

September 25, 2023

HARRIS BEACH PLC

ATTORNEYS AT LAW

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TO ALL ON THE ATTACHED DISTRIBUTION LIST:

Re: County of Monroe Industrial Development Agency ("COMIDA") and
Jay's Acquisitions II LLC Project
20-30 East Avenue in the City of Rochester, New York

Ladies and Gentlemen:

Enclosed herewith please find a copy of the Payment In Lieu of Tax Agreement and the Application for Real Property Tax Exemption with respect to the above-captioned matter. Also enclosed for your perusal are copies of the related Memorandum of Lease and Memorandum of Leaseback, which are simultaneously being sent to the Monroe County Clerk for recording.

Very truly yours,



Rachel C. Baranello

RCB/lap

Enclosures

cc: COMIDA
Angelo Ingrassia

DISTRIBUTION LIST

Hon. Adam J. Bello
Monroe County Executive
39 West Main Street, Suite 110
County Office Building
Rochester, New York 14614
CERTIFIED MAIL RECEIPT #:
9489 0090 0027 6423 6020 70

Hon. Malik Evans, Mayor
City Hall, Room 307A
30 Church Street
Rochester, New York 14614
CERTIFIED MAIL RECEIPT #:
9489 0090 0027 6423 6020 94

Mr. Michael Zazzara, Assessor
City Hall, Room 101-A
30 Church Street
Rochester, New York 14614
CERTIFIED MAIL RECEIPT #:
9489 0090 0027 6423 6021 17

District Clerk
Rochester City School District
131 West Broad Street
Rochester, New York 14614
CERTIFIED MAIL RECEIPT #:
9489 0090 0027 6423 6021 31

Ms. Susan Buck
Collector of Fees and Taxes
B-3 County Office Building
39 West Main Street
Rochester, New York 14614
CERTIFIED MAIL RECEIPT #:
9489 0090 0027 6423 6020 87

Mr. Randy Webb
City Hall, Room 106-A
30 Church Street
Rochester, New York 14614
CERTIFIED MAIL RECEIPT #:
9489 0090 0027 6423 6021 00

Dr. Carmine Peluso, Superintendent
Rochester City School District
131 West Broad Street
Rochester, New York 14614
CERTIFIED MAIL RECEIPT #:
9489 0090 0027 6423 6021 24

Ms. Cynthia Elliott, Board President
Rochester City School District
131 West Broad Street
Rochester, New York 14614
CERTIFIED MAIL RECEIPT #:
9489 0090 0027 6423 6021 48

COUNTY OF MONROE INDUSTRIAL DEVELOPMENT AGENCY

AND

JAY'S ACQUISITIONS II LLC

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Tax Map No.

121.24-2-50

Affected Tax Jurisdictions:

County of Monroe
City of Rochester

Dated as of September 1, 2023

PAYMENT IN LIEU OF TAX AGREEMENT

THIS PAYMENT IN LIEU OF TAX AGREEMENT, dated as of September 1, 2023 (the "PILOT Agreement"), is by and between the **COUNTY OF MONROE INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York, having its offices at 50 West Main Street, Rochester, New York 14614 (the "Agency"), and **JAY'S ACQUISITIONS II LLC**, a New York limited liability company with offices at 550 Latona Road, Building E, Rochester, New York 14626 (the "Company").

WITNESSETH:

WHEREAS, the Agency was created by Chapter 55 of the Laws of 1972 of the State of New York pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York (collectively, the "Act") as a body corporate and politic and as a public benefit corporation of the State of New York; and

WHEREAS, the Company has requested the Agency to assist with a certain project (the "Project") consisting of: (A) the acquisition of a leasehold interest in a parcel of land located at 20-30 East Avenue in the City of Rochester, New York 14604 and all other lands in the City of Rochester where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (collectively, the "Land") together with the existing building thereon, commonly known as the Triangle Building (the "Existing Improvements"); (B) the renovation and modernization of the Existing Improvements into (i) below-market-rate rental commercial space on ground level and first floor (the "Commercial Improvements") and (ii) approximately 36 residential rental units for Eastman School of Music students (the "Residential Improvements" and, collectively with the Commercial Improvements, the "Improvements"); and (C) the acquisition and installation therein, thereon or thereabout of certain machinery, equipment and related personal property (the "Equipment" and, together with the Land, the Existing Improvements and the Improvements, the "Facility"); and

