

AMENDED AGREEMENT FOR PAYMENT IN LIEU
OF REAL ESTATE TAXES

This is an amended and restated agreement ("Amended PILOT Agreement") dated as of September 1, 2018, between the TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY (the "Agency") and 2500 KENSINGTON LLC (the "Company") for the making by the Company of certain payments in lieu of real estate taxes, as required by the Agency Lease Agreement between the parties, entered into as of May 1, 2017, by which the Agency has leased certain premises to the Company (the "Lease Agreement"). The Agency and the Company each accept and agree to the following statements or terms. This Agreement will be referred to herein as the "Amended PILOT Agreement."

Section 1. Definitions. Unless otherwise defined herein, the terms used in this Amended PILOT Agreement shall have the meanings specified in the Lease Agreement.

Section 2. Agency Tax Exemption. Subject to the completion and filing of an Application for Tax Exemption by the Taxable Status Date and the approval of the Application for Tax Exemption by the Assessor, the Addition Project shall be exempt from Real Estate Taxes commencing with the 2019 - 2020 tax fiscal year of the School District and the 2020 tax fiscal year of the Town and County. The Company shall provide the Agency with all information required to complete the Application for Tax Exemption and shall provide such additional information and take such actions as are required by the Assessor in order to process and approve the Application. In the event the exemption from Real Estate Taxes is denied for any reason, the Company agrees to pay all Real Estate Taxes levied upon the Addition Project as they become due. To the extent permitted by law, the Company shall have the right to protest such denial subject, however, to the conditions set forth in Section 8.1 of the Lease Agreement. 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 Application for Tax Exemption with the Assessor by the Taxable Status Date.

Section 3. Obligation of the Company to Make Payments in Lieu of Taxes. Subject to the approval of the Application for Tax Exemption, the Agency shall require and the Company agrees to make payments in lieu of real estate taxes to the appropriate taxing authorities pursuant to the terms of this Amended PILOT Agreement.

Section 4. Taxing Authorities and Amounts.

(1) Until the commencement of the tax fiscal years set forth in Section 2 above, the Company shall continue to pay all appropriate taxing authorities all taxes due as if the Agency did not have an interest in the Addition Project. As set forth below, the total payments in lieu of taxes required under this Amended PILOT Agreement are allocated among the affected tax jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each affected tax jurisdiction had the Addition Project not been tax exempt due to the status of the Agency. Thereafter, the Company shall make payments in lieu of taxes to all appropriate taxing authorities on the land and buildings constituting the Addition Project (SBL #80.10-9-23/A), in accordance with this section. For each taxing authority, such payments in lieu of taxes shall have: (i) a component which shall be based upon the then current tax rate for the then current tax fiscal year applied against the pre-Addition Project assessed value of the depreciable and non-depreciable portions of all tax parcels comprising the Addition Project (assessed as land, buildings or other improvements), which pre-Addition Project assessed value is \$27,394.00 (the "Pre-Addition Project Assessment"); and (ii) a variable component which shall be based upon the

then current tax rate applied against the difference between the then total current assessed valuation of all tax parcels comprising the Addition Project (the "Full Assessed Value") and the Pre-Addition Project Assessment.

Provided, however, it is expressly understood that the portion of SBL No. 80.10-9-23/A upon which an approximately 2,448 square foot dental suite is to be constructed and equipped, including the land thereunder (the "Dental Suite"), is not to be considered part of the Addition Project and the assessed value of the Dental Suite which constitutes 15.61% of the Full Assessed Value, shall be deducted from the Full Assessed Value (which reduced valuation shall be the "PILOT Assessed Value"). For purposes of this Agreement, the PILOT Assessed Value shall be 84.39% of the Full Assessed Value.

Accordingly, the Company, with respect to the Dental Suite, shall make payments in lieu of general levy Real Estate Taxes to the County for each of tax fiscal years 2020-2026, to the Town for each of tax fiscal years 2020-2026 and to the School District for each of the tax fiscal years 2019-2020 through 2025-2026, or until termination of the Lease Agreement, whichever occurs first, in an amount equal to the amount that would be payable in Real Estate Taxes if the Agency did not have an interest in the Addition Project, i.e., an assessed value of 15.61% of the Full Assessed Value

For the periods of time indicated below, the Company shall make the indicated payments in lieu of taxes to the indicated taxing authorities:

(a) Payments in lieu of general levy Real Estate Taxes to the Town of Amherst (the "Town") for each of the tax fiscal years 2020 through 2026, or until termination of the Lease Agreement, whichever date occurs first, shall be in an amount equal to the Town Base PILOT Payment plus the Town Variable PILOT Payment (as such terms are defined below) for each such

tax fiscal year.

(i) The Town Base PILOT Payment for each tax fiscal year shall be an amount equal to the Town tax rate in effect for such tax fiscal year applied against the Pre-Addition Project Assessment.

