

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT (the "Agreement"), dated as of March 22, 2017, by and among TIOGA RECREATION ASSOCIATION, INC., a corporation duly organized and validly existing under the laws of the State of New York, with an address for the transaction of business located at 151 Roki Boulevard, Nichols, New York 13812, ("Tioga Recreation"), TIOGA DOWNS RACETRACK, LLC, a limited liability company organized and validly existing under the laws of the State of New York, with an address for the transaction of business located at 2384 W. River Road, Nichols, New York 13812 ("Tioga Downs") (Tioga Recreation and Tioga Downs may hereinafter be referred to collectively as the "Companies" and each individually as a "Company") and TIOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a public-benefit corporation duly organized and validly existing under the laws of the State of New York, with an office for the transaction of business located at 56 Main Street, Owego, New York 13827 (the "Agency," collectively, the "Parties."

WITNESSETH:

WHEREAS, Title 1 of Article 18-A, as amended, of the General Municipal Law of the State of New York (the "Enabling Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York (the "State"); and

WHEREAS, the Enabling Act authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial or industrial facilities, including industrial pollution control facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease any or all of its facilities on such terms and conditions as it deems advisable, to issue its bonds for the purpose of carrying out any of its corporate purposes; and, as security for the payment of the principal and redemption price of, and interest on, any such bonds so issued and any agreements made in connection therewith, to pledge the revenues and receipts from its facilities or from the lease thereof; and

WHEREAS, pursuant to and in accordance with the provisions of the Enabling Act, Chapter 534 of the Laws of 1971 of the State of New York, as amended by Chapter 883 of the 1974 Laws of the State of New York, constituting Section 912 of said General Municipal Law (collectively, the "Act") created the Tioga County Industrial Development Agency (the "Agency"), which is empowered under the Act to undertake the providing, financing and leasing of the facility described below; and

WHEREAS, the TIOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Agency") was created as a public benefit corporation pursuant to and for the purposes specified in Title 1 of Article 18-A of the General Municipal Law; and

WHEREAS, the Companies have agreed to a lease and lease-back transaction, on the real property more particularly described on Exhibit "A" attached hereto, to facilitate the construction, renovation and equipping of a golf course facility with a 10,000+/- square foot clubhouse facility located at 151 Roki Boulevard in the Village and Town of Nichols, Tioga County, New York (the "Project"), and to lease the Project from the Agency; and

WHEREAS, the Agency will lease the Project to the Companies for a term not to exceed twenty (20) years or until the tax exemptions as set forth in this Agreement have expired; and

WHEREAS, the Agency is exempt from the payment of taxes and assessments imposed upon real property, and as a further condition related to the acquisition of the Project, the Companies have agreed that, notwithstanding such exemption, the Companies will nevertheless

make payments to the Village of Nichols (the “Village”), the Town of Nichols (the “Town”), the Tioga Central School District (the “School District”) and the County of Tioga (the “County”) while occupying the Project in lieu of general tax levies.

NOW, THEREFORE, in consideration of the covenants herein contained, it is mutually agreed as follows:

1. Pursuant to Section 874 of the General Municipal Law and Section 412-a of the Real Property Tax Law, the parties hereto understand that, upon acquisition of the Project by the Agency and the filing of an Equalization and Assessment Form RP-412-a (the “Exemption Form”) with respect to the Project, and for so long thereafter as the Agency shall have a leasehold interest in the Project, the Project shall be assessed by the various taxing entities having jurisdiction over the Project, including, without limitation, the Village, the Town, the School District and the County as exempt on their respective assessment rolls prepared subsequent to the acquisition by the Agency of title to the Project and the filing of the Exemption Form. The Parties hereto understand that the Project shall not be entitled to such exempt status on any tax roll until the first tax year following the tax status date subsequent to the date upon which the Agency became the record owner of the Project and an Exemption Form is filed. The Companies shall be required to pay all taxes and assessments lawfully levied and/or assessed against the Project, including taxes and assessments levied for the current tax year and all subsequent years until the Project is entitled to exempt status on the tax roll. The Agency will cooperate with the Companies to obtain and preserve the tax exempt status of the Project, including the preparation and filing of the Exemption Form.

2. During the period the Project is leased by the Agency, pursuant to a lease agreement with the Companies, the Companies agree to pay to the Agency, in lieu of taxes, the amounts set forth on Exhibit “B” attached hereto. The Agency will, in turn, distribute such payments to the affected taxing jurisdictions. Commencing with the expiration of the tax

exemption for the Project as set forth on Exhibit "B" hereto, and until such time as the Agency's lease agreement with the Companies is terminated, the Companies shall pay the actual taxes that would have been levied on the Project if not for the Agency's tax exemption.

3. During the term of this Agreement, the Companies shall have the right to contest the assessment(s) on the Project, at their own expense and in their own names and on behalf of or in the name and on behalf of the Agency but with notice to the Agency pursuant to Section 3.3(b) of the Leaseback Agreement from the Agency to the Companies.