WHEREAS, the Agency has agreed to lease the Facility to the Company; and

WHEREAS, in order to induce the Company to acquire, renovate and equip the Facility, the Agency is willing to take a leasehold interest in the Land and the Facility pursuant to a certain Lease Agreement, dated as of September 1, 2023 (the "Lease Agreement"), and thereafter lease said Facility back to the Company pursuant to the terms and conditions of a certain Leaseback Agreement, dated as of September 1, 2023 (the "Leaseback Agreement"); and

WHEREAS, pursuant to Section 874(1) of the Act, the Agency is exempt from the payment of taxes imposed upon real property and improvements owned by it or under its jurisdiction, control or supervision other than special ad valorem levies, special assessments and service charges against real property, which are or may be imposed for special improvements or special district improvements; and

WHEREAS, the Agency and the Company deem it necessary and proper to enter into an agreement making provisions for payments in lieu of taxes by the Company to the County of

Monroe and the City of Rochester (the "City" and, collectively with the County, the "Affected Taxing Jurisdictions").

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

Section 1 Payment in Lieu of Ad Valorem Real Property Taxes.

1.1 A. Subject to the completion and filing by the taxable status date (**February 1, 2024**) (the "Taxable Status Date") of New York State form RP-412-a, "Application for Real Property Tax Exemption" (the "Exemption Application") under Section 412-(a) of the New York State Real Property Tax Law (the "RPTL") and Section 874 of the Act and the approval of the Exemption Application by the appropriate assessors or Board of Assessment Review, the Facility shall be exempt from Real Estate Taxes commencing with the **2026-2027** City tax year and the **2027** County tax year. For purposes of the foregoing "Real Estate Taxes" means all general levy real estate taxes levied against the Facility by the County and City. The Company shall provide to the Agency with the information necessary for the completion and filing of the Exemption Application and shall provide such additional information and take such actions as are required by the appropriate assessors or Board of Assessment Review to process and approve the Exemption Application. Notwithstanding anything contained herein or in the Lease Agreement to the contrary, in the event the exemption from Real Estate Taxes is denied for any reason, the Company shall pay (and hereby agrees to pay) all Real Estate Taxes levied upon the Facility as they become due. After giving written notice to the Agency, the Company may in good faith contest the denial of the Exemption Application, provided that (i) the overall operating efficiency of the Facility is not impaired and the Facility continues to qualify as a "project" under the Act; (ii) neither the Facility nor any part of or interest in it would be in any danger of being sold, forfeited or lost; or (iii) neither the Company nor the Agency, as a result of such contest, shall be in any danger of any civil or criminal liability. The Company hereby waives any claim or cause of action against the Agency, and releases the Agency from any liability to the Company, arising from the denial of an exemption from Real Estate Taxes except to the extent that such denial results solely from the failure of the Agency to file the Exemption Application with the appropriate assessors or Board of Assessment Review by the Taxable Status Date.

B. Payee/PILOT Payments. As long as the Facility is leased to the Agency or under its jurisdiction, control or supervision, the Company agrees to pay annually directly to the Affected Taxing Jurisdictions, as a payment in lieu of taxes, within thirty (30) days of receipt of the invoice for payment of taxes (the "Payment Date"), commencing with the invoice for the **2026-2027** City tax year and the invoice for the **2027** County tax year: (i) for the Commercial Improvements, an amount equal to the Total Commercial PILOT Payment, as set forth on **Schedule A** attached hereto and made a part hereof and (ii) for the Residential Improvements, an amount equal to the Total Residential PILOT Payment, as set forth in **Schedule B** attached hereto and made a part hereof. The Company shall make all payments due hereunder without further notice or invoicing from the Agency, any Affected Taxing Jurisdiction or any other party.

The parties agree and acknowledge that payments made hereunder are to obtain revenues for public purposes, and to provide a revenue source that the Affected Taxing Jurisdictions would otherwise lose because the subject parcels are not on the tax rolls.

1.2 Allocation. If the Agency shall receive any amounts hereunder, the Agency shall remit such monies to the Affected Tax Jurisdictions within thirty (30) days of receipt of said payment and shall allocate said payments among the Affected Tax Jurisdictions in the same proportion as ad valorem taxes would have been allocated but for the Agency's involvement, unless the Affected Tax Jurisdictions have consented in writing to a specific allocation.

