

HADCO CORPORATION

and

TIOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

and

TIOGA COUNTY, NEW YORK

and

TOWN OF OWEGO, NEW YORK

and

OWEGO-APALACHIN SCHOOL DISTRICT

AMENDED AND RESTATED
PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Tioga County Industrial Development Agency
1996 Real Estate Transfer
(Hadco Corporation Facility)

Dated as of December 31, 2003

Town of Owego, Owego-Apalachin School District

AMENDED AND RESTATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS AGREEMENT, dated as of December 31, 2003 (this "Amended and Restated PILOT Agreement"), by and among HADCO CORPORATION, a Massachusetts corporation duly authorized to do business in the State of New York, having an office at 1200 Taylor Road, Owego, New York 13827 (the "Company"); TIOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY, an industrial development agency and a public benefit corporation of the State of New York, having its principal office at County Office Building, 56 Main Street, Owego, New York 13827 (the "Agency"); TIOGA COUNTY, NEW YORK, a New York municipal corporation having offices at 56 Main Street, Owego, NY 13827 (the "County"); the TOWN OF OWEGO, NEW YORK, a New York municipal corporation having offices at 2354 State Route 434, Apalachin, New York 13732 (the "Town"); and OWEGO-APALACHIN SCHOOL DISTRICT, a New York central school district having offices at 36 Talcott Street, Owego, New York 13827 (the "School District");

WITNESSETH:

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 534 of the Laws of 1971 of the State of New York, as the same may be amended from time to time (collectively, the "Act"), the Agency was created with the authority and power, among other things, to assist with certain industrial development projects as authorized by the Act; and

WHEREAS, the Agency has previously entered into a transaction with the Company consisting of (i) the acquisition of an approximately 25 acre parcel of land located at 1200 Taylor Road in the Town of Owego, Tioga County, New York (the "Taylor Road Parcel") and the construction, renovation and equipping of an approximately 19,000 square foot addition and an approximately 24,000 square foot addition to an existing approximately 151,165 square foot manufacturing facility (collectively, the "Taylor Road Building") located thereon, (ii) the acquisition of an approximately 4.1 acre parcel of land adjacent to the Taylor Road Parcel (the "Broadway Building Parcel") and the renovation and equipping of the approximately 60,000 square foot existing building (the "Broadway Building") located thereon, and (iii) the construction of an interconnection between the Taylor Road Building and the Broadway Building, all to be used for the manufacture of printed circuit boards (collectively, the "1996 Facility"); and

WHEREAS, the Agency currently leases the 1996 Facility to the Company pursuant to and in accordance with a certain Lease Agreement, dated as of February 1, 1996 (the "1996 Lease Agreement"), between the Company and the Agency; and

WHEREAS, the Agency and the Company have previously entered into a Payment-in-Lieu-of-Tax Agreement, dated as of February 1, 1996 (the "1996 PILOT Agreement"), pursuant to which the Agency and the Company have set forth the terms and conditions of their agreement regarding the payment by the Company of payments in lieu of real property taxes with respect to the 1996 Facility; and

WHEREAS, the Agency and the Company have previously entered into an Environmental Compliance and Indemnification Agreement, dated as of February 1, 1996 (the "1996 Environmental Compliance and Indemnification Agreement", and together with the 1996 PILOT Agreement and the 1996 Lease Agreement, the "1996 Documents"), pursuant to which the Company agreed to comply with all Environmental Laws (as defined therein) applicable to the 1996 Facility and to indemnify and hold harmless the Agency from and against all environmental liability in connection with the 1996 Facility; and

WHEREAS, the Company has subsequently constructed and equipped an approximately 30,500 square foot addition to the west side of the Taylor Road Building and an approximately 4,500 square foot addition to the east side of the Taylor Road Building (collectively, the "Phase 1 Additions"); and