4. The Agency shall bill the Companies annually for the total PILOT payments due as set forth in Exhibit "B" attached hereto. For the purposes of this Agreement, all references to when a payment is due shall mean thirty (30) days after receipt by the Companies of a written bill demanding payment.

5. Should the Companies use the Project for other than the construction, renovation and equipping of a golf course facility consisting of a 10,000+/- square foot clubhouse facility or allied purposes such as defined in Article 18-A of the General Municipal Law, fail to retain substantially the number of jobs anticipated by the Project, or acquire title during the term of this Agreement to the leased Project from the Agency, this Agreement shall terminate immediately and the premises shall be returned to the non-exempt portion of the tax roll and be subject to taxation thereafter, including any portion of a tax year not otherwise covered by this Agreement.

6. If any default shall be made in the payment referred to in Paragraph 2, supra, the Companies hereby agree to pay the same to the extent above specified:

A. Without requiring any notice of non-payment or of default to the Companies, the Agency, or to any other person; and

B. Without proof of demand.

7. The Parties hereto understand that the tax exemption extended to the Agency by Section 874 of the General Municipal Law and Section 412-A of the Real Property Tax Law does

not entitle the Agency to an exemption from special assessments and special ad valorem levies such as, but without limitation, charges for metered water and sewer rent. The Companies hereby agree to pay all special assessments and special ad valorem levies lawfully levied and/or assessed against the Project.

8. Pursuant to Section 858 (15) of the General Municipal Law, the Agency agrees to give the Village, the Town, the School District and the County a copy of this PILOT Agreement within fifteen (15) days of the execution and delivery hereof, together with a request that a copy thereof be given to the appropriate officer or officers with respect to each taxing jurisdiction responsible for preparing the tax rolls for said jurisdiction, together with a request that said officer or officers submit to the Companies and the appropriate receiver of taxes periodic statements specifying the amount and due date or dates of the payments due to each hereunder. Such periodic statements to be submitted to the Companies at approximately the times that tax bills are mailed by such jurisdictions.

9. The Companies agree to pay the amounts due hereunder to each particular taxing jurisdiction in any calendar year to the Agency or as directed by the Agency within the period that such taxing entity allows the payment of taxes levied in such calendar year without penalty. The Companies shall be entitled to receive receipts for such payments.

10. Pursuant to Section 874(5) of the General Municipal Law, if the Companies shall fail to make any payment required by this PILOT Agreement when due, the Companies shall pay the same, together with a late-payment penalty equal to five percent (5%) of the amount due. If the Companies shall remain in default beyond the first month after such payment is due, the Companies shall hereafter pay a late-payment penalty of one percent (1%) per month for each month, or part thereof, that the payment due thereunder is delinquent beyond the first month plus interest thereon, to the extent permitted by law, at the greater of (a) one percent (1%) per month, or (b) the rate per annum which would have been payable if such amount were delinquent taxes,

until so paid in full.

11. Pursuant to Section 874(6) of the General Municipal Law, if the Companies should default in performing any of their obligations, covenants or agreements under this PILOT Agreement and the Agency or any taxing jurisdiction should employ attorneys or incur other expense for the collection of any amounts payable hereunder, or for the enforcement or performance or observation of any obligation, covenant or agreement on the part of the Companies herein contained, the Companies agree that they will, on demand therefore, pay to the Agency or such taxing jurisdiction, as the case may be, not only the amounts adjudicated due hereunder, together with the late-payment penalty and interest due thereon, but also reasonable, actual fees and disbursements of such attorneys and all other expenses, costs and disbursements so incurred whether or not an action is commenced.

12. No remedy herein conferred upon or reserved to the Agency or any taxing jurisdiction is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this PILOT Agreement or now and hereafter existing at law or in equity or by statute. No delay or admission in exercising any such right or power accruing upon a default hereunder shall impair any such right or power or be construed as a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

13. The Agency reserves the right to recapture benefits provided through the abatement of real property taxes in the event that the Companies' performance is substantially different than anticipated as defined below:

- A. Sale or closure of the Project and departure of the Companies from Tioga County;
- B. Significant change in the use of the Project and/or business activities of the Companies at the Project site; and

- C. Significant employment reductions from the anticipated one (1) full-time employee and six (6) part-time/seasonal employees to be created by the Project, which are not reflective of the Project's normal business cycle and/or local and national economic conditions.

