

**STEUBEN COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**AND**

**54 W MARKET, LLC**

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**TAX AGREEMENT**

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**Project Address:**

54-56 West Market Street  
City of Corning  
Steuben County, New York

**Affected Tax Jurisdictions:**

Steuben County  
City of Corning  
Corning-Painted Post School District

**Tax Map No.:**

317.44-02-031.000

**Dated as of November 1, 2019**

## TAX AGREEMENT

THIS TAX AGREEMENT (the "Agreement"), dated as of November 1, 2019, by and between **STEBEN COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation duly existing under the laws of the State of New York, with offices located at 7234 Route 54, Bath, New York 14810 (the "Agency"), and **54 W MARKET, LLC**, a limited liability company formed and validly existing under the laws of the State of New York, with an address of 330 East 14<sup>th</sup> Street, Elmira Heights, New York 14903 (the "Company").

### WITNESSETH:

WHEREAS, the Agency was created by Chapter 178 of the Laws of 1972 of the State of New York pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York (collectively, the "Act") as a body corporate and politic and as a public benefit corporation of the State of New York; and

WHEREAS, the Company has submitted an application (the "Application") to the Agency requesting the Agency's assistance with respect to a certain project (the "Project") consisting of: (i) the acquisition by the Agency of a leasehold interest in certain property located 54-56 West Market Street, City of Corning, Steuben County, New York (the "Land") and the existing building located thereon, consisting principally of the former "Holmes Plate" building (the "Existing Improvements"); (ii) the renovation, reconstruction and re-furbishment of the Existing Improvements to accommodate commercial space on the first floor and seven (7) residential rental units on the second and third floors (the "Improvements"); and (iii) the acquisition and installation by the Company in and around the Improvements of certain items of equipment and other tangible personal property to undertake the Project (the "Equipment"; and, collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); and

WHEREAS, in order to induce the Company to acquire, construct and equip the Facility, the Agency is willing to take or retain leasehold interest in the Land, the Existing Improvements, the Improvements and personal property constituting the Facility and lease said Land, Existing Improvements, Improvements and personal property back to the Company pursuant to the terms and conditions of a certain Leaseback Agreement, by and between the Agency, as lessor, and the Company, as lessee, to be dated on or about the date hereof (the "Leaseback Agreement"); and

WHEREAS, pursuant to Section 874(1) of the Act, the Agency is exempt from the payment of taxes imposed upon real property and improvements owned by it or under its jurisdiction, control or supervision, other than special ad valorem levies, special assessments and service charges against real property which are or may be imposed for special improvements or special district improvements; and

WHEREAS, the Agency and the Company deem it necessary and proper to enter into an agreement making provisions for payments in lieu of taxes by the Company to the Agency for the benefit of Steuben County (the "County"), the City of Corning (the "City") and the Corning-Painted Post School District (the "School"; and, collectively with the County and the City, the "Affected Tax Jurisdictions"); and

NOW, THEREFORE, in consideration of the covenants herein contained, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

Section I - Payment in Lieu of Ad Valorem Taxes.

1.1 A. Subject to the completion and filing by the taxable status date **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 and the approval of the Exemption Application by the appropriate assessors or Board of Assessment Review, the Facility shall be exempt from Real Estate Taxes commencing with the 2022 County tax year and the 2021-22 City and School tax year. For purposes of the foregoing, "Real Estate Taxes" means all general levy real estate taxes levied against the Facility by the County, the City and the School. The Company shall provide to the Agency 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 Leaseback 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) 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. 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. Payee. For the term of this Agreement, the Company agrees to pay on January 1 of each year to the Agency at 7234 Route 54, P.O. Box 393, Bath, New York 14810, or at such other address as shall be designated from time to time by the Agency, on behalf of the Affected Tax Jurisdictions and as a payment in lieu of taxes, commencing on or before January 1, 2022, an amount equal to the Total Payment. The Total Payment of each year is described on **Schedule A.**

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.

