

LAURA S. RUBERTO
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P: 315.738.1223
F: 315.724.2074

March 31, 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul E. Smith, Assessor
Town of Marcy
8801 Paul Becker Rd.
Marcy, NY 13403

Re: *Oneida County Industrial Development Agency 2014 Real Estate Lease
Med-Care Administrators, LLC Facility*

Dear Mr. Smith:

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 Payment in Lieu of Tax Agreement, which sets forth the terms of the tax abatement that the Agency will grant to the Company effective March 1, 2015. Also enclosed for your ease of reference is a Closing Summary Sheet that summarizes the benefits the Company will receive.

We direct your attention to the fact that all PILOT bills should be mailed directly to the Company.

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

Very truly yours,

BOND, SCHOENECK & KING, PLLC



Laura S. Ruberto
Legal Assistant

LSR/lsr
Enclosures

cc: Attached Distribution List

Distribution List

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

Brian N. Scala, Supervisor
Town of Marcy
8801 Paul Becker Road
Marcy NY 13403

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

Receiver of Taxes
Town of Marcy
Attn.: Gina Schillaci, Town Clerk
P.O. Box 220
Marcy NY 13403

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

Thomas Schoen, Jr., President
Board of Education
Whitesboro Central School District
67 Whitesboro St.
Yorkville, NY 13495

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

David Langone, Superintendent
Whitesboro Central School District
67 Whitesboro St.
Yorkville, NY 13495

Receiver of Taxes
Whitesboro Central School District
8539 Clark Mills Road
Whitesboro NY 13492

9066 8182 0001 1090 7013

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 6.90
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.90

Postmark
Here
MAR 3 1 2014

Sent To Town of Marcy Assessor
 Street, Apt. No., or PO Box No. 8801 Paul Becker Rd
 City, State, ZIP+4 Marcy NY 13403

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:
Paul Smith, Assessor
Town of Marcy
8801 Paul Becker Rd
Marcy NY 13403

2. Article Number
 (Transfer from service label) 7013 1090 0001 8182 9066

COMPLETE THIS SECTION ON DELIVERY

A. Signature Jeane Schneider Agent Addressee
 B. Received by (Printed Name) Jeane Schneider C. Date of Delivery 4-3-14

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

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

4. Restricted Delivery? (Extra Fee) Yes



**NYS DEPARTMENT OF TAXATION & FINANCE
OFFICE OF REAL PROPERTY TAX SERVICES**

RP-412-a (1/95)

**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 Industrial Development Agency
 Street 584 Phoenix Drive
 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 9360 River Road Realty, LLC
 Street 16 Mulberry Court
 City Whitesboro NY 13492
 Telephone no. Day (315) 736-2080
 Evening () _____
 Contact Matthew J. Ross
 Title Member

3. DESCRIPTION OF PARCEL

- a. Assessment roll description (tax map no./roll year) 292.004-1-37
- b. Street address 9360 River Road
- c. City, Town or Village Town of Marcy
- d. School District Whitesboro CSD
- e. County Oneida
- f. Current assessment \$442,000
- g. Deed to IDA (date recorded; liber and page)
Memo of Lease Inst# R2014-000331 3/27/14

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

- a. Brief description (include property use) renovations to a 15,000± sf building and installation of equipment to provide medical billing management services
- b. Type of construction _____
- c. Square footage 15,000±
- d. Total cost See Exhibit A attached
- e. Date construction commenced March 2014
- f. Projected expiration of exemption (i.e. date when property is no longer possessed, controlled, supervised or under the jurisdiction of IDA) December 31, 2025

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 will pay 33% of taxes years 1 - 5; 66% of taxes years 6 - 10; and 100% of taxes after year 10. PILOT Agreement is attached.
- b. Projected expiration date of agreement December 31, 2025

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 type="checkbox"/>	<input checked="" type="checkbox"/>
School District _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>

d. Person or entity responsible for payment

Name 9360 River Road Realty, LLC
 Title Matthew Ross, Member
 Address 16 Mulberry Court
Whitesboro, New York 13492

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

Telephone 315-736-2080

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 _____ assessment roll year _____

7. A copy of this application, including all attachments, has been mailed or delivered on 3/31/2014 (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

CERTIFICATION

I, Natalie L. Brown, Vice Chairman of Oneida County Industrial Development Agency hereby certify that the information on this application and accompanying papers constitutes a true statement of facts.