14. The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

If to the Agency: Tioga County Industrial Development Agency
56 Main Street
Owego, New York 13827

Attn: Chairman

with a Copy to: Joseph B. Meagher, Esq.
Thomas, Collison & Meagher
1201 Monroe Street
P.O. Box 329
Endicott, New York 13761-0329

If to Tioga Recreation: Tioga Recreation Association, Inc.
151 Roki Boulevard
Nichols, New York 13812

Attn: President

with a Copy to: Adam R. Schumacher, Esq.
Dixson Schumacher, P.C.
212 Front Street
Owego, New York 13827

If to Tioga Downs: Tioga Downs Racetrack, LLC
2384 W. River Road
Nichols, New York 13812

Attn: President

with a Copy to: James R. Franz, Esq.
Hinman, Howard & Kattell, LLP
80 Exchange Street
Binghamton, New York 13901

and an additional copy to: Newmark Knight Frank
125 Park Ave.
New York, NY 10017
Attention: Jeff Gural

15. The Village, the Town, the County, the School District, the Agency and the Companies as used herein shall include their successors and assigns. The terms of this Agreement shall inure to the benefit of, and shall be binding upon, any future owners of the Project and the Companies' successors and assigns.

16. This Agreement shall remain in effect until termination or expiration of the Leaseback Agreement from the Agency to the Companies.

17. 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.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed the date set forth hereinabove.

TIOGA RECREATION ASSOCIATION, INC.

By: M. F. Pelotte
Brenda Fay-Pelotte, Vice President

TIOGA DOWNS RACETRACK, LLC

By: [Signature]
Scott Freeman, President

TIOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: [Signature]
Ralph E. Kelsey, Chairman

STATE OF NEW YORK:

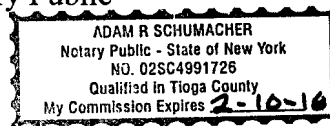
: ss.:

COUNTY OF BROOME:

On this 22nd day of March, 2017, before me, the undersigned, personally appeared BRENDA FAY-PELOTTE, 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 she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Adam R. Schumacher

Notary Public



STATE OF NEW YORK:

: ss.:

COUNTY OF BROOME:

On this 22nd day of March, 2017, before me, the undersigned, personally appeared SCOTT FREEMAN, 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 he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

James H. Gray
Notary Public

STATE OF NEW YORK:

: ss.:

COUNTY OF BROOME:

On this 22nd day of March, 2017, before me, the undersigned, personally appeared RALPH E. KELSEY, 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 he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Susan M. McGregor
Notary Public

SUSAN M. MCGREGOR
Notary Public, State of New York
No. 01MC6215671
Qualified in Broome County
Commission Expires January 4, 2018

EXHIBIT "A"

REAL PROPERTY DESCRIPTION

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Nichols, County of Tioga and State of New York, commencing at a point in the easterly line of Johnson Street at the southwesterly corner of lands now or formerly of Ockerman and running thence South $74^{\circ} 35'$ East eighty-one (81) feet; thence South $15^{\circ} 25'$ West three hundred thirty-nine (339) feet to an iron pin; thence North $86^{\circ} 15'$ West twenty (20) feet; thence North 11° East two hundred fifteen (215) feet; thence North 79° West thirty (30) feet; thence North 11° East one hundred twenty-five (125) feet to the place of beginning, containing 0.42 acres of land, more or less. Being the same premises conveyed to Tioga Recreation Association, Inc. by Deed recorded in the Tioga County Clerk's Office on October 27, 1965, in Book 323 of Deeds at Page 211.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Nichols, County of Tioga and State of New York, bounded and described as follows: Beginning in the center of the highway now or formerly known as the DeBolder Road at the southwest corner of lands conveyed to Francis Baxter and Lotie M. Baxter by Harvey E. Keener by deed recorded in Tioga County Clerk's Office March 14, 1947 in Book 240 of Deeds at Page 521, and running thence North $7^{\circ} 45'$ East nine hundred fifty-eight (958) feet to the place of beginning; thence continuing on a course North $7^{\circ} 45'$ East a distance of one thousand sixty (1,060) feet to an iron pin; thence South $73^{\circ} 15'$ East four hundred forty-five (445) feet to an iron pin; thence South $7^{\circ} 45'$ West seven hundred sixty (760) feet to an iron pin; thence South $69^{\circ} 30'$ West five hundred eight (508) feet to the place of beginning. Being the same premises conveyed to Tioga Recreation Association, Inc. by Deed recorded in the Tioga County Clerk's Office on October 27, 1965, in Book 323 of Deeds at Page 213.