1.2 Allocation. The Agency shall remit to the Affected Tax Jurisdictions amounts received hereunder within thirty (30) days of receipt of said payment and shall allocate said payments among the Affected Tax Jurisdictions in the same proportion as ad valorem taxes

would have been allocated but for the Agency's involvement, unless the Affected Tax Jurisdictions have consented in writing to a specific allocation.

1.3 Tax Rates. For purposes of determining the allocation of the Total Payment among the Affected Tax Jurisdictions, the Agency shall use the last tax rate utilized for levy of taxes by each such jurisdiction. For County and City and special district purposes, the tax rates used to determine the allocation of the Total Payment shall be the tax rates relating to the calendar year which includes the Payment due date. For School purposes, the tax rates used to determine the Payment shall be the rate relating to the school year which includes the Payment due date.

1.4 Valuation of Future Additions to the Facility: If there shall be a future addition to the Facility constructed or added in any manner after the date of this Agreement, the Company shall notify the Agency of such future addition ("Future Addition"). The notice to the Agency shall contain a copy of the application for a building permit, plans and specifications, and any other relevant information that the Agency may thereafter request. Upon the earlier of substantial completion, or the issuance of a certificate of occupancy for any such Future Addition to the Facility, the Company shall become liable for payment of an increase in the Total Payment if the Future Addition shall cause an increase in the assessed value of the Facility, as determined by the Agency or applicable tax assessor. The Agency shall notify the Company of any proposed increase in the Total Payment related to such Future Addition. If the Company shall disagree with the determination of assessed value for any Future Additions made by the Agency, then and in that event that valuation shall be fixed by a court of competent jurisdiction. Notwithstanding any disagreement between the Company and the Agency, the Company shall pay the increased Payment until a different Total Payment shall be established. If a lesser Total Annual Payment is determined in any proceeding or by subsequent agreement of the parties, the Total Payment shall be re-computed and any excess payment shall be refunded to the Company or, in the Agency's sole discretion, such excess payment shall be applied as a credit against the next succeeding Payment(s).

1.5 Period of Benefits. The tax benefits provided for herein should be deemed to include (i) the 2021-2022 City and School tax year through the 2041-2042 City and School tax year, and (ii) the 2022 County tax year through the 2042 County tax year. This Tax Agreement shall **expire on December 31, 2042**; provided, however, the Company shall pay the 2042-2043 City and School tax bill and the 2043 County tax bill on the dates and in the amounts as if the Agency were not in title on the tax status date with respect to said tax years. In no event shall the Company be entitled to receive tax benefits relative to the Facility 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. The Company agrees that, during the term hereof, it will not seek any tax exemption for the Facility which could provide benefits for more than the periods provided for herein and specifically agrees that the exemptions provided for herein, to the extent actually received (based on the number of lease years elapsed), supersede and are in substitution of the exemptions provided by Section 485-b of the New York Real Property Tax Law ("RPTL"). It is hereby agreed and understood that the Affected Tax Jurisdictions can rely upon and enforce the above waiver to the same extent as if they were signatories hereto.

## Section II - Special District Charges, Special Assessments and Other Charges.

2.1 Special district charges, special assessments, and special ad valorem levies (specifically including, but not limited to, fire district charges), and pure water charges and sewer charges are to be paid in full in accordance with normal billing practices.

## Section III - Transfer of Facility.

3.1 In the event that the Facility is transferred from the Agency to the Company (the lease/leaseback agreements are terminated), and the Company is ineligible for a continued tax exemption under some other tax incentive program, or the exemption results in a payment to the Affected Tax Jurisdictions in excess of the payment described in Section I herein, or this Agreement terminates and the Facility is not timely transferred back to the Company, the Company agrees to pay no later than the next tax lien date (plus any applicable grace period), to each of the Affected Tax Jurisdictions, an amount equal to the taxes and assessments which would have been levied on the Facility if the Facility had been classified as fully taxable as of the date of transfer or loss of eligibility of all or a portion of the exemption described herein or date of termination.

