

SECOND AMENDMENT TO PILOT AGREEMENT

THIS AGREEMENT, made as of the 1st day of January, 2013, is by and between the **CITY OF POUGHKEEPSIE INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York, having its offices at 62 Civic Center Plaza, Poughkeepsie, New York 12602 (the "Agency"), and **WOODSIDE ASSOCIATES, LLP.**, a limited liability company duly organized and existing under the laws of the State of New York, having its offices at 60 Morrow Avenue, Scarsdale, New York, New York 10583 (the "Company").

WITNESSETH:

WHEREAS, the Agency and the Company in 1999 entered into that certain Payment In Lieu of Taxes Agreement dated as of December 1, 1999 (the "Original PILOT"), and the Agency and the Company in 2001 entered into a certain First Amendment To PILOT Agreement dated as of March 1, 2001 (the "First Amendment") amending the Original PILOT (the Original PILOT, as amended by the First Amendment, the "PILOT Agreement"); and

WHEREAS, the Company has requested that the Agency amend the PILOT Agreement to extend its term and modify the required payments, as provided herein;

NOW, THEREFORE, in consideration of the foregoing and in consideration of the covenants herein contained, it is mutually agreed as follows (capitalized terms not otherwise defined herein having the meanings set forth in the Installment Sale Agreement):

1. Section 1, clause (a), of the PILOT Agreement is hereby amended to read as follows:

(a) Agreement to Make Payments. As long as the Facility is owned by the Agency and subject to the Installment Sale Agreement to the Company, the Company agrees to make payments annually to the Agency, on behalf of the respective Taxing Jurisdictions, as a payment in lieu of the real property taxes payable with respect to the Facility. Such payments in lieu of taxes shall be paid in annual amounts over a twenty-five (25) year term in the amounts set forth at Exhibit "A". The payment in lieu of tax amount shall be payable in advance on the annual due date for the payment of City/County taxes commencing January 1, 2002.

Each year the annual payment in lieu of tax amount set forth above shall be allocated among the Taxing Jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each affected Taxing Jurisdiction had the Facility not been tax exempt due to the status of the Agency, with the first PILOT payment being pro-rated based on the tax rate for the School Taxes which would become a lien as of July 1, 2001 and the tax rate for City/County Taxes which would become a lien as of January 1, 2002.

In accordance with Section 874(3) of the Act, payments in lieu of taxes received by the Agency shall be remitted to each of the Taxing Jurisdictions within thirty days of receipt.

2. Section I, clause (e), of the PILOT Agreement is hereby amended to read as

follows:

(e) In the final year of the term of this Agreement, the Facility shall be assessed by the appropriate local taxing jurisdiction responsible for establishing real property tax assessments, as of the taxable status date of the final year of the term of this Agreement currently March 1, 2026. The purpose of such tax assessment is for the restoration of the Facility to the regular tax roll commencing January 1, 2027 as to City/County taxes and July 1, 2026 as to School Taxes. The assessment established by the appropriate local taxing jurisdiction in the final year of the term of this Agreement shall be subject to the Company rights pursuant to Section 5 of this Agreement.

3. Schedule A of the Pilot Agreement is hereby amended to read as set forth in Schedule A attached hereto.
4. Except as set forth herein, all other provisions of the PILOT Agreement shall remain in full force and effect.

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

**CITY OF POUGHKEEPSIE
INDUSTRIAL DEVELOPMENT AGENCY**

By: _____

Its:

WOODSIDE ASSOCIATES, LLC

By: _____

Its:

Execution page for Second Amendment to PILOT Agreement
relating to
City of Poughkeepsie Industrial Development Agency
Woodside Associates. LLC Project

SCHEDULE A

| | | |
|--------|---------|---------------------------------|
| 1/1/02 | Year 1 | \$21,500.00 |
| 1/1/03 | Year 2 | \$21,500.00 |
| 1/1/04 | Year 3 | \$21,500.00 |
| 1/1/05 | Year 4 | \$29,857.15 |
| 1/1/06 | Year 5 | \$38,214.30 |
| 1/1/07 | Year 6 | \$46,571.45 |
| 1/1/08 | Year 7 | \$54,928.60 |
| 1/1/09 | Year 8 | \$63,285.75 |
| 1/1/10 | Year 9 | \$71,642.90 |
| 1/1/11 | Year 10 | \$80,000.00 |
| 1/1/12 | Year 11 | No more than 5% over prior year |
| 1/1/13 | Year 12 | \$100,000 |
| 1/1/14 | Year 13 | No more than 5% over prior year |
| 1/1/15 | Year 14 | No more than 5% over prior year |
| 1/1/16 | Year 15 | No more than 5% over prior year |
| 1/1/17 | Year 16 | No more than 5% over prior year |
| 1/1/18 | Year 17 | No more than 5% over prior year |
| | Year 18 | No more than 5% over prior year |
| | Year 19 | No more than 5% over prior year |
| | Year 20 | No more than 5% over prior year |
| | Year 21 | No more than 7% over prior year |
| | Year 22 | No more than 7% over prior year |
| | Year 23 | No more than 7% over prior year |
| | Year 24 | No more than 7% over prior year |
| | Year 25 | No more than 7% over prior year |

In each of the 13th through the 20th years of this agreement, the amount of the PILOT payment due shall be computed as the amount payable in the immediately preceding year, plus a percentage increase not to exceed 5% in any given year, and in each of the 21st through the 25th years of this agreement, the amount of the PILOT payment due shall be computed as the amount payable in the immediately preceding year, plus a percentage increase not to exceed 7% in any given year. The percentage increase shall be equal in each year to the annual tax increase applicable to the actual tax payment which would be due for such year if the Facility were not owned by the Agency, provided that if such increase is greater than five percent or seven percent, as applicable, in any year, the increase payable in that year shall be five percent or seven percent, as applicable, and the difference between five percent or seven percent, as applicable, and the actual percentage increase shall be carried forward and shall be payable in the first succeeding year or years that the percentage increase is less than five percent or seven percent, as applicable.

Assume, for example, that the percentage increase for actual taxes from year 12 to year 13 is 6% and the percentage increase for the actual taxes from year 13 to year 14 is 3%. The amount payable in year 13 would be \$105,000 (\$100,000 x 105%) and the 1% difference between the 5% increase and the 6% increase would be carried forward to year 14 when the payment would be \$109,200 (\$105,000 x 104%).