	07/01/2010 – 06/30/2011
Year Eleven (03/01/2010)	01/01/2011 – 12/31/2011	07/01/2011 – 06/30/2012
Year Twelve (03/01/2011)	01/01/2012 – 12/31/2012	07/01/2012 – 06/30/2013
Year Thirteen (03/01/2012)	01/01/2013 – 12/31/2013	07/01/2013 – 06/30/2014
Year Fourteen (03/01/2013)	01/01/2014 – 12/31/2014	07/01/2014 – 06/30/2015
Year Fifteen (03/01/2014)	01/01/2015 – 12/31/2015	07/01/2015 – 06/30/2016