

126 BUSINESS PARK LLC
and
ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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

Oneida County Industrial Development Agency
2020 Real Estate Lease
(126 Business Park LLC Facility)

Oneida County, City of Utica, Utica City School District

Tax Account No.: 317.019-1-11

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

THIS FIRST AMENDED AND RESTATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT, dated as of December 18, 2020, is by and between **126 BUSINESS PARK LLC**, a limited liability company duly organized, validly existing and in good standing under the laws of the State of New York, with an address of 126 Business Park Drive, Utica, New York 13502 (the "Company") and **ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, an industrial development agency and a public benefit corporation of the State of New York having its principal office at 584 Phoenix Drive, Rome, New York 13441 (the "Agency").

W I T N E S S E T H:

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 Laws of 1970 of the State 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 Company desires to (a) renovate an existing 23,557± square foot building (the "Existing Improvements") situated on a 2.21± acre parcel of land located at 126 Business Park Drive, City of Utica, Oneida County, New York (the "Existing Land" and, together with the Existing Improvements the "Existing Facility"); (b) construct on the Existing Land and the recently acquired 0.57 ± acre parcel of land located at 2 Notre Dame Lane, City of Utica, Oneida County, New York (the "2020 Land" and together with the Existing Land, the "Land") a parking lot and a 16,000± square foot addition to the Existing Improvements (collectively, the "2020 Improvements" and together with the Existing Improvements, the "Improvements"); and (c) acquire and install equipment in the Improvements (the "Equipment"), all to be used for the purpose of providing public adjusting and disaster preparedness and recovery services (the 2020 Land, the 2020 Improvements and the Equipment referred to collectively as the "2020 Facility", the Land, the Improvements and the Equipment

referred to collectively as the "Facility" and the acquisition of the 2020 Land, the construction of the 2020 Improvements, the renovation of the Existing Improvements and the equipping of the Improvements is referred to as the "Project"); and

WHEREAS, the Agency owns the Existing Facility and leases it to the Company pursuant to a Lease Agreement dated July 1, 1994 as amended on December 30, 2005 and March 29, 2007 (collectively, the "1994 Lease Agreement"); and

WHEREAS, the Company further leases a portion of the Existing Facility to Rising Phoenix Holdings Corporation (the "Rising Phoenix Sublessee") pursuant to a Property Lease made between the Company to Adjusters International Inc. (now known as Rising Phoenix Holdings Corporation) dated May 17, 2007, as amended by First Amendment to Lease dated June 20, 2016, and by Second Amendment to Lease dated December 18, 2020 (collectively, the "Rising Phoenix Sublease"); and

WHEREAS, the Company further leases a portion of the Existing Facility to Basloe, Levin & Cuccaro, Ltd. (the "Basloe Sublessee") pursuant to a Property Lease made between the Company and the Basloe Sublessee dated May 17, 2006, as amended by that First Amendment to Lease dated June 20, 2016 and by Second Amendment to Lease dated December 18, 2020 (collectively, the "Basloe Sublease"); and

WHEREAS, the Company further leases a portion of the 2020 Land to Notre Dame High School (the "Notre Dame Sublessee" and together with the Rising Phoenix Sublessee and the Basloe Sublessee, the "Sublessees") pursuant to a lease dated July 2, 2019 as may be further amended (the "Notre Dame Sublease" and together with the Rising Phoenix Sublease and the Basloe Sublease, the "Subleases"); and

WHEREAS, the Agency conveyed the Existing Facility to the Company pursuant to a Deed dated December 18, 2020, which deed expressly states that the fee estate will not merge with the leasehold estate, and the property remains subject to the 1994 Lease Agreement; and

WHEREAS, in order to induce the Company to develop the 2020 Facility, the Agency is willing to accept a leasehold interest in the Facility pursuant to a Lease Agreement dated of even date herewith, and lease the Facility back to the Company pursuant to the terms and conditions contained in a Leaseback Agreement dated of even date herewith; and

WHEREAS, following the acquisition of a leasehold interest in the Facility, the Agency and the Company terminated the 1994 Lease; and

WHEREAS, the Agency has agreed to accept a leasehold interest in the Facility in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Existing Facility has been 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 Agency has owned the Existing Facility and the Existing Facility is used for a purpose within the meaning of the applicable Constitutional and statutory provisions, including the Enabling Act, provided, however, such exemption does not extend to special assessments or ad valorem levies; and

WHEREAS, the Agency and the Company entered into a Payment-In-Lieu-of-Tax Agreement dated as of December 30, 2005 (the "2005 PILOT Agreement") making provisions for PILOT Payments with respect to the construction of a 13,000± square foot addition (the "2005 Improvements"); and