(ii) The Town Variable PILOT Payment for each tax fiscal year shall be an amount equal to the Town tax rate in effect for such tax fiscal year applied to the product of (i) the difference between the PILOT Assessed Value and the Pre-Addition Project Assessment, and (ii) the percentage applicable to such tax fiscal year as shown on Schedule "A" attached hereto and made a part hereof.

Each such payment shall be delivered to the Town through the Agency at 4287 Main Street, Amherst, New York 14226, or such other place as may be designated from time to time. Payments for each tax fiscal year must be made by February 15 of that year, or such payment shall be considered delinquent.

(b) Payments in lieu of general levy real estate taxes to the County of Erie (the "County") for each of the tax fiscal years 2020 through 2026, or until termination of the Lease Agreement, whichever date occurs first, shall be in an amount equal to the County Base PILOT Payment plus the County Variable PILOT Payment (as such terms are defined below) for each such tax fiscal year.

(i) The County Base PILOT Payment for each tax fiscal year shall be an amount equal to the County tax rate then in effect for such tax fiscal year applied against the Pre-Addition Project Assessment.

(ii) The County Variable PILOT Payment for each tax fiscal year shall be an amount equal to the County tax rate in effect for such tax fiscal year, applied to the product of (i)

the difference between the PILOT Assessed Value and the Pre-Addition Project Assessment, and (ii) the percentage applicable to such tax fiscal year as shown on Schedule "A" attached hereto and made a part hereof.

Each such payment shall be delivered to the County through the Agency at 4287 Main Street, Amherst, New York 14226, or such other place as may be designated from time to time. Payments for each tax fiscal year must be made by February 15 of that year, or such payment shall be considered delinquent.

(c) Payments in lieu of general levy real estate taxes to the Amherst Central School District (the "School District") for each of the tax fiscal years 2019 - 2020 through 2025 - 2026, or until termination of the Lease Agreement, whichever date occurs first, shall be in an amount equal to the School District Base PILOT Payment plus the School District Variable PILOT Payment (as such terms are defined below) for each such tax fiscal year.

(i) The School District Base PILOT Payment for each tax fiscal year shall be an amount equal to the School District tax rate in effect for such tax fiscal year applied against the Pre-Addition Project Assessment.

(ii) The School District Variable PILOT Payment for each tax fiscal year shall be an amount equal to the School District tax rate in effect for such tax fiscal year applied to the product of (i) the difference between the PILOT Assessed Value and the Pre-Addition Project Assessment, and (ii) the percentage applicable to such tax fiscal year as shown on Schedule "A" attached hereto and made a part hereof.

Each such payment shall be delivered to the Amherst Central School District, 55 Kings Highway, Amherst, New York 14226 or such other place as may be designated from time to time. Payments for each tax fiscal year must be made by October 15 of that year, or such payment

shall be considered delinquent.

(d) In addition to the foregoing, the Company shall pay all special assessments and charges that are levied against the Addition Project as if the Agency did not have an interest in the Addition Project.

(2) The payments required under Paragraph (1) of this section shall in no event be more than would be otherwise payable as taxes if the Agency did not have an interest in the Addition Project. During the term of this Agreement and for so long as payments are made according to the terms hereto, the Company shall not be liable for both the payment in lieu of taxes referred to herein and real estate taxes to the respective taxing authorities.

(3) Each of the foregoing payments shall be made on or before the date specified herein.

(4) Upon the termination of the periods shown in Paragraph (1) of this section, for the respective taxing authorities, the Company shall make full payment in lieu of all taxes on the Addition Project as if the Agency did not have an interest in the Addition Project.

(5) The parties intend for the Company to receive the seven (7) year PILOT on the difference between the Full Assessed Value of the Addition Project and the Pre-Addition Project Assessment. It is assumed that the completed Addition Project will first appear on the tax rolls as of the Tax Status Date (as defined in the Lease Agreement) of March 1, 2019. In the event that this assumption is incorrect, then the dates expressed in Section 4(1)(a)-(c) will be adjusted accordingly.

Section 5. Proration.

During the last year of the term of the Lease Agreement the Company may prorate any of its payments in lieu of taxes on the basis of the actual period during which the Agency has an interest in the Addition Project so that there shall exist no period of time for which the Company is obliged to make payments in lieu of taxes in addition to the actual tax payments to which the Addition Project is subject, under current law, at the time the Agency's interest in the Addition Project is terminated.

Section 6. Obligations and Rights of the Company Relating to Tax Assessments and Levies.

(1) Subject to the provisions of the Lease Agreement, the Company in cooperation with the Agency shall:

(a) cause the appropriate real estate tax assessment and tax levy officers to assess the Addition Project and apply tax rates to the respective assessments as if the Agency did not have an interest in the Addition Project.

(b) cause the appropriate real estate tax officers to submit to the Company, when the respective types of taxes are levied on privately owned property, statements specifying the respective amounts and due dates of taxes involved in this Amended PILOT Agreement which the appropriate taxing authorities would receive if the Agency did not have an interest in such property; and

(c) file any accounts or tax returns required with the appropriate officer or officers.