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND situate in the Town and Village of Nichols, County of Tioga and State of New York, bounded and described as follows: Commencing at a point on the easterly side of Johnson Street at the southwest corner of lands now or formerly owned by Douglas Jones which point is $235\pm$ feet southerly from the southerly line of River Street; thence South $66^{\circ} 45'$ East 157.5 feet to a point; thence North $11^{\circ} 35'$ East 44 feet to a point; thence North $27^{\circ} 55'$ East 147.5 feet to a point in the southerly line of River Street; thence South $58^{\circ} 20'$ East 50 feet to a point; thence South $14^{\circ} 25'$ West 258 feet to a point; thence South 77° East 100 feet to a point; thence South $7^{\circ} 25'$ West 63.5 feet to a point; thence South $73^{\circ} 05'$ East 393.8 feet to a point; thence South $13^{\circ} 15'$ West 124 feet to a point; thence South

87° 25' East 61.6 feet to a point; thence South 5° 20' West 88 feet to a point; thence in a northeasterly direction by the small brook or ravine 190± feet to the southwesterly corner of lands now or formerly owned by Leonard A. Stradley; thence South 69° 45' East 200 feet to a point; thence South 7° 45' West 160 feet to a point; thence South 72° 15' East 120 feet to a point; thence South 7° 45' West 224± feet to the southwest corner of lands now or formerly owned by Jesse L. Barton; thence South 81° 30' East 178 feet to a point in the westerly line of Bliven Street; thence South 7° East along the westerly line of Bliven Street 57± feet to the northeast corner of lands now or formerly owned by Charles Thetga; thence North 81° 30' West 178 feet along lands now or formerly of Charles Thetga to the northwest corner of said lands, thence South 7° 45' West 2,159 feet to a point; thence South 66° 45' West 528 feet to a point; thence North 7° 45' East 925 feet to a point; thence North 73° 15' West 445 feet to a point; thence South 7° 45' West 2,018 feet to a point in the center line of the Township Road; thence South 88° 45' West along the center line of said highway 100.6 feet to a point; thence North 7° 45' East 640 feet to a point; thence North 84° 30' West 529 feet to a point; thence North 7° 45' East 3,044 feet to a point; thence North 13° East 179 feet to a point; thence South 68° 15' East 307.7 feet to a point; thence North 15° 25' East 425 feet to a point; thence South 75° 45' East 37.5 feet to a point; thence North 14° 25' East 65.5 feet to a point; thence North 25° 30' East 74 feet to a point; thence North 70° West 135 feet to a point; thence North 14° 15' East along the easterly bounds of Johnson Street 88 feet to the place of beginning.

Excepting and reserving therefrom that parcel of land which was conveyed by a Deed recorded in Tioga County Clerk's Office April 23, 1906, in Book 147 of Deeds at Page 299, and all rights of way and easements of record.

ALSO excepting and reserving therefrom, a parcel conveyed to Deming by Deed recorded in the Tioga County Clerk's Office July 14, 1958, in Book 277 of Deeds at Page 597, and therein described as follows: Commencing at an iron pin set at the southwest corner of lands of Tioga Recreation Association, Inc., which point is S. 14° 25' W. two hundred fifty-eight (258) feet from the southerly line of River Street and also S. 70° E. two hundred thirty-five (235) feet from the easterly line of Johnson Street; running thence N. 14° 25' E. one hundred twenty-nine (129) feet to a point; thence southerly to a point ten (10) feet west of the place of beginning; thence S. 70° E. ten (10) feet to the place of beginning.

ALSO excepting and reserving therefrom a parcel conveyed to Humphreys by deed recorded in Tioga County Clerk's Office July 14, 1958, in Book 277 of Deeds at Page 600, and therein described as follows: Commencing on the southerly line of River Street in said Village of Nichols at an iron pin set at the northeast corner of lands now or formerly of R. Sexton; running thence S. 27° 55' W. one hundred forty-seven and five-tenths (147.5) feet to an iron pin; thence S. 11° 35' W. forty-four (44) feet to an iron pin; thence easterly eighty-four (84) feet to the westerly line of lands conveyed by JHIM Corporation to Herbert Deming and Isabel Deming; thence northerly along said line and along the easterly line of lands conveyed by Herbert W. Deming and Isabel Deming to JHIM Corporation, to the southerly line of River Street; thence westerly along the southerly line of River Street sixty (60) feet to the place of beginning.

ALSO excepting and reserving therefrom a parcel conveyed to Middleton by Deed recorded in Tioga County Clerk's Office April 1, 1952, in Book 204 of Deeds at Page 165, and therein described as follows: Commencing at a point on the easterly side of Johnson Street at the southwest corner of lands now or formerly owned by Douglas Jones, which point is 235± feet southerly from the southerly line of River Street; thence South 66° 45' East 231.5 feet to a point; thence South 14° 25' West 73 feet to a point; thence North 70° West 217 feet to a point on the easterly line of Johnson Street; thence North 14° 15' East along the easterly side of Johnson Street 88 feet to the place of beginning.

ALSO excepting and reserving a parcel conveyed to Stradley by Deed recorded in Tioga County Clerk's Office July 7, 1965, in Book 321 of Deeds at Page 764, and therein described as follows: Beginning at an iron pin located in the southerly boundary of River Street at the northwest corner of lands now or formerly owned by Chester Deming; thence S. 7° 45' W. 190 feet to the place of beginning; thence continuing on the same course 160 feet to an iron pin; thence N. 70° W. 331 feet to an iron pin; thence in a northeasterly direction along the center of the course of a small creek 176± feet to the southeast corner of lands of Leonard Stradley; thence S. 69° 45' E. 219 feet to the place of beginning.