1.3 Tax Rates. For purposes of determining the allocation of the Total Commercial PILOT Payment and the Total Residential PILOT Payment among the Affected Taxing Jurisdictions, the Agency shall use the last tax rate utilized for levy of taxes by each such jurisdiction. For County and special district purposes, the tax rates used to determine the allocation of the Total Commercial PILOT Payment and the Total Residential PILOT Payment shall be the tax rates relating to the calendar year which includes the respective Total PILOT Payment due date. For City purposes, the tax rates used to determine the PILOT payment shall be the rate relating to the year which includes the respective Total PILOT Payment due date.

1.4 Valuation of Future Additions to the Facility. In the event that any structural addition shall be made to the building or buildings included in the Facility, or any additional building or improvement shall be constructed on the Land that is not contemplated by this PILOT Agreement (but excluding the replacement of equipment, if any) (such structural additions, buildings and improvements being referred to hereinafter as "Future Addition"), the Company agrees to make additional payments in lieu of taxes to the Affected Taxing Jurisdictions in amounts equal to the then current ad valorem tax rates which would be levied upon or with respect to the Future Addition by the Affected Taxing Jurisdictions if the Future Addition were owned by the Company exclusive of the Agency's leasehold interest multiplied by the assessment or assessments established for that tax year by the appropriate Taxing Jurisdiction.

1.5 Period of Benefits. The tax benefits provided for herein should be deemed to include (i) the **2026-2027** City tax year through the **2039-2040** City tax year, and (ii) the **2027** County tax year through the **2040** County tax year. This PILOT Agreement shall expire on **December 31, 2040**; *provided, however*, the Company shall pay the **2040-2041** City tax bill and the **2041** County tax bill on the dates and in the amounts as if the Agency were not in title on the tax status date with respect to said tax years. In no event shall the Company be entitled to receive tax benefits relative to the Facility for more than the periods provided for herein, unless the period is extended by amendment to this PILOT Agreement executed by both parties after any applicable public hearings. The Company expressly waives any rights it may have to the exemptions provided by Section 485-b of the New York State RPTL. It is hereby agreed and understood that the Affected Taxing Jurisdictions can rely upon and enforce the above waiver to the same extent as if they were signatories hereto. Subject to (i) notice from the Company to the

Agency; (ii) prior consent from the Agency (which consent shall not be unreasonably withheld, conditioned or delayed); and (iii) consent from the Affected Taxing Jurisdictions if the Agency, in its discretion, determines that such future agreement or agreements require such consent under Section 858(15) of the General Municipal Law, the Company may substitute any greater tax credit or exemption available under applicable law upon filing within the prescribed time limits with the appropriate Taxing Jurisdiction the required applications, forms and certifications. Subject to the conditions contained in (i), (ii) and (iii) above, upon the determination by the appropriate Taxing Jurisdiction that such exemption or credit is proper, sums to be paid as payments in lieu of real estate taxes hereunder shall be accordingly reduced; provided, however, that the Company shall not be entitled to a double exemption or the application of more than one exemption, unless permitted under applicable law.

Section 2 - Special District Charges, Special Assessments and other Charges. Special district charges, special assessments, and special ad valorem levies (specifically including but not limited to fire district charges), and pure water charges and sewer charges are to be paid in full in accordance with normal billing practices.

Section 3 - Transfer of Facility. In the event that the lease/leaseback agreements are terminated, and the Company is ineligible for a continued tax exemption under some other tax incentive program, or the exemption results in a payment to the Affected Taxing Jurisdictions in excess of the payment described in **Schedule A** and **Schedule B** attached hereto, or this PILOT Agreement terminates, as provided herein, and the property is not timely transferred back to the Company, the Company agrees to pay no later than the next tax lien date (plus any applicable grace period), to each of the Affected Taxing Jurisdictions, an amount equal to the taxes and assessments which would have been levied on the Facility if the Facility had been classified as fully taxable as of the date of transfer or loss of eligibility of all or a portion of the exemption described herein or date of termination.

Section 4 - Assessment Challenges.