(2) The payments the Company is required to make under this Amended PILOT Agreement are subject to the Company's rights, hereby granted, (a) to obtain reductions in the

assessed valuation of the Addition Project or to obtain exemptions and discounts, if any, which are afforded to the Company as a private owner of the Addition Project, (b) to obtain reductions in the assessed valuation of the Dental Suite or to obtain exemptions and discounts, if any, which are afforded to the Company as a private owner of the Dental Suite and (c) to seek to obtain refunds of any such payments made including payments made pursuant to this Amended PILOT Agreement. The Agency shall join in any procedure for obtaining relief under this paragraph to the extent that the Agency's consent is required for the Company to undertake such procedure; provided, however, that the Company shall continue to make the payments in lieu of taxes required by this Amended PILOT Agreement adjusted for any reduction as provided above so long as the Lease Agreement shall remain in effect.

Section 7. Default in Payment in Lieu of Taxes. In the event the Company fails to make any such payments in lieu of taxes when due, whether for a full tax fiscal year or years or for a portion of a tax fiscal year pursuant to Sections 4 or 5 hereof, the amount or amounts so in default shall continue as an obligation of the Company until fully paid. In addition, if any payment is not received by the Agency or the affected taxing jurisdiction or jurisdictions when due, the Company shall pay (i) a late payment penalty equal to five (5%) percent of the delinquent amount, and (ii) for each month, or part thereof, that the payment is delinquent beyond the first month, interest on the total amount due plus the late payment penalty, equal to one (1%) percent per month until the payment is made. The Agency and the Company hereby acknowledge the right of the Town, the County and the School District to recover directly from the Company any amounts so in default pursuant to General Municipal Law §874(6). The Company shall promptly notify the Agency of any action brought, or other measure taken, by a taxing authority to recover such amounts. It is understood that the right of any taxing authority herein acknowledged is in addition to, and shall not

impair, the Agency's own rights arising from a breach of this Amended PILOT Agreement. Should the Agency or the Town, the County or the School District commence any action to recover directly from the Company any amounts so in default, such parties shall be entitled to recover from the Company the amount due, the late payment penalty, interest, expenses, costs and disbursements, together with the reasonable attorneys' fees necessary to prosecute such action or proceeding.

Section 8. Effect of Fulfillment of the Requirement. Once having paid an amount required by this Amended PILOT Agreement, the Company shall not be required to pay any real estate taxes for which such payment in lieu of taxes has been made.

Section 9. Effect of Events of Default.

(1) The following shall constitute "Event(s) of Default" hereunder:

(a) The Company fails to make any payments in lieu of taxes required hereunder, or fails to perform any other obligation imposed on the Company hereunder.

(b) The occurrence and continuance of any other Event of Default as defined in the Lease Agreement.

(2) If the Addition Project is not being used in accordance with the Act or the Lease Agreement, or if an Event of Default occurs, the Company shall make payments in lieu of taxes on the Addition Project in such amounts as would be payable as real estate taxes levied on the Addition Project if the Agency did not have an interest in the Addition Project. The applicable tax assessment and tax levy rates shall be those in effect in the records of the appropriate taxing authorities, subject to the rights of the Company to contest such any assessment as if the Agency did not have an interest in the Addition Project.

(3) The period for the payments required by Paragraph (2) of this section shall commence on the date the Agency determines (a) that the use of the Addition Project under the Act

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

On the 20th day of September, in the year 2018 before me, the undersigned, , personally appeared Kevin J. Zanner, 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 s/he executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed this instrument.

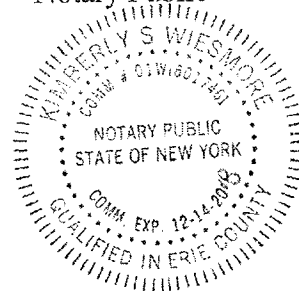
Joseph M. Reynolds
Notary Public

JOSEPH M. REYNOLDS
Notary Public of New York
Qualified in Erie County
My Commission Expires 4/12/19

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

On the 19 day of SEPTEMBER, in the year 2018, before me, the undersigned , personally appeared Todd E. Shatkin and Samuel Shatkin, Jr., 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 they executed the same in their capacities, and that by their signatures on the instrument, the individuals, or the person upon behalf of which the individual acted, executed this instrument.

Kimberly S. Wiesmore
Notary Public



SCHEDULE "A"

<u>TAX FISCAL YEAR</u>			<u>APPLICABLE PERCENTAGE</u>
<u>Town</u>	<u>County</u>	<u>School</u>	
2020	2020	2019-20	10%
2021	2021	2020-21	10%
2022	2022	2021-22	20%
2023	2023	2022-23	20%
2024	2024	2023-24	30%
2025	2025	2024-25	30%
2026	2026	2025-26	30%

Lease Expiration Date: December 31, 2026