ALSO excepting and reserving a parcel conveyed to Deming by Deed recorded in Tioga County Clerk's Office July 7, 1965, in Book 321 of Deeds at Page 766, and therein described as follows: Commencing at a point 135 feet east of Johnson Street at the northeast corner of premises owned by Tioga Recreation Association, Inc. and running thence S. 70° E. 100 feet to an iron pin; running thence S. 14° 25' W. 65 feet; running thence N. 76° 15' W. 87± feet to the southeast corner of premises owned by Tioga Recreation Association, Inc.; and running thence N. 25° 30' W. along the easterly line of premises of Tioga Recreation Association, Inc. 74± feet to the place of beginning.

Also all right, title and interest of Tioga Recreation Association, Inc. in and to part of a strip of land bounded and described as follows: Commencing in the center of the highway leading from Nichols to Windham Summit and running thence westerly along the southerly line of premises owned by the Nichols Water Company 407± feet to an iron pin; thence southerly 20± feet; thence easterly parallel with the first course herein and 20± feet distant therefrom to the center of the highway; thence northerly along the center line of said highway to the place of beginning.

Being the same premises conveyed to Tioga Recreation Association, Inc. by Deed recorded in the Tioga County Clerk's Office on October 27, 1965, in Book 323 of Deeds at Page 215.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Nichols, County of Tioga and State of New York, commencing at a point in the center of the highway leading from

Windham Summit Road to the Sacketts Creek Road at the southwest corner of lands formerly owned by Scott W. Johnson and running thence South 87° 15' West 351 feet along the center of said highway; thence North 7° 45' East 234 feet to a point; thence South 88° 45' West 179 feet to a point; thence North 7° 45' East 486 feet to an iron pin; thence South 84° 30' East 529 feet to an iron pin; thence South 7° 45' West 640 feet to the place of beginning. Being the same premises conveyed to Tioga Recreation Association, Inc. by Deed recorded in the Tioga County Clerk's Office on October 27, 1965, in Book 323 of Deeds at Page 218.

Parcels I, II, III and IV are more fully described as follows: ALL THAT TRACT OR PARCEL OF LAND, situate in the Village and Town of Nichols, County of Tioga, and State of New York, bounded and described as follows: Commencing at a point in the westerly line of premises now or formerly owned and occupied by John H. Middleton and running thence South 68 degrees and 15 minutes East a distance of 287.7 feet to a point; thence North 11 degrees East a distance of 215 feet to a point; thence North 79 degrees West a distance of 30 feet to a point; thence North 11 degrees East a distance of 125 feet to a point; thence South 74 degrees and 35 minutes East a distance of 81 feet to a point; thence North 15 degrees 25 minutes East a distance of 84 feet to a point; thence South 75 degrees and 45 minutes East a distance of 37.5 feet to a point; thence North 14 degrees and 25 minutes East a distance of 65.5 feet to a point; thence South 76 degrees and 15 minutes East a distance of 84 feet to a point; thence North 14 degrees and 25 minutes East a distance of 62.5 feet to a point; thence South 77 degrees East a distance of 100 feet to a point; thence South 7 degrees and 25 minutes West a distance of 63.5 feet to a point; thence South 73 degrees and 05 minutes East a distance of 393.8 feet to a point; thence South 13 degrees and 15 minutes West a distance of 124 feet to a point; thence South 87 degrees and 25 minutes East a distance of 61.6 feet to a point; thence South 5 degrees and 20 minutes West a distance of 98 feet to a point; thence South 70 degrees East a distance of 331 feet to a point; thence South 82 degrees and 15 minutes East a distance of 120 feet to a point; thence South 7 degrees and 45 minutes West a distance of 2,085 feet crossing a ten foot right of way of the Nichols Water Company to a point; thence South 83 degrees East a distance of 407.7 feet to a point; thence South 37 degrees West a distance of 23 feet to a point; thence North 83 degrees West a distance of 398 feet to a point; thence South 7 degrees and 45 minutes West a distance of 335 feet to a point; thence South 66 degrees and 45 minutes West a distance of 528 feet to a point; thence North 7 degrees and 45 minutes West a distance of 165 feet to a point; thence South 69 degrees and 30 minutes West a distance of 508 feet to a point; thence South 7 degrees and 45 minutes West a distance of 775 feet to a point; thence South 86 degrees and 45 minutes West a distance of 450 feet to a point; thence South 88 degrees and 45 minutes West a distance of 179 feet to a point; thence North 7 degrees and 45 minutes East a distance of 3,530 feet to a point; thence North 13 degrees East a distance of 179 feet to the point or place of beginning, containing 118.97 acres of land.