## Section IV - Assessment Challenges.

4.1 The Company shall 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 with respect to the Facility by any of the Affected Tax Jurisdictions and likewise shall be entitled to protest before and be heard by the appropriate assessors or Board of Assessment Review, and shall 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 tax equivalent provided for herein.

4.2 The Company shall have all of the rights and remedies of a taxpayer with respect to any tax, service charge, special benefit, ad valorem levy, assessment, or special assessment or service charge in lieu of which the Company is obligated to make a payment pursuant to this Agreement, as if and to the same extent as if the Company were the owner of the Facility.

4.3 The Company shall (i) permit the appropriate real estate tax assessment office and tax levy officers to assess the Facility and apply tax rates to the respective assessments as if the Facility were owned by the Company, (ii) file any accounts or tax returns required by the appropriate real estate tax assessment office and tax levy officers.

## Section V - Changes in Law.

5.1 To the extent the Facility is declared to be subject to taxation or assessment by an amendment to the Act, other legislative change, or by final judgment of a Court of competent jurisdiction, the obligations of the Company hereunder shall, to such extent, be null and void.

## Section VI - Events of Default.

6.1 The following shall constitute "Events of Default" hereunder. The failure by the Company to: (i) make the payments described in Section I within thirty (30) days of the Payment Date (the "Delinquency Date"); (ii) make any other payments described herein on or before the last day of any applicable cure period within which said payment can be made without penalty; or (iii) the occurrence and continuance of any events of default under the Leaseback Agreement after any applicable cure periods. Upon the occurrence of any Event of Default hereunder, in addition to any other right or remedy the Agency and/or the Affected Tax Jurisdictions may have at law or in equity, the Agency and/or Affected Tax Jurisdictions may, immediately and without further notice to the Company (but with notice to the Agency with respect to actions maintained by the Affected Tax Jurisdictions) pursue any action in the courts to enforce payment or to otherwise recover directly from the Company any amounts so in default. The Agency and the Company hereby acknowledge the right of the Affected Tax Jurisdictions to recover directly from the Company any amounts so in default pursuant to Section 874(6) of the General Municipal Law, and the Company shall immediately notify the Agency of any action brought, or other measure taken, by any Affected Tax Jurisdiction to recover any such amount.

6.2 If payments pursuant to Section I herein are not made by the Delinquency Dates, or if any other payment required to be made hereunder is not made by the last day of any applicable cure period within which said payment can be made without penalty, the Company shall pay penalties and interest as follows. With respect to payments to be made pursuant to Section I herein, if said payment is not received by the Delinquency Date defined in Section 6.1 herein, Company shall pay, in addition to said payment, (i) a late payment penalty equal to five percent (5%) of the amount due and (ii) for each month, or any part thereof, that any such payment is delinquent beyond the first month commencing on or after such Delinquency Date, interest on the total amount due plus the late payment penalty, in an amount equal to one percent (1%) per month. With respect to all other payments due hereunder, if said payment is not paid within any applicable cure period, Company shall pay, in addition to said payment, the greater of the applicable penalties and interest or penalties and interest which would have been incurred had payments made hereunder been tax payments to the Affected Tax Jurisdictions.

## Section VII - Assignment.

7.1 No portion of any interest in this Agreement may be assigned by the Company, nor shall any person other than the Company be entitled to succeed to or otherwise obtain any benefits of the Company hereunder without the prior written consent of the Agency, which shall not be unreasonably withheld or delayed.

## Section VIII - Miscellaneous.

8.1 This Agreement may be executed in any number of counterparts each of which shall be deemed an original but which together shall constitute a single instrument.