March 26, 2014
Date

Natalie L. Brown
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

Exhibit A

Application for Real Property Tax Exemption
(Form RP-412-a)
Oneida County Industrial Development Agency
(9360 River Road Realty, LLC Facility)

4(d). Total Cost of Facility:

Acquisition of Buildings	\$ 493,000
Renovation costs	445,000
Demolition & Env Remediation	160,000
Machinery & Equipment	57,000
Fixtures	70,000
Legal Fees	17,500
Architectural/Engineering	20,000
Interest on Interim Financing	18,901
Soft Costs	75,000

Total: \$ 1,356,401

9360 RIVER ROAD REALTY, LLC

and

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Oneida County Industrial Development Agency
2014 Real Estate Lease
(Med-Care Administrators, LLC Facility)

Oneida County, Town of Marcy, Whitesboro Central School District

Tax Account No.: 292.004-1-37

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT, dated as of March 1, 2014, is by and between **9360 RIVER ROAD REALTY, LLC**, a New York corporation having an address of 16 Mulberry Court, Whitesboro, New York 13492 (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 acquire and renovate a 15,000± square foot commercial building (the "Improvements") situated on a 2.65± acre parcel of land located at 9360 River Road, Town of Marcy, Oneida County, New York (the "Land") and acquire and install equipment in the Improvements (the "Equipment"), all to be used for the purpose of providing medical practice billing, management and consulting services to medical providers and institutions throughout New York State (the Land, the Improvements and the Equipment is referred to collectively as the "Facility" and the acquisition, renovation and equipping of the Facility is referred to collectively as the "Project"); and

WHEREAS, in order to induce the Company to develop the 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, 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 Facility is 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 commencing March 1, 2015, the taxable status date, (the "Exempt Taxes"), because the Agency has a leasehold interest in the Facility and the 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 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 the Leaseback Agreement 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 Agency and the Company deem it necessary and proper to enter into an agreement making provision for payments-in-lieu-of-taxes and such assessments by the Company to the Town of Marcy, 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 Whitesboro 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, 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, 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:

(i) one-third of such taxes from the first through and including the fifth Exemption Year; and

(ii) two-thirds of such taxes from the sixth through and including the tenth Exemption Year; and

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

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 Lease Agreement. The benefits under this Agreement are subject to the terms and conditions of a certain Job Creation and Recapture Agreement dated as of March 1, 2014.

(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.

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 under 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 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
584 Phoenix Drive
Rome, New York 13441-4105
Attn.: Chairman

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

To the Company: 9360 River Road Realty, LLC
16 Mulberry Court
Whitesboro, New York 13492
Attn.: Matthew J. Ross, Member

With a Copy To: Saunders Kahler, LLP
185 Genesee Street, Suite 1400
Utica, New York 13501
Attn.: Camille T. Kahler, Esq.

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.

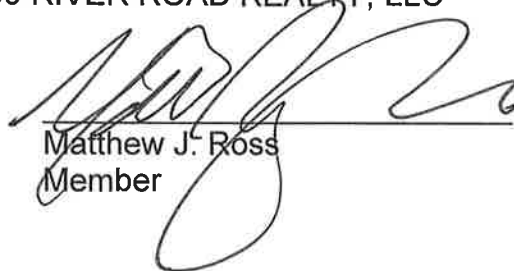
(e) This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

[Signature page follows]

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

9360 RIVER ROAD REALTY, LLC

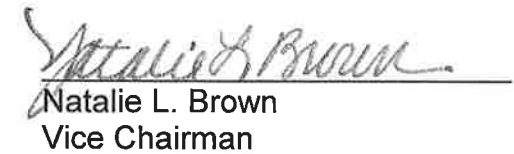
By:



Matthew J. Ross
Member

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By:



Natalie L. Brown
Vice Chairman

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

On the 26th day of March 2014 before me, the undersigned a notary public in and for said state, personally appeared **Matthew J. Ross**, 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
Reg. No. 01RU5031396
Commission Expires August 1, 2014

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

On the 26th day of March 2014 before me, the undersigned a notary public in and for said state, personally appeared **Natalie L. Brown**, 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 she executed the same in her capacity, and that by her 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
Reg. No. 01RU5031396
Commission Expires August 1, 2014

SCHEDULE A

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

TOWN OF MARCY
Receiver of Taxes
8801 Paul Becker Road
Marcy, New York 13413

WHITESBORO CENTRAL SCHOOL DISTRICT
Receiver of Taxes
8539 Clark Mills Road
Whitesboro, New York 13492

SCHEDULE B

EXEMPTION YEARS

Exemption Year (Assessment Roll Year)	County/Town Taxes	School Taxes
Year One (03/01/2015)	01/01/2016 – 12/31/2016	07/01/2015 – 06/30/2016
Year Two (03/01/2016)	01/01/2017 – 12/31/2017	07/01/2016 – 06/30/2017
Year Three (03/01/2017)	01/01/2018 – 12/31/2018	07/01/2017 – 06/30/2018
Year Four (03/01/2018)	01/01/2019 – 12/31/2019	07/01/2018 – 06/30/2019
Year Five (03/01/2019)	01/01/2020 – 12/31/2020	07/01/2019 – 06/30/2020
Year Six (03/01/2020)	01/01/2021 – 12/31/2021	07/01/2020 – 06/30/2021
Year Seven (03/01/2021)	01/01/2022 – 12/31/2022	07/01/2021 – 06/30/2022
Year Eight (03/01/2022)	01/01/2023 – 12/31/2023	07/01/2022 – 06/30/2023
Year Nine (03/01/2023)	01/01/2024 – 12/31/2024	07/01/2023 – 06/30/2024
Year Ten (03/01/2024)	01/01/2025 – 12/31/2025	07/01/2024 – 06/30/2025