WHEREAS, the Company has requested that the Agency enter into certain additional transactions consisting of (i) the acquisition by the Agency of an approximately 14.364 acre parcel of land adjacent to the Taylor Road Parcel (the "New Land"), including any existing improvements thereon; (ii) the acquisition by the Agency of the Phase 1 Additions, and the acquisition, construction and equipping of interior improvements and

renovations with respect thereto (the "Phase 1 Renovations"); (iii) the acquisition, construction and equipping of interior improvements and renovations with respect to certain other portions of the Taylor Road Building (the "Phase 2 and Phase 3 Renovations"); (iv) the acquisition, construction and equipping of future additions, buildings, improvements or renovations (the "Future Additions") on one or more of the Broadway Building Parcel, the Taylor Road Parcel or the New Land, subject to necessary future action of the Agency in connection therewith; (v) the amendment of the 1996 Documents to include the New Land, the Phase 1 Additions, the Phase 1 Renovations and the Phase 2 and Phase 3 Renovations, together with the 1996 Facility, within the definition of "Facility," as that term is used in the 1996 Documents, and to provide, where appropriate, for the acquisition, construction and equipping of the Future Additions; (vi) the extension of the term of the 1996 Lease Agreement and of the 1996 PILOT Agreement; and (vii) the amendment of the terms and conditions of the 1996 PILOT Agreement regarding the payment by the Company of payments in lieu of real property taxes with respect to the Facility, as that term is defined in clause (v), above (collectively, clauses (i) through (vii) are referred to herein as the "2003 Project"); and

WHEREAS, in connection with the 2003 Project, the Agency, simultaneously with the execution and delivery hereof, intends to enter into an Amendment and Modification Agreement, dated as of December 31, 2003 (the "Amendment and Modification Agreement"), between the Company and the Agency, whereby the Agency agrees to undertake the 2003 Project and amends accordingly the 1996 Documents; and

WHEREAS, pursuant to Section 874(1) of the Act, the Agency is exempt from the payment of taxes and assessments imposed upon real property owned by it, other than special ad valorem levies, special assessments and service charges against real property located in the Town (including any existing incorporated village, or any village which may be incorporated after the date hereof, within which the Facility is or may be wholly or partially located) which are or may be imposed for special improvements or special district improvements; and

WHEREAS, in connection with the 2003 Project, the parties hereto hereby intend to amend and restate in its entirety the 1996 PILOT Agreement in order to make provision for payments in lieu of taxes and such assessments with respect to the Facility, as defined in the Amendment and Modification Agreement, by the Company to the County, the Town and the School District (hereinafter the "Taxing Authorities") on the terms and conditions set forth herein; and

WHEREAS, the 1996 PILOT Agreement has been amended, restated, superseded and replaced in its entirety by this Amended and Restated PILOT Agreement;

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

1. (a) As long as the 1996 Lease Agreement, as amended by the Amendment and Modification Agreement (as so amended, the "Lease Agreement") is in effect, the Company agrees to make payments in lieu of all real estate taxes and assessments against real property located in the Town of Owego which would be levied upon or with respect to the Facility if the Facility were owned by the Company and not by the Issuer (the "Taxes on the Facility"). The amounts of such payments and method for calculation are set forth herein.

(b) After the effective date of this Agreement, the Company shall pay:

(i) with respect to the Broadway Building Parcel, known as Tax Map Parcel No. 129.07-1-10, and existing improvements thereon as of the effective date hereof, including the Broadway Building, the amounts shown on Exhibit A hereto;

(ii) with respect to the Taylor Road Parcel, more particularly described on Exhibit E hereto (but excluding from such Exhibit E the area of the Broadway Building Parcel), and the New Land, more particularly described on Exhibit F hereto, and improvements existing thereon at the time of the completion of the 1996 Facility, including the Taylor Road Building, to the School District, the amounts shown on Exhibit B hereto;

(iii) with respect to the Taylor Road Parcel, more particularly described on Exhibit E hereto (but excluding from such Exhibit E the area of the Broadway Building Parcel), and the New Land, more particularly described on Exhibit F hereto, and improvements existing thereon at the time of the completion of the 1996 Facility, including the Taylor Road Building, to the Town and County, the amounts shown on Exhibit C hereto, allocated in proportion to the taxes that such jurisdictions would have received were the Taylor Road Parcel and the New Land subject to real property taxation;

(iv) with respect to any increase in assessment, occurring after the time of completion of the 1996 Facility, of any or all of the Broadway Building Parcel, the Taylor Road Parcel or the New Land, resulting from (A) the Phase 1 Additions, (B) the Phase 1 Renovations, (C) the Phase 2 and Phase 3 Renovations, or (D) the Future Additions (subject, in the case of the Future Additions, to (I) any necessary future action of the Agency in connection therewith, and (II) Section 1(f) hereof), the amounts shown on Exhibit D hereto.