SUBJECT to the rights of the Nichols Water Company in a water reservoir and a ten foot right of way in the southeasterly portion of the land described above, as shown on a map prepared by George K. Jones, Licensed Land Surveyor, under date of June 16, 1965.

EXCEPTING AND RESERVING from the above-described premises, ALL THAT TRACT OR PARCEL OF LAND, situate in the Town of Nichols, County of Tioga and State of New York, bounded and described as follows:

BEGINNING at a point in the centerline of DeBolder Road which lies 140 feet westerly from its intersection with the centerline of RoKi Boulevard; thence N. $89^{\circ} 27' 43''$ W. 139.43 feet along the centerline of DeBolder Road to a point; thence S. $87^{\circ} 59' 29''$ W. 237.66 feet along the centerline of DeBolder Road to a point; thence S. $82^{\circ} 46' 32''$ W. 75.29 feet along the centerline of DeBolder Road to a point; thence N. $6^{\circ} 53' 21''$ E. 238.62 feet to a $3/4$ " rebar set with a cap at the former location of a corner post and stones and an iron bolt; thence S. $81^{\circ} 06' 12''$ E. 84.74 feet through lands of Tioga Recreation Association, Inc. to a $3/4$ " rebar set with a cap; thence N. $66^{\circ} 25' 10''$ E. 433.55 feet through lands of Tioga Recreation Association, Inc. to a $3/4$ " rebar set with a cap; thence S. $8^{\circ} 40' 17''$ W. passing through a $3/4$ " rebar set with a cap at 360.14 feet, a total distance of 385.14 feet to the point of beginning. CONTAINING 2.939 acres of land as shown as Parcel I and Parcel 2 on a map by Scott E. Edsall, L.S., No. 49784, dated May 29, 2003, Job No. 2003-045.

The properties described herein are intended to cover and include all of Town of Nichols Tax Map No. 170.00-1-6.10 and all of Village of Nichols Tax Map No. 159.18-2-2.

Said real property may also be described as follows:

ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND LYING AND BEING IN THE TOWN OF NICHOLS AND THE VILLAGE OF NICHOLS, COUNTY OF TIOGA, STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT AN FOUND IRON PIN WHERE THE LANDS HEREIN DESCRIBED AND THE LANDS OF THOMAS AND DAVID MILLER N/F JOIN THE EASTERLY LINE OF PAUL AND LUCINDA FRIEDRICHSEN N/F. THENCE ALONG THE LANDS OF THOMAS AND DAVID MILLER N/F, PASSING OVER A FOUND IRON PIN S $78^{\circ} 45' 47''$ E A DISTANCE OF 287.79 FEET TO AN FOUND IRON PIN. THENCE ALONG LANDS OF THE SAME, N $02^{\circ} 02' 12''$ W A DISTANCE OF 215.83 FEET TO A FOUND IRON PIN. THENCE ALONG LANDS OF THE SAME, S $88^{\circ} 34' 31''$ W A DISTANCE OF 30.00 FEET TO A FOUND IRON PIN. THENCE ALONG LANDS OF THE SAME N $00^{\circ} 15' 25''$ E A DISTANCE OF 126.46 FEET TO A FOUND IRON PIN. THENCE ALONG THE LANDS OF JAN AND DEBRA COLE N/F THE FOLLOWING FOUR (4) COURSES AND DISTANCES, S $88^{\circ} 18' 58''$ E A DISTANCE OF 80.90 FEET TO A FOUND IRON PIN, N $01^{\circ} 03' 38''$ E A DISTANCE OF 81.80 FEET TO A FOUND IRON PIN, S $86^{\circ} 47' 20''$ E A DISTANCE OF 38.26 FEET TO A FOUND IRON PIN, AND N $00^{\circ} 48' 00''$ E A DISTANCE OF 65.42 FEET TO A POINT. THENCE ALONG THE LANDS OF HAROLD HALL AND SUE PURTELL S $87^{\circ} 33' 36''$ E A DISTANCE OF 88.31 FEET TO A FOUND IRON PIN. THENCE ALONG LANDS OF THE SAME N $07^{\circ} 52' 40''$ E A DISTANCE OF 63.50 FEET TO A FOUND IRON PIN. THENCE ALONG THE LANDS OF RANDALL BOSTWICK, FOLLOWING ALONG AN EXISTING