4.1 The Company and the Tenant shall have all of the rights and remedies of a taxpayer with respect to any proposed assessment or change in assessment of the Facility by any of the Affected Taxing Jurisdictions. The Company and the Tenant shall be entitled to protest before and be heard by the appropriate assessors or Board of Assessment Review, and shall be entitled to take any and all appropriate appeals or initiate any proceedings to review the validity or amount of any assessment or the validity or amount of any tax equivalent provided for herein. If the assessment of all or a portion of the Leased Premises is reduced as a result of any such proceedings so that the Company would be entitled to seek a refund or refunds of monies paid to the respective Taxing Jurisdictions (taking into account, however, the impact of any abatement allowed the Company hereunder), the Company shall be entitled to receive a refund or refunds from the applicable Taxing Jurisdictions of any payment in lieu of real estate taxes and assessment paid pursuant to this PILOT Agreement in such amount.

4.2 The Company shall have all of the rights and remedies of a taxpayer with respect to any tax, service charge, special benefit, ad valorem levy, assessment, or special assessment or service charge in lieu of which the Company is obligated to make a payment pursuant to this PILOT Agreement.

Section 5 - Changes in Law. To the extent the Facility is declared to be subject to taxation or assessment by an amendment to the Act, other legislative change, or by final judgment of a court of competent jurisdiction, the obligations of the Company hereunder shall, to such extent, be null and void.

Section 6 - Events of Default.

6.1 If payments are not made as provided for herein, the Agency and/or Taxing Jurisdictions, individually or collectively, shall be entitled to pursue any and all remedies afforded them at law or in equity.

Notwithstanding anything contained herein to the contrary, upon the occurrence of (i) the sale or closure of the Facility; (ii) a significant unapproved change in use of the Facility; (iii) a significant reduction in employment at the Facility (as defined below); (iv) the Company abandons or otherwise vacates the County of Monroe; (v) the failure by the Company to make any payments required under this PILOT Agreement; or (vi) the material breach of covenants or significant event of default under that certain Leaseback Agreement, dated as of the date hereof, between the Agency and the Company (the "Leaseback Agreement"), after any applicable notice and cure periods (singularly or collectively an "Event of Default"), the Agency shall have the right to recapture real property tax abatements provided hereunder pursuant to the following schedule:

Year of Recapture	Percent of Recapture, Applicable to Current Year and All Prior Years
1	100%
2	100%
3	50%
4	50%
5	25%
6	25%
After year 6	At Agency's Discretion, 25% or Less

Any such recapture is at the sole and exclusive discretion of the Agency. The Agency shall notify the Company in writing of such Event of Default and of its intent to recapture the PILOT benefits (or any portion thereof). For purposes of this Section only, a "significant reduction in employment" shall mean more than twenty percent (20%) of the employment as

stated in the Company's application to the Agency, dated June 22, 2023 (the "Application"), to wit, 18. Any and all recaptured payments received pursuant to this provision shall be remitted to the Taxing Jurisdictions on a pro rata basis within sixty (60) days of receipt of payment.

6.2 If payments pursuant to Section 6.1 herein are not made by the due dates, or if any other payment required to be made hereunder is not made by the last day of any applicable cure period within which said payment can be made without penalty, the Company shall pay penalties and interest as follows: With respect to payments to be made pursuant to Section 6.1 herein, if said payment is not received by the due date defined in Section 6.1 herein, the Company shall pay, in addition to said payment, (i) a late payment penalty equal to five percent (5%) of the amount due and (ii) for each month, or any part thereof, that any such payment is delinquent beyond the first month, interest on the total amount due plus a late payment penalty, in an amount equal to one percent (1%) of the amount due per month. With respect to all other payments due hereunder, if said payment is not paid within any applicable cure period, the Company shall pay, in addition to said payment, the greater of the applicable penalties and interest hereunder, or penalties and interest which would have been incurred had payments made hereunder been tax payments to the Affected Taxing Jurisdictions.

Section 7 - Assignment. Except pursuant to a transaction permitted by the Leaseback Agreement, no portion of any interest in this PILOT Agreement may be assigned by the Company, nor shall any person other than the Company be entitled to succeed to or otherwise obtain any benefits of the Company hereunder without the prior written consent of the Agency, which shall not be unreasonably withheld, conditioned or delayed.

Section 8 - Miscellaneous.