(c) The Company shall pay all special ad valorem levies, special assessments and service charges against real property located in the Town of Owego which are or may be imposed for special improvements or special district improvements. The Company shall have the right to contest any such special ad valorem levies, special assessments and service charges against real property, but in no event shall the Agency be responsible to contest or to make payment for such special ad valorem levies, special assessments and service charges against real property, or to reimburse the Company for such contests or payments.

(d) The Company shall within fifteen (15) days pay, or cause to be paid, the amounts set forth in Section 1(b) and (c) above, after receipt of notice from the Agency or the Taxing Authorities, as the case may be. Failure to receive a tax bill shall not relieve the Company of its obligation to make all payments required hereunder. If, for any reason, the Company does not receive an appropriate tax bill, the Company shall have the responsibility and obligation to make all reasonable inquiries of the Taxing Authorities and to have such a bill issued, and thereafter to make payment of the same no later than the due dates provided herein. Payments may be made directly to the Agency unless otherwise directed in writing by the Agency. Payments made after the due dates set forth in the applicable tax bills shall accrue interest (and penalties) at the rates set forth in Section 874 of the General Municipal Law of the State of New York.

(e) In the first tax year with respect to which Exhibit C hereto applies, the Company shall receive a credit against the amount otherwise due and payable pursuant to such Exhibit C equal to the amount, if any, of taxes and assessments, other than special ad valorem levies, special assessments and service charges against real property located in the Town of Owego which are or may be imposed for special improvements or special district improvements, that the Company is required to pay after January 1, 2004, with respect to the New Land and existing improvements thereon in reference to the March 1, 2003, taxable status date.

(f) Notwithstanding any provisions to the contrary herein or in the Lease Agreement, Section 1(b)(iv) hereof and Exhibit D hereto shall apply only to such Future Additions as are completed on or before the fifteenth (15th) anniversary of the date hereof. With respect to any and all other Future Additions, the Company shall pay 100% of those taxes and assessments, other than special ad valorem levies, special assessments and service charges against real property located in the Town of Owego which are or may be imposed for special improvements or special improvement districts, that the Company would pay without exemption.

2. In the event that title to the Facility or any part thereof is transferred from the Agency to the Company, or to any other entity (other than an entity exempt from real property taxation), at such time in reference to any taxable status date as to make it impossible to place such Facility or part thereof on the tax rolls of the County, the Town of Owego, the School District, or appropriate special districts, as the case may be, by such taxable status date, the Company or such other entity shall pay, at the first time taxes or assessments are due following the taxable status date at which such Facility or part thereof is placed on the tax rolls, an amount equal to the taxes or assessments which would have been levied on such Facility or part thereof had it been on the tax rolls from the time the Company or other entity (other than an entity exempt from real property taxation) took title until the date of the tax rolls following the taxable status date as of which such Facility or part thereof is placed on the tax rolls. There shall be deducted from such amount any amounts previously paid pursuant to this Amended and Restated PILOT Agreement by the Agency or the Company to the respective Taxing

Authorities relating to any period of time after the date of transfer of title to the Company or such other entity (other than an entity exempt from real property taxation). The provisions of this Section 2 shall survive the termination or expiration of the Lease Agreement.

3. (a) Subject to the limitations set forth in Section 3(b), the Agency shall have the right to recapture from the Company an amount equal to all taxes and assessments for which the Company has claimed or received an exemption after the effective date hereof, and shall distribute those amounts to the Taxing Authorities in proportion to the taxes abated. Recapture of such benefits shall occur in any the following circumstances: (i) the Company sells, otherwise disposes of or closes the Facility; (ii) there is a change in the use of the Facility to an activity or use in which the Agency is prohibited from engaging under New York State law; or (iii) there is a significant change in the business activities of the Company at the Facility.