FENCE LINE S 84°27' 43" E A DISTANCE OF 115.84 FEET TO A POINT. THENCE ALONG THE LANDS OF TAMARA MORGAN, FOLLOWING ALONG AN EXISTING FENCE LINE S 01°04'57" E A DISTANCE OF 57.00 FEET TO A FOUND IRON PIN. THENCE ALONG THE LANDS OF TAMARA MORGAN AND AN EXISTING FENCE LINE AND THE LANDS OF KAMILAH BURLINGAME S 83°15'19" E A DISTANCE OF 394.13 FEET TO A FOUND IRON PIN. THENCE ALONG THE LANDS OF RICHARD JAMES S 02°22'36" W A DISTANCE OF 127.68 FEET TO A FOUND IRON PIN. THENCE ALONG LANDS OF THE SAME N 87°43'49" E A DISTANCE OF 61.60 FEET TO A POINT. THENCE ALONG THE LANDS OF MARY AND PATRICIA DEWITT S 09°07'27" E A DISTANCE OF 93.66 FEET TO A POINT. THENCE ALONG THE LANDS OF OTHER AND IDA LAHNUM S 80°55'18" E A DISTANCE OF 331.00 FEET TO A FOUND IRON PIN. THENCE ALONG THE LANDS OF CYNTHIA J. BOND N 84°20'31" E A DISTANCE OF 119.77 FEET TO A FOUND IRON PIN. THENCE ALONG THE LANDS OF WILLIAM AND LINDA CASS, LINDA J. CASS AND KENNETH R. MEDCALF, PASSING THROUGH SEVERAL FOUND IRON PINS S 02°33'30" E A DISTANCE OF 229.21 FEET TO A FOUND IRON PIN. THENCE ALONG THE LANDS OF KENNETH R. MEDCALF N 89°09'34" E A DISTANCE OF 180.25 FEET TO A POINT IN THE WESTERLY LINE OF BLIVEN STREET (A PUBLIC STREET). THENCE ALONG THE WESTERLY LINE OF BLIVEN STREET S 02°54'26" E A DISTANCE OF 54.62 FEET TO A FOUND IRON PIN. THENCE ALONG THE LANDS OF WILLIAM AND ANNEMARIE SCHULTHEIS S 89°09'34" W A DISTANCE OF 179.76 FEET TO A FOUND IRON PIN. THENCE ALONG THE LANDS OF WILLIAM AND ANNEMARIE SCHULTHEIS, CARLA BENDOCK, DENNIS M. MILLER, ALBERT E. JOHNSON, TINA M. TAPPAN, WOODS MACHINE AND TOOL LLC. AND KIMBERLY AND MATTHEW SHIPMAN S 03°32'47" E A DISTANCE OF 752.43 FEET TO A FOUND IRON PIN. THENCE ALONG THE LANDS OF NICHOLS ELEMENTARY SCHOOL AND UNITED WATER MANAGEMENT SERVICE S 03°15'52" E, 1144.34 FEET TO A FOUND IRON PIN WITH A CAP. THENCE ALONG THE LANDS OF UNITED WATER MANAGEMENT SERVICE, PASSING THROUGH A FOUND IRON PIN WITH CAP N 86°28'01" E A DISTANCE OF 401.10 FEET TO A POINT IN THE CENTERLINE OF RO-KI BOULEVARD. THENCE ALONG THE CENTERLINE OF RO-KI BOULEVARD S 28°21'15" W A DISTANCE OF 23.55 FEET TO A POINT. THENCE ALONG THE LANDS OF WILLIAM AND BETTY CROPP S 86°28'01" W A DISTANCE OF 389.34 FEET TO A POINT. THENCE ALONG THE LANDS OF WILLIAM AND BETTY CROPP AND BOYD NICHOLS, PASSING OVER A FOUND IRON PIN S 01°35'17" E A DISTANCE OF 315.08 FEET TO A FOUND IRON PIN. THENCE ALONG THE LANDS OF BRET C. BARTON S 52°51'15" W A DISTANCE OF 534.15 FEET TO A POINT. THENCE ALONG THE LANDS OF HARRIETT BLOW AND ELAINE FRISBEE N 01°53'28" W A DISTANCE OF 164.54 FEET TO A POINT. THENCE ALONG LANDS OF THE SAME S 58°47'33" W A DISTANCE OF 508.00 FEET TO A POINT. THENCE ALONG LANDS OF THE SAME S 02°57'27" E A DISTANCE OF 586.94 FEET TO A FOUND IRON PIN. THENCE ALONG THE LANDS OF ROBERT AND JUDITH TAYLOR S 54°44' 57" W A DISTANCE OF 433.65 FEET TO A FOUND IRON PIN. THENCE ALONG THE LANDS OF ROBERT AND JUDITH TAYLOR AND CHRISTOPHER AND CAROL WILLIAMS, PASSING THROUGH A FOUND IRON

PIN S 87°19'35" W A DISTANCE OF 84.44 FEET TO A FOUND IRON PIN. THENCE ALONG THE LANDS OF CHRISTOPHER AND CAROL WILLIAMS S 76°13'35" W A DISTANCE OF 88.96 FEET TO A FOUND IRON PIN. THENCE ALONG THE LANDS OF STEVEN AND PAMELA ZWIERLEIN S 80°41'59" W A DISTANCE OF 90.75 FEET TO A POINT. THENCE ALONG THE LANDS OF PAUL AND LUCINDA FRIEDRICHSEN AND AN EXISTING MEANDERING FENCE LINE, N 02°56'13" W A DISTANCE OF 3520.60 FEET TO A POINT. THENCE ALONG THE SAME N 02°18'47" E A DISTANCE OF 179.00 FEET TO A FOUND IRON PIN, BEING THE POINT AND PLACE OF BEGINNING. CONTAINING 112.74 ACRES OF LAND MORE OR LESS.