8.1 This PILOT 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.

8.2 All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective party at the following address (or at such other address for a party as shall be specified in a notice given in accordance with this Section:

To the Agency: County of Monroe Industrial Development Agency
50 West Main Street
Rochester, New York 14614
Attn: Executive Director
Email: analiss@monroecounty.gov

With a Copy to: Harris Beach PLLC
99 Garnsey Road
Pittsford, New York 14534
Attn: Rachel C. Baranello, Esq.
Email: rbaranello@harrisbeach.com

To the Company: Jay's Acquisitions II LLC
550 Latona Road, Building E
Rochester, New York 14626
Attention: Angelo Ingrassia, Manager
Email: autoange@aol.com

or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section. All notices shall be deemed given when mailed or personally delivered in the manner provided in this Section.

8.3 This PILOT Agreement shall be governed by, and all matters in connection herewith shall be construed and enforced in accordance with, the laws of the State of New York applicable to agreements executed and to be wholly performed therein and the parties hereto hereby agree to submit to the personal jurisdiction of the federal or state courts located in Monroe County, New York.

8.4 Notwithstanding any other term or condition contained herein, all obligations of the Agency hereunder shall constitute a special obligation payable solely from the revenues and other monies, if any, derived from the Facility and paid to the Agency by the Company. Neither member of the Agency nor any person executing this PILOT Agreement on its behalf shall be liable personally under this PILOT Agreement. No recourse shall be had for the payment of the principal or interest on amounts due hereunder or for any claim based upon or in respect of any modification of or supplement hereto against any past, present or future member, officer, agent, servant, or employee, as such, of the Agency, or of any successor or political subdivision, either directly or through the Agency or any such successor, all such liability of such members, officer, agents, servants and employees being, to the extent permitted by law, expressly waived and released by the acceptance hereof and as part of the consideration for the execution of this PILOT Agreement.

Section 9 – Tax Abatement Policy.

9.1 Jobs Requirement. The Company or its Tenant shall maintain its present impacted job level of 18 full-time jobs and shall create one (1) new full-time/full-time equivalent jobs in three (3) years and maintain that one (1) new full-time/full-time equivalent job(s) for the balance of the fourteen (14) year term hereof.

9.2 Compliance Report. The Company shall report its compliance with these provisions as requested by the Agency, or its project compliance monitor.

9.3 Job Failure. If the one (1) new full-time/full-time equivalent job(s) are not created by the end of the three (3) year period or not continuously maintained during the balance of the term hereof, the exemption schedule will revert back to Section 485-b of the New York State RPTL and the Company agrees to pay in any year for which the job creation requirements are not met (a "Disqualifying Year"), as an additional payment in lieu of taxes, an amount equal to the difference between the tax benefits received in years one through the Disqualifying Year under this PILOT Agreement and the tax benefits which would have been received in years one through the Disqualifying Year under Section 485-b of the New York State RPTL. Under extenuating circumstances, the Agency Board may waive the above penalties after reviewing a written request from the Company for waiver of the penalties.

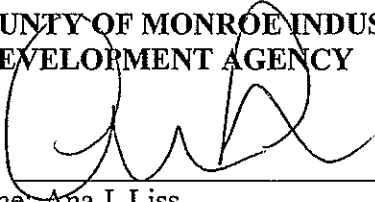
9.4 Waiver Process. The payments required hereunder for any non-compliance shall be paid by the Company to any and all Affected Taxing Jurisdictions whether or not billed. However, if the Company has made a good faith effort to achieve the job creation requirement, it may apply in writing for relief from the obligation for repayment of taxes abated, based on a showing of unforeseen economic circumstances, fiscal hardship, or other good cause. Application for relief from the repayment obligation shall be made to the Agency, which shall examine the application and grant relief, in whole or in part, from the repayment obligation or grant an alternate schedule for attaining the job creation requirement.

9.5 Benefit Period. In no event shall the Company be entitled to receive tax benefits relative to the Facility for more than fourteen (14) consecutive years. The Company agrees that it will not seek any tax exemption for the Facility which would provide benefits for more than fourteen (14) consecutive years. Notwithstanding the foregoing, nothing contained in this PILOT Agreement shall render the Company ineligible for a continued tax exemption under Section 485-b of the RPTL or any other applicable statute if this PILOT Agreement is terminated prior to the expiration of the exemption schedule set forth herein.

