

### THIRD AMENDMENT TO PILOT AGREEMENT

THIS THIRD AMENDMENT TO PILOT AGREEMENT, dated as of April 1, 2020 (the "Third 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, as further amended by that certain Second Amendment to PILOT Agreement, dated as of February 1, 2020 (as so amended, 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, in order to clarify the exemptions from ad valorem real property taxes with respect to the Facility, the parties desire to enter into this Third Amendment to PILOT Agreement.

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) of the Original PILOT is hereby deleted in its entirety and replaced with the following:

(ii) with respect to the assessed value of the Facility, the following percentages of abatement shall apply:

<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 based on Base Valuation (defined below))
2	2020-21 School; 2021 City & County	0% (fully exempt except for Base Valuation (defined below))
3	2021-22 School; 2022 City & County	0% (fully exempt except for Base Valuation (defined below))
4	2022-23 School; 2023 City & County	0% (fully exempt except for Base Valuation (defined below))
5	2023-24 School; 2024 City & County	0% (fully exempt except for Base Valuation (defined below))
6	2024-25 School; 2025 City & County	10% (90% exempt except for Base Valuation (defined below))
7	2025-26 School; 2026 City & County	10% (90% exempt except for Base Valuation (defined below))
8	2026-27 School; 2027 City & County	10% (90% exempt except for Base Valuation (defined below))
9	2027-28 School; 2028 City & County	30% (70% exempt except for Base Valuation (defined below))
10	2028-29 School; 2029 City & County	50% (50% exempt except for Base Valuation (defined below))
11	2029-30 School; 2030 City & County	70% (30% exempt except for Base Valuation (defined below))
12	2030-31 School; 2031 City & County	90% (10% exempt except for Base Valuation (defined below))
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 based on the 2017 assessed value of the Facility). As used herein the term "Base Valuation" shall mean an amount equal to the assessed value of the Facility as of 2017, multiplied by the effective tax rate for each affected tax jurisdiction (after application of any applicable equalization rate).

2. This Third 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.

*[Remainder of Page Intentionally Left Blank]*

[Signature Page to Third Amendment to PILOT Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Third 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

**HAROLD'S HOLDING, LLC,**

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

By:   
Name: F. James McGuire  
Title: General Manager

## REDLINED PAGE SHOWING CHANGES

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) of the Original PILOT is hereby deleted in its entirety and replaced with the following:

(ii) with respect to the assessed value of the Facility, the following percentages of abatement shall apply:

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