EXCEPTING A 1 ACRE CIRCULAR PARCEL WITH A RADIUS OF 117.75 FEET, WITH THE CENTER POINT OF THE EXCEPTION PARCEL BEING S 58°59'31" W A DISTANCE OF 307.70 FEET FROM A FOUND IRON PIN AT THE SOUTHWEST CORNER OF UNITED WATER MANAGEMENT SERVICE PARCEL #170.00-1-8.

THE LANDS BEING DESCRIBED HEREIN ARE A MORE ACCURATE DESCRIPTION OF THE LANDS SHOWN ON A ALTA/NSPS LAND TITLE SURVEY PLAN BY NAVARRO AND WRIGHT CONSULTING ENGINEERS, INC. OF WYSOX PENNSYLVANIA, MAP NUMBER 1606NP079, DATED MARCH 20, 2017.

EXHIBIT "B"

PILOT PAYMENT SCHEDULE

<u>YEAR</u>	<u>AMOUNT OF PILOT PAYMENT FOR TOWN AND COUNTY</u>	<u>AMOUNT OF PILOT PAYMENT FOR SCHOOL AND VILLAGE</u>
2018		5% of all taxes that would otherwise be due and owing on the Project but for this Agreement
2019	5% of all taxes that would otherwise be due and owing on the Project but for this Agreement	10% of all taxes that would otherwise be due and owing on the Project but for this Agreement
2020	10% of all taxes that would otherwise be due and owing on the Project but for this Agreement	15% of all taxes that would otherwise be due and owing on the Project but for this Agreement
2021	15% of all taxes that would otherwise be due and owing on the Project but for this Agreement	20% of all taxes that would otherwise be due and owing on the Project but for this Agreement
2022	20% of all taxes that would otherwise be due and owing on the Project but for this Agreement	25% of all taxes that would otherwise be due and owing on the Project but for this Agreement
2023	25% of all taxes that would otherwise be due and owing on the Project but for this Agreement	30% of all taxes that would otherwise be due and owing on the Project but for this Agreement
2024	30% of all taxes that would otherwise be due and owing on the Project but for this Agreement	35% of all taxes that would otherwise be due and owing on the Project but for this Agreement
2025	35% of all taxes that would otherwise be due and owing on the Project but for this Agreement	40% of all taxes that would otherwise be due and owing on the Project but for this Agreement
2026	40% of all taxes that would otherwise be due and owing on the Project but for this Agreement	45% of all taxes that would otherwise be due and owing on the Project but for this Agreement
2027	45% of all taxes that would otherwise be due and owing on the Project but for this Agreement	50% of all taxes that would otherwise be due and owing on the Project but for this Agreement
2028	50% of all taxes that would otherwise be due and owing on the Project but for this Agreement	55% of all taxes that would otherwise be due and owing on the Project but for this Agreement

<u>YEAR</u>	<u>AMOUNT OF PILOT PAYMENT FOR TOWN AND COUNTY</u>	<u>AMOUNT OF PILOT PAYMENT FOR SCHOOL AND VILLAGE</u>
2029	55% of all taxes that would otherwise be due and owing on the Project but for this Agreement	60% of all taxes that would otherwise be due and owing on the Project but for this Agreement
2030	60% of all taxes that would otherwise be due and owing on the Project but for this Agreement	65% of all taxes that would otherwise be due and owing on the Project but for this Agreement
2031	65% of all taxes that would otherwise be due and owing on the Project but for this Agreement	70% of all taxes that would otherwise be due and owing on the Project but for this Agreement
2032	70% of all taxes that would otherwise be due and owing on the Project but for this Agreement	75% of all taxes that would otherwise be due and owing on the Project but for this Agreement
2033	75% of all taxes that would otherwise be due and owing on the Project but for this Agreement	80% of all taxes that would otherwise be due and owing on the Project but for this Agreement
2034	80% of all taxes that would otherwise be due and owing on the Project but for this Agreement	85% of all taxes that would otherwise be due and owing on the Project but for this Agreement
2035	85% of all taxes that would otherwise be due and owing on the Project but for this Agreement	90% of all taxes that would otherwise be due and owing on the Project but for this Agreement
2036	90% of all taxes that would otherwise be due and owing on the Project but for this Agreement	95% of all taxes that would otherwise be due and owing on the Project but for this Agreement
2037	95% of all taxes that would otherwise be due and owing on the Project but for this Agreement	100% of all taxes that would otherwise be due and owing on the Project but for this Agreement