8.2 All notices, claims and other communications hereunder shall be in writing and shall be deemed to be duly given if personally delivered or mailed first class, postage prepaid, as follows:

To the Agency: Steuben County Industrial Development Agency  
P.O. Box 393  
7234 Route 54 North  
Bath, New York 14810  
Attn: Executive Director

With Copy To: Harris Beach PLLC  
99 Garnsey Road  
Pittsford, New York 14534  
Attn: Russell E. Gaenzle, Esq.

To the Company: 54 W Market, LLC  
c/o Edger Enterprises of Elmira, Inc.  
330 East 14<sup>th</sup> Street  
Elmira Heights, New York 14903  
Attn: Jessica Edger-Hillman

With Copy To: Sayles & Evans  
1 W. Church Street  
Elmira, New York 14901  
Attn: Steven E. Agan, Esq.

To the Lender: Corning Federal Credit Union  
P.O. Box 1450  
Corning, New York 14830  
Attn: Commercial Loan Department

or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section. All notices shall be deemed given when mailed or personally delivered in the manner provided in this Section.

8.3 This Agreement shall be governed by, and all matters in connection herewith shall be construed and enforced in accordance with, the laws of the State of New York applicable to agreements executed and to be wholly performed therein and the parties hereto hereby agree to submit to the personal jurisdiction of the federal or state courts located in Steuben County, New York.

8.4 Notwithstanding any other term or condition contained herein, all obligations of the Agency hereunder shall constitute a special obligation payable solely from the revenues and other monies, if any, derived from the Facility and paid to the Agency by the Company. Neither member of the Agency nor any person executing this Agreement on its behalf shall be liable personally under this Agreement. No recourse shall be had for the payment of the principal or interest on amounts due hereunder or for any claim based upon or in respect of any modification of or supplement hereto against any past, present or future member, officer, agent, servant, or employee, as such, of the Agency, or of any successor or political subdivision, either directly or through the Agency or any such successor, all such liability of such members, officer, agents,

servants and employees being, to the extent permitted by law, expressly waived and released by the acceptance hereof and as part of the consideration for the execution of this Agreement.


*[Remainder of Page Intentionally Left Blank]*



**[Signature Page to Tax Agreement – Page 1 of 2]**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**STEUBEN COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY**

By:   
Name: James C. Johnson  
Title: Executive Director

**[Signature Page to Tax Agreement – Page 2 of 2]**

**54 W MARKET, LLC**

By: \_\_\_\_\_

Name: Jessica Edger-Hillman

Title: Member

**SCHEDULE A**  
**TO**  
**TAX AGREEMENT**  
**DATED AS OF NOVEMBER 1, 2019**  
**BY AND BETWEEN**  
**STEUBEN COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**AND**  
**54 W MARKET, LLC**

"Total Payment" shall mean an amount per annum as set forth below.

<b><u>Tax Year</u></b>	<b><u>County Tax Year</u></b>	<b><u>City and School Tax Year</u></b>	<b><u>Total Payment</u></b>
Year 1	2021	2020-21	Full Taxes
Year 2	2022	2021-22	\$13,380
Year 3	2023	2022-23	\$13,380
Year 4	2024	2023-24	\$13,380
Year 5	2025	2024-25	\$14,844
Year 6	2026	2025-26	\$14,844
Year 7	2027	2026-27	\$14,844
Year 8	2028	2027-28	\$16,309
Year 9	2029	2028-29	\$16,309
Year 10	2030	2029-30	\$16,309
Year 11	2031	2030-31	\$17,773
Year 12	2032	2031-32	\$17,773
Year 13	2033	2032-33	\$17,773
Year 14	2034	2033-34	\$19,237
Year 15	2035	2034-35	\$19,237
Year 16	2036	2035-36	\$19,237
Year 17	2037	2036-37	\$20,702
Year 18	2038	2037-38	\$20,702
Year 19	2039	2038-39	\$22,166
Year 20	2040	2039-40	\$23,630
Year 21	2041	2040-41	\$25,095
Year 22	2042	2041-42	\$26,559
Year 23	2043	2042-43	Full Taxes