WHEREAS, the 2020 Facility will be exempt from Exempt Taxes commencing August 1, 2021, the taxable status date, because the Agency has a leasehold interest in the 2020 Facility and the 2020 Facility is used for a purpose within the meaning of the applicable Constitutional and statutory provisions, including the Enabling Act; and

WHEREAS, the Company understands that it, as lessee of the Facility leased by the Agency, will, in fact, have Exempt Taxes to pay under the provisions of this Agreement in the form of PILOT Payments (defined below) from the first date of the Exemption Term (as that date is determined by the parties and described herein) through the term of the Leaseback 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 Company consolidated the tax parcels of the Existing Land and the 2020 Land such that there is one tax parcel encompassing the Land; and

WHEREAS, the Agency and the Company deem it necessary and proper to enter into a single agreement making provision for payments-in-lieu-of-taxes and such assessments by the Company to the City of Utica 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, the Utica City 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, 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 Leaseback 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 that are due with respect to the Facility prior to the Exemption Term, including but not limited to all payments due under the 2005 PILOT Agreement, 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 and the Leaseback Agreement for which the Facility is not exempt, no later than the last day during which such payments may be made without penalty.

2. (a) 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:

With respect to the 2020 Facility:

(i) one-third of Exempt Taxes from Exemption Year 1 through and including Exemption Year 5; and

(ii) two-thirds of Exempt Taxes from Exemption Year 6 through and including Exemption Year 10; and

(iii) one hundred percent of such taxes after Exemption Year 10.

Notwithstanding anything herein to the contrary, for the purposes of calculating PILOT Payments for the 2020 Improvements, the term "Exempt Taxes" is intended to mean only the increase in real property taxes attributable to the 2020 Project. The Company shall continue to pay taxes, or make payments in lieu of taxes, on the 2020 Land, as if the Agency had no leasehold or other interest therein.

With respect to the 2005 Improvements:

(i) two-thirds of Exempt Taxes from Exemption Year 1 through and including Exemption Year 3; and

(ii) one hundred percent of Exempt Taxes after Exemption Year 3.

Notwithstanding anything herein to the contrary, for the purposes of calculating PILOT Payments for the 2005 Improvements, the term "Exempt Taxes" is intended to mean only the increase in real property taxes attributable to the 2005 Improvements. The Company shall continue to pay taxes, or make payments in lieu of taxes, on the Existing Land, as if the Agency had no leasehold or other interest therein.

Anything herein to the contrary, notwithstanding, this Agreement shall terminate on the date on which the Leaseback Agreement shall terminate and the Agency shall terminate its leasehold interest in the Facility pursuant to the Leaseback Agreement. The benefits under this Agreement are subject to the terms and conditions of a certain Job Creation and Recapture Agreement by and among the Agency, the Company and the Rising Phoenix Sublessee dated as of December 18, 2020.

(b) 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, shall constitute an Event of Default under Section 7.1(a)(vi) of the Leaseback Agreement, and the Agency may take any one or all remedial steps afforded it in Section 7.2 of the Leaseback

Agreement; 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 as if the Agency did not have a leasehold or other interest in the Facility. PILOT Payments that are delinquent under this Agreement shall be subject to a late penalty of five percent (5%) of the amount due which shall be paid by the Company to the affected Taxing Authority at the time the PILOT Payment is paid. For each month, or part thereof, that the PILOT Payment is delinquent beyond the first month, interest shall accrue to and be paid to the affected Taxing Authority on the total amount due plus a late payment penalty in the amount of one percent (1%) per month until the payment is made. Anything herein to the contrary, notwithstanding, upon the failure of the Company in making any payment (or causing any payment to be made) when due hereunder and upon failure to cure such default within thirty (30) days of receipt of notice as herein provided, the Agency shall have the right to terminate the Leaseback Agreement and this PILOT Agreement, and the Company shall henceforth pay one hundred (100%) percent of the Exempt Taxes, together with all costs of collection, including but not limited to attorneys' fees. Nothing herein contained shall be deemed to limit any other rights and remedies the Agency may have hereunder or under any other Transaction Document.

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 Leaseback Agreement if the Agency did not have a leasehold or other 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.

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 Agency did not have a leasehold or other interest in 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. Notwithstanding anything herein to the contrary, for so long as this Agreement is in effect, the Company hereby unconditionally and irrevocably waives its right, if any, to apply for and/or receive the benefit of any other real property tax exemption with respect to the Facility, including, without limitation, any real property tax exemption that may be available under Section 485-b and Section 485-e of the Real Property Tax Law.