(b) If any of the circumstances described in Section 3(a) should arise, the Agency shall have the right to recapture from the Company a portion of benefits previously extended to the Company after the effective date hereof in accordance with the following table:

<u>Circumstance Arises:</u>	<u>Percentage Recaptured:</u>
January 1, 2004, to December 31, 2004	100%
January 1, 2005, to December 31, 2005	75%
January 1, 2006, to December 31, 2006	50%
January 1, 2007, to December 31, 2007	25%
January 1, 2008, and thereafter	0%

(c) Notice of recapture shall be made pursuant to Section 8, below. Payment of recapture shall be due within fifteen (15) days following the date of notice.

4. In the event the Facility or any part thereof is declared to be subject to real property taxes or assessments by an amendment to the Act or other legislative change, or by a final judgment of a court of competent jurisdiction, the obligations of the Company and Agency hereunder shall, to such extent, be null and void.

5. In the event the Company shall enter into a subsequent Payment-in-Lieu-of-Tax Agreement or Agreements with respect to the Taxes on the Facility directly with any or all Taxing Authorities in the jurisdiction of which the Facility is located, the obligations of the Company hereunder, which are inconsistent with such future Agreement or Agreements, shall be superseded and shall, to such extent, be null and void.

6. As long as this Amended and Restated PILOT Agreement is in effect, the Agency and the Company agree that the Company shall be deemed to be the owner of the Facility for purposes of instituting, and shall have the right to institute, judicial review of an assessment of the real estate with respect to the Facility pursuant to the provisions of Article 7 of the Real Property Tax Law or any other applicable law, as the same may amended from time to time. Notwithstanding the foregoing, in the event that the assessment of the real estate with respect to the Facility is reduced as a result of any such judicial review and a refund or rebate of taxes paid is ordered from such Taxing Authority by such judicial review, any such refund or rebate shall be made to the Company and shall not inure to the benefit of the Agency. In the event that the assessment of the real estate with respect to the Facility is reduced as a result of any such judicial review and a refund or rebate of taxes paid is not ordered by such judicial review, the Company shall not be entitled to receive a refund or refunds from the Agency of the payments in lieu of taxes and assessments paid pursuant to this Amended and Restated PILOT Agreement.

7. The Company, in recognition of the benefits provided under the terms of this Amended and Restated PILOT Agreement, including but not limited to the formulae for In-Lieu-of-Taxes Payments set forth in Exhibits A-D hereto, and for as long as the Lease Agreement is in effect, expressly waives any rights it may have for any exemption under Section 485 or 485-b of the Real Property Tax Law or any other exemption under any other law or regulation (except, however, for the exemption provided by Article 18-A of the General Municipal Law) with respect to the Facility. The Company, however, reserves all such rights with respect to all

special ad valorem levies, special assessments and service charges levied against the Facility as referred to in Section 1(c).

8. Except as otherwise provided herein, any notice required to be given by or under this Amended and Restated PILOT Agreement shall be deemed to have been duly given when delivered and, if delivered by mail, shall be sent by certified mail, postage prepaid, return receipt requested, and addressed to the respective parties hereto at their respective addresses specified below or at such other addresses as any party may specify in writing to the others:

The Issuer:

Tioga County Industrial Development Agency
56 Main Street
Owego, New York 13827
Telecopier: (607) 687-1435
Attention: Chairman

The Company:

Hadco Corporation
1200 Taylor Road
Owego, New York 13827
Telecopier: (607) 687-0475
Attention: Chris Pelto

The County:

Tioga County
56 Main Street
Owego, New York 13827
Telecopier: (607) 223-7018
Attention: Deputy Director of Economic Development and Planning

The Town:

Town of Owego
2354 State Route 434
Apalachin, New York 13732
Telecopier: (607) 687-5191
Attention: Supervisor

The School District:

Owego-Apalachin School District
36 Talcott Street
Owego, New York 13827
Telecopier: (607) 687-6313
Attention: Superintendent

Notice by mail shall be effective when delivered, but if not yet delivered shall be deemed effective at 12:00 p.m. on the third Business Day (as defined in the Lease Agreement) after mailing.

