

SECOND AMENDMENT TO PILOT AGREEMENT

THIS SECOND AMENDMENT TO PILOT AGREEMENT, dated as of February 1, 2020 (the "Second Amendment to PILOT Agreement"), is by and between the **TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation duly existing under the laws of the State of New York, with offices at 401 East State Street, Suite 402B, Ithaca, New York 14850 (the "Agency") and **HAROLD'S HOLDING, LLC**, a limited liability company duly formed and validly existing under the laws of the State of New York, with an address of 225 Colonial Drive, Horseheads, New York 14845 (the "Company").

WITNESSETH:

WHEREAS, the Agency was created by Title I of Article 18-A of the General Municipal Law of the State of New York (the "State"), duly enacted into law as Chapter 1030 of the Laws of 1969 of the State, as amended, and Chapter 535 of the Laws of 1971 of the State of New York as amended and codified as Section 895-b of the General Municipal Law (collectively, the "Act"); and

WHEREAS, the Agency and the Company previously entered into a certain Payment in Lieu of Tax Agreement, dated as of December 1, 2017, as amended by that certain First Amendment to Payment In Lieu of Tax Agreement, dated as of March 1, 2019 (the "Original PILOT Agreement"), with respect to the Company's properties located at 123-127, 133, 135 and 137-139 East State Street in the City of Ithaca, Tompkins County, New York (TMID Nos.: 70.-5-5, -7, -8 and -9) (collectively, the "Facility"); and

WHEREAS, as a result of a longer than anticipated construction period of the Facility, the Company has requested that the Agency amend the Original PILOT Agreement in order to delay commencement of the financial assistance provided thereunder by one (1) year.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

The Original PILOT Agreement is hereby as amended as follows:

1. The second WHEREAS paragraph is hereby deleted in its entirety and replaced with the following:

WHEREAS, pursuant to resolutions duly adopted on June 8, 2017 and August 10, 2017, the Agency appointed **HAROLD'S HOLDING, LLC** (the "Company"), for itself or on behalf of an entity to be formed, the true and lawful agent of the Agency to undertake a certain project (the "Project") consisting of: (A) the acquisition by the Agency of a leasehold interest in approximately 0.40 acres of land located at 123-127, 133, 135 and 137-139 East State Street, City of Ithaca, Tompkins County, New York (being more particularly identified as tax map identification numbers 70.-5-5, 70.-5-7, 70.-5-8 and 70.-5-9) (the "Land") and the existing improvements thereon, consisting principally of three (3) dilapidated buildings and the historic Sage Block building (the "Existing Improvements"); (B)(i) the renovation and reconstruction of the Sage Block building and (ii) the demolition of the three (3) dilapidated buildings and construction thereon the Land of an

approximately twelve-story, 180,000 square foot mixed-use building consisting principally of ground-floor retail/restaurant space, commercial office space, residential housing comprising of six (6) micro units, forty-three (43) one-bedroom apartments and twenty-nine (29) two-bedroom apartments, and personal storage space (collectively, the "Improvements"); and (C) the acquisition by the Company in and around the Existing Improvements and the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment"; and, collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); and

2. Section 1(b)(ii) is hereby deleted in its entirety and replaced with the following:

(ii) with respect to the portion of the assessed value of said premises attributable to the Project thereon, the following percentages of the general real property taxes which would be due in respect of the premises (i.e., the difference between the assessed value of the premises on the 2017 Final Assessment Roll and the assessed value for each year of exemption) but for the leasehold interest of the Agency (but without any reference to, or utilization of, Section 485-b of the Real Property Tax law of the State of New York), based on a then-current assessment of such improvements:

<u>YEAR OF EXEMPTION</u>	<u>TAXES</u>	<u>TAXING JURISDICTIONS PAYMENT IN LIEU OF TAX FOR ASSESSED VALUE OF IMPROVEMENTS</u>
1	2019-20 School; 2020 City & County	100% (no abatement; full taxes paid)
2	2020-21 School; 2021 City & County	100% (no abatement; full taxes paid)
3	2021-22 School; 2022 City & County	0%
4	2022-23 School; 2023 City & County	0%
5	2023-24 School; 2024 City & County	0%
6	2024-25 School; 2025 City & County	10%
7	2025-26 School; 2026 City & County	10%
8	2026-27 School; 2027 City & County	10%
9	2027-28 School; 2028 City & County	30%
10	2028-29 School; 2029 City & County	50%
11	2029-30 School; 2030 City & County	70%
12	2030-31 School; 2031 City & County	90%
13	and thereafter	100% (no abatement, full taxes paid)

(it being understood and agreed that from the date hereof until March 1, 2021, the Company shall be obligated to pay or cause to be paid annually to the Taxing Jurisdictions normal real property taxes on the full assessed value of the total land portion and the then-existing improvements on the subject premises).

In addition, the Company agrees to pay on the date of execution and delivery by the Agency of any mortgage on the Facility, as a payment in lieu of mortgage recording tax which would be due in respect of such mortgage on the Facility but for the leasehold interest of the Agency, a total amount of $\frac{3}{4}$ of 1% of the maximum amount secured by any such mortgage, except such amount as reflects repayment of prior indebtedness, to the County of Tompkins and the City of Ithaca, with said amount allocated between them as follows: County of Tompkins: $\frac{1}{4}$

of 1%; City of Ithaca: ½ of 1%.

2. This Second Amendment to PILOT Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.


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[Signature Page to Second Amendment to PILOT Agreement]

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

**TOMPKINS COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____


Name: Heather D. McDaniel

Title: Administrative Director

HAROLD'S HOLDING, LLC,

By: MDC HAROLDS, LLC,
a Co-Managing Member

By: _____

Name: F. James McGuire

Title: General Manager

[Signature Page to Second Amendment to PILOT Agreement]

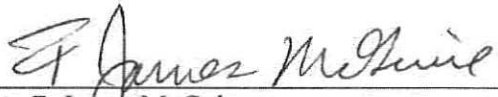
IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to PILOT Agreement as of the day and year first above written.

**TOMPKINS COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Name: Heather D. McDaniel
Title: Administrative Director

HAROLD'S HOLDING, LLC,

By: MDC HAROLDS, LLC,
a Co-Managing Member

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Name: F. James McGuire
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