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 (i) mailed by United States registered or certified mail, postage prepaid, return receipt requested or (ii) when delivered by a commercial overnight courier that guarantees next day delivery and provides a receipt, to the Agency or the Company, as the case may be, addressed as follows:

To the Agency: Oneida County Industrial Development Agency
584 Phoenix Drive
Rome, New York 13441-4105
Attn.: Chairman

With a Copy To: Bond, Schoeneck & King, PLLC
501 Main Street
Utica, New York 13501
Attn.: Linda E. Romano, Esq.

To the Company: 126 Business Park LLC
126 Business Park Drive
Utica, New York 13502
Attn.: President, Rising Phoenix Holdings Corporation

With a Copy To: Barclay Damon, LLP
125 East Jefferson Street
Syracuse, New York 13202
Attn.: Courtney M. Merriman, Esq.

To the Bank: NBT Bank, National Association
52 S. Broad Street
Norwich, New York 13815
Attn.: Commercial Lending Department

With a Copy to: Kowalczyk & Deery, LLP
185 Genesee Street, 12th Floor

Utica, New York 13501
Attn.: Andrew S. Kowalczyk III, Esq.

provided, that the parties 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.

(f) This Agreement shall supercede in all respects the 2005 PILOT Agreement, effective August 1, 2021.

[signature pages follow]

IN WITNESS WHEREOF, the parties have executed this **First Amended and Restated PILOT Agreement** as of the date first above written.

126 BUSINESS PARK LLC
By: Rising Phoenix Holdings Corporation,
Managing Member

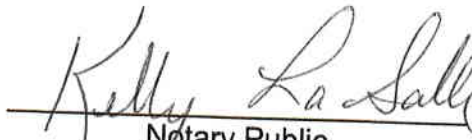
By:



Stephen T. Surace
President

STATE OF NEW YORK)
 : ss.:
COUNTY OF ONEIDA)

On the 11th day of December 2020 before me, the undersigned a notary public in and for said state, personally appeared **Stephen T. Surace**, 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.



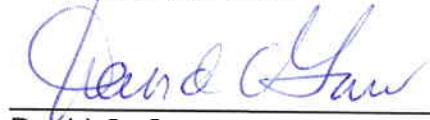
Notary Public

KELLY LA SALLE
NOTARY PUBLIC-STATE OF NEW YORK
No. 01LA6110737
Qualified in Oneida County
My Commission Expires 06-01-2024

SECOND SIGNATURE PAGE OF PILOT AGREEMENT
(126 BUSINESS PARK LLC FACILITY)

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By:



David C. Grow
Chairman

STATE OF NEW YORK)
 : ss.:
COUNTY OF ONEIDA)

On the 14 day of December 2020 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

LORI L. PATRICK
Notary Public, State of New York
No. 01PA6034055
Qualified in Oneida County
My Commission Expires Dec. 6, 2021

SCHEDULE A

COUNTY OF ONEIDA

Receiver of Taxes
800 Park Avenue
Rome, New York 13501

CITY OF UTICA

Receiver of Taxes
City Hall
One Kennedy Plaza
Utica, New York 13502
Attn.: City Treasurer

UTICA CITY SCHOOL DISTRICT

Receiver of Taxes
929 York Street
Utica, New York 13502

SCHEDULE B

EXEMPTION YEARS

Exemption Year (Assessment Roll Year)	County Taxes	City Taxes	School Taxes
Year One (08/01/2021)	01/01/2022 – 12/31/2022	05/01/2022 – 04/30/2023	07/01/2022 – 06/30/2023
Year Two (08/01/2022)	01/01/2023 – 12/31/2023	05/01/2023 – 04/30/2024	07/01/2023 – 06/30/2024
Year Three (08/01/2023)	01/01/2024 – 12/31/2024	05/01/2024 – 04/30/2025	07/01/2024 – 06/30/2025
Year Four (08/01/2024)	01/01/2025 – 12/31/2025	05/01/2025 – 04/30/2026	07/01/2025 – 06/30/2026
Year Five (08/01/2025)	01/01/2026 – 12/31/2026	05/01/2026 – 04/30/2027	07/01/2026 – 06/30/2027
Year Six (08/01/2026)	01/01/2027 – 12/31/2027	05/01/2027 – 04/30/2028	07/01/2027 – 06/30/2028
Year Seven (08/01/2027)	01/01/2028 – 12/31/2028	05/01/2028 – 04/30/2029	07/01/2028 – 06/30/2029
Year Eight (08/01/2028)	01/01/2029 – 12/31/2029	05/01/2029 – 04/30/2030	07/01/2029 – 06/30/2030
Year Nine (08/01/2029)	01/01/2030 – 12/31/2030	05/01/2030 – 04/30/2031	07/01/2030 – 06/30/2031
Year Ten (08/01/2030)	01/01/2030 – 12/31/2030	05/01/2030 – 04/30/2031	07/01/2030 – 06/30/2031