9. Failure by the Agency in any instance to insist upon the strict performance of any one or more of the obligations of the Company under this Amended and Restated PILOT Agreement, or to exercise any election herein contained, shall in no manner be or be deemed to be a waiver by the Agency of any of the

Company's defaults or breaches hereunder or of any of the rights and remedies of the Agency by reason of such defaults of the Company or a waiver or relinquishment of any or all of the Company's obligations hereunder. No waiver, amendment, release or modification of this Agreement shall be established by conduct, custom or course of dealing. Further, no payment by the Company or receipt by the Agency of a lesser amount than the correct amount or in a manner of payment other than the manner due hereunder shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed to effect or evidence an accord and satisfaction, and the Agency may accept any checks or payments as made without prejudice to its right to recover the balance or pursue any other remedy in this Amended and Restated PILOT Agreement or otherwise provided at law or in equity.

10. In the event that the Company fails to make any payment required hereunder, including recapture payments, when due, the Company shall be liable to the Agency for the amount of the statutory penalties allowed under Section 874 of the General Municipal Law of the State of New York. In addition, whenever any payment is more than thirty (30) days overdue, the Agency shall have the right to declare the Company in default and to terminate this Amended and Restated PILOT Agreement and the Lease Agreement pursuant to the terms and conditions set forth in the Lease Agreement.

11. This Amended and Restated PILOT Agreement shall become effective (i) with respect to the New Land, as of the first taxable status date of the Town of Owego after the date the Agency acquires title to the New Land; and (ii) with respect to the remainder of the Facility, on the date hereof. All taxes, assessments, special assessments, service charges, special ad valorem levies or similar tax equivalents due or to become due based upon prior taxable status dates shall be paid by the Company when due. Upon termination of the Lease Agreement and reconveyance of title to the Facility to the Company, this Amended and Restated PILOT Agreement shall terminate.

12. Whenever the Company fails to comply with any provision of this Amended and Restated PILOT Agreement, the Agency may, but shall not be obligated to, take whatever action at law or in equity as may appear necessary or desirable to collect the amount then in default or to enforce the performance and observance of the obligations, agreements and covenants of the Company under this Amended and Restated PILOT Agreement.

13. This Amended and Restated PILOT Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

14. The Company agrees to indemnify and hold the Agency harmless from and against any liability arising from any default by the Company in performing its obligations hereunder or any expense incurred under this Amended and Restated PILOT Agreement, and from and against any actions, suits or proceedings relating to this Amended and Restated PILOT Agreement to which the either is made a party or by which it is bound, including any expenses of the either, including without limitation attorneys' fees.

15. This Amended and Restated PILOT Agreement may be modified only by written instrument duly executed by the parties hereto.

16. This Amended and Restated PILOT Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, heirs, distributees and assigns.

17. Except as provided in Sections 3 and 4 hereof, if any provision of this Amended and Restated PILOT Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such provision so adjudged invalid, illegal or unenforceable shall be deemed separate, distinct and independent and the remainder of this Amended and Restated PILOT Agreement shall be and remain in full force and effect and shall not be invalidated or rendered illegal or unenforceable or otherwise affected by such holding or adjudication.

18. If the Company fails to make any payment when due hereunder, the Agency, in addition to any remedy or right it or any Taxing Authority may have pursuant to this Amended and Restated PILOT Agreement, shall have the rights and remedies provided for in the Lease Agreement.

19. The parties hereto agree to renegotiate in good faith Exhibits A-D hereto in the event that the Company becomes eligible to receive credits or refunds under Section 15 of the Tax Law of the State of New York with respect to the payments in lieu of taxes that the Company is required to pay hereunder.

20. The Town, the County and the School District execute this Amended and Restated PILOT Agreement for the purpose of (i) agreeing to the allocation of payments in lieu of taxes as provided in this Amended and Restated PILOT Agreement, pursuant to Section 858(15) of the New York General Municipal Law; and (ii) expressly waiving the provisions of (a) the second sentence of Section 859-a(1), and (b) Section 874(4)(c), in each case of the General Municipal Law of the State of New York.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

HADCO CORPORATION

By: _____
Name:
Title:

TIOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Name: William J. Woods, Jr.
Title: Chairman

TIOGA COUNTY

By: _____
Name:
Title:

TOWN OF OWEGO

By: _____
Name:
Title:

OWEGO-APALACHIN SCHOOL DISTRICT

By: _____
Name:
Title:

EXHIBIT A

Formula for In-Lieu-of-Taxes Payment: Tioga County, Town of Owego, and Owego-Apalachin School District.

Definitions

X = Assessment of the Broadway Building Parcel and existing improvements thereon, including the Broadway Building, equalized to the purchase price therefor paid by the Company (such purchase price being \$941,500.00).

Y = Current assessment of the Broadway Building Parcel and existing improvements thereon, including the Broadway Building, as such assessment may be revised from time to time by the Town Assessor.

Normal Tax Due = Those taxes and assessments, other than special ad valorem levies, special assessments and service charges against real property located in the Town of Owego which are or may be imposed for special improvements or special improvement districts, that the Company would pay without exemption.

Payment

Tax Year After
Effective Date

Formula

1 st	100% normal tax on X
2 nd	100% normal tax on X
3 rd	100% normal tax on X
4 th	100% normal tax on X
5 th	100% normal tax on X
6 th	100% normal tax on X
7 th	100% normal tax on X
8 th	100% normal tax on X
9 th	100% normal tax on X
10 th	100% normal tax on X
11 th	100% normal tax on Y
and thereafter	

EXHIBIT B

Formula for In-Lieu-of-Taxes Payment: Owego-Apalachin School District.

Definitions

- X = Normal tax due on the Taylor Road Parcel and New Land and improvements existing thereon at the time of the completion of the 1996 Facility, including the Taylor Road Building (such Taylor Road Parcel and New Land and improvements existing thereon at the time of the completion of the 1996 Facility, including the Taylor Road Building, having an assessment for such purposes of \$2,303,200.00) at a rate equal to the rate in effect for the 2003-2004 tax year.
- Y = Payments-in-Lieu-of-Taxes due per Exhibit B for the immediately preceding tax year with respect to the Taylor Road Parcel and New Land and improvements existing thereon at the time of the completion of the 1996 Facility, including the Taylor Road Building.
- Z = Current assessment of the Taylor Road Parcel and New Land and improvements existing thereon at the time of the completion of the 1996 Facility, including the Taylor Road Building, as such assessment may be revised from time to time by the Town Assessor.

Escalation Rate =

$$\frac{CPI_p - CPI_{p-1}}{CPI_{p-1}}$$

where *CPI* means the annual average seasonally unadjusted CPI-U, U.S. City Average for All Items, published by the United States Bureau of Labor Statistics, 1982-84=100; *p* means the immediately preceding calendar year; and *p - 1* means the calendar year immediately preceding *p*; provided, however, that the parties hereto may make such changes to or substitutions in the foregoing formula from time to time as they shall deem necessary in order to permit the calculation of the Escalation Rate to be successfully completed, in the event that such calculation could not be so completed without such changes or substitutions.

Normal Tax Due = Those taxes and assessments, other than special ad valorem levies, special assessments and service charges against real property located in the Town of Owego which are or may be imposed for special improvements or special improvement districts, that the Company would pay to the School District without exemption.

Payments Commencing as of the 2004-2005 Tax Year

<u>Tax Year</u>	<u>Formula</u>
2004-2005	X plus the product of X times the Escalation Rate
2005-2006	Y plus the product of Y times the Escalation Rate
2006-2007	Y plus the product of Y times the Escalation Rate
2007-2008	Y plus the product of Y times the Escalation Rate
2008-2009	Y plus the product of Y times the Escalation Rate
2009-2010	Y plus the product of Y times the Escalation Rate
2010-2011	Y plus the product of Y times the Escalation Rate
2011-2012	Y plus the product of Y times the Escalation Rate
2012-2013	Y plus the product of Y times the Escalation Rate
2013-2014	Y plus the product of Y times the Escalation Rate
2014-2015	Y plus the product of Y times the Escalation Rate
2015-2016	Y plus the product of Y times the Escalation Rate
2016-2017	Y plus the product of Y times the Escalation Rate
2017-2018	Y plus the product of Y times the Escalation Rate
2018-2019	Y plus the product of Y times the Escalation Rate
2019-2020	100% normal tax on Z
and thereafter	

EXHIBIT C

Formula for In-Lieu-of-Taxes Payment: Tioga County and Town of Owego.

Definitions

- X = Normal tax due for the 2004 tax year on the Taylor Road Parcel and New Land and improvements existing thereon at the time of the completion of the 1996 Facility, including the Taylor Road Building (such Taylor Road Parcel and New Land and improvements existing thereon at the time of the completion of the 1996 Facility, including the Taylor Road Building, having an assessment for the 2004 tax year of \$2,303,200.00).
- Y = Payments-in-Lieu-of-Taxes due per Exhibit C for the immediately preceding tax year with respect to the Taylor Road Parcel and New Land and improvements existing thereon at the time of the completion of the 1996 Facility, including the Taylor Road Building.
- Z = Current assessment of the Taylor Road Parcel and New Land and improvements existing thereon at the time of the completion of the 1996 Facility, including the Taylor Road Building, as such assessment may be revised from time to time by the Town Assessor.

Escalation Rate =

$$\frac{CPI_p - CPI_{p-1}}{CPI_{p-1}}$$

where *CPI* means the annual average seasonally unadjusted CPI-U, U.S. City Average for All Items, published by the United States Bureau of Labor Statistics, 1982-84=100; *p* means the immediately preceding calendar year; and *p - 1* means the calendar year immediately preceding *p*; provided, however, that the parties hereto may make such changes to or substitutions in the foregoing formula from time to time as they shall deem necessary in order to permit the calculation of the Escalation Rate to be successfully completed, in the event that such calculation could not be so completed without such changes or substitutions.

Normal Tax Due = Those taxes and assessments, other than special ad valorem levies, special assessments and service charges against real property located in the Town of Owego which are or may be imposed for special improvements or special improvement districts, that the Company would pay to the Town and County without exemption.

Payments Commencing as of the 2004 Tax Year

<u>Tax Year</u>	<u>Formula</u>
2004	X
2005	X plus the product of X times the Escalation Rate
2006	Y plus the product of Y times the Escalation Rate
2007	Y plus the product of Y times the Escalation Rate
2008	Y plus the product of Y times the Escalation Rate
2009	Y plus the product of Y times the Escalation Rate
2010	Y plus the product of Y times the Escalation Rate
2011	Y plus the product of Y times the Escalation Rate
2012	Y plus the product of Y times the Escalation Rate
2013	Y plus the product of Y times the Escalation Rate
2014	Y plus the product of Y times the Escalation Rate
2015	Y plus the product of Y times the Escalation Rate
2016	Y plus the product of Y times the Escalation Rate
2017	Y plus the product of Y times the Escalation Rate
2018	Y plus the product of Y times the Escalation Rate
2019	100% normal tax on Z
and thereafter	

EXHIBIT D

Formula for In-Lieu-of-Taxes Payment: Tioga County, Town of Owego, and Owego-Apalachin School District.

Definitions

X = Any increase in assessment, occurring after the time of completion of the 1996 Facility, of any or all of the Broadway Building Parcel, the Taylor Road Parcel or the New Land, resulting from (A) the Phase 1 Additions, (B) the Phase 1 Renovations (the Phase 1 Additions and the Phase 1 Renovations collectively having resulted in an increase in assessment of \$1,457,400.00), (C) the Phase 2 and Phase 3 Renovations, or (D) the Future Additions, as such assessment may be revised from time to time by the Town Assessor.

Component = Includes respectively (A) the Phase 1 Additions, (B) the Phase 1 Renovations, (C) the Phase 2 and Phase 3 Renovations, and (D) each discrete Future Addition

Normal Tax Due = Those taxes and assessments, other than special ad valorem levies, special assessments and service charges against real property located in the Town of Owego which are or may be imposed for special improvements or special improvement districts, that the Company would pay without exemption.

Payment

Tax Year After Later of (i) Effective Date Hereof, and (ii) Date on Which Component Causing Increase Is Initially Assessed, Whether Wholly or Partially

Formula

1 st	0% normal tax on X
2 nd	0% normal tax on X
3 rd	0% normal tax on X
4 th	0% normal tax on X
5 th	0% normal tax on X
6 th	0% normal tax on X
7 th	0% normal tax on X
8 th	0% normal tax on X
9 th	0% normal tax on X
10 th	0% normal tax on X
11 th	20% normal tax on X
12 th	40% normal tax on X
13 th	60% normal tax on X
14 th	80% normal tax on X
15 th	100% normal tax on X
and thereafter	

EXHIBIT E

Legal Description of Broadway Building Parcel and Taylor Road Parcel

EXHIBIT F

Legal Description of New Land