[Remainder of Page Intentionally Left Blank – Signature Page Follows]

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

**COUNTY OF MONROE INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
Name: Ana J. Liss
Title: Executive Director

JAY'S ACQUISITIONS II LLC

By: _____
Name: Angelo Ingrassia
Title: Manager

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

**COUNTY OF MONROE INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Name: Ana J. Liss
Title: Executive Director

JAY'S ACQUISITIONS H LLC

By: _____
Name: Angelo Ingrassia
Title: Manager

SCHEDULE A

TOTAL COMMERCIAL PILOT PAYMENT

"Total Commercial PILOT Payment" shall be calculated as follows:

<u>Tax Year</u>	<u>County Tax Year</u>	<u>City Tax Year</u>	<u>Total Commercial PILOT Payment</u>
	2025	2024/2025	Full Taxes
	2026	2025/2026	Full Taxes
Year 1	2027	2026/2027	Commercial Base Valuation, plus (Added Value x .10)
Year 2	2028	2027/2028	Commercial Base Valuation, plus (Added Value x .20)
Year 3	2029	2028/2029	Commercial Base Valuation, plus (Added Value x .30)
Year 4	2030	2029/2030	Commercial Base Valuation, plus (Added Value x .40)
Year 5	2031	2030/2031	Commercial Base Valuation, plus (Added Value x .50)
Year 6	2032	2031/2032	Commercial Base Valuation, plus (Added Value x .50)
Year 7	2033	2032/2033	Commercial Base Valuation, plus (Added Value x .50)
Year 8	2034	2033/2034	Commercial Base Valuation, plus (Added Value x .50)
Year 9	2035	2034/2035	Commercial Base Valuation, plus (Added Value x .50)
Year 10	2036	2035/2036	Commercial Base Valuation, plus (Added Value x .50)
Year 11	2037	2036/2037	Commercial Base Valuation, plus (Added Value x .50)
Year 12	2038	2037/2038	Commercial Base Valuation, plus (Added Value x .50)
Year 13	2039	2038/2039	Commercial Base Valuation, plus (Added Value x .50)
Year 14	2040	2039/2040	Commercial Base Valuation, plus (Added Value x .50)
Year 15 and thereafter	2041	2040/2041	Full Taxes

For the term of this PILOT Agreement, the Company shall continue to pay full taxes based on the assessed value of the Land and any existing improvements comprising the Commercial portion of the Facility before the completion of any Commercial Improvements (the "Commercial Base Valuation"). During the term of this PILOT Agreement, the Commercial Base Valuation shall be revised from time to time by the change in the assessed valuation in all taxable real property in the City of Rochester, Monroe County, New York, as of the respective tax status date for the tax year for which the recalculation is being made. The Total Commercial PILOT Payment for each Total PILOT Payment shall be calculated such

that a graduated abatement factor (the "Abatement Factor") shall be applied to the increased assessed valuation attributable to the Commercial Improvements made to the Facility by the Company, as an agent of the Agency, for the Project (the "Added Value"). The abatement schedule shall allow for a 90% exemption from taxation for the Added Value in Year 1, an 80% exemption from taxation for the Added Value in Year 2, a 70% exemption from taxation for the Added Value in Year 3, a 60% exemption from taxation for the Added Value in Year 4, and a 50% exemption from taxation for the Added Value in Years 5-14.

Once the Total Commercial PILOT Payment is established using the Abatement Factor, the Total PILOT Payment shall be determined by multiplying the Total Commercial PILOT Payment by the respective tax rate for each Affected Tax Jurisdiction (after application of any applicable equalization rate). After Year 14 the Facility shall be subject to full taxation by the Affected Tax Jurisdictions.

Total Taxable Valuation = Commercial Base Valuation + (Added Value x Abatement Factor)
Total Commercial PILOT Payment = Total Taxable Valuation (after equalization) x Tax Rate

SCHEDULE B

TOTAL RESIDENTIAL PILOT PAYMENT

Pursuant to **Schedule A** hereof, the Company will continue to pay the Commercial Base Valuation and make the Total Commercial PILOT Payment for the term of the PILOT Agreement. Additionally, the Company will make the Total Residential PILOT Payment in accordance with this **Schedule B**.

<u>Tax Year</u>	<u>County Tax Year</u>	<u>City Tax Year</u>	<u>Total Residential PILOT Payment</u>
Interim	2025 & 2026	2024/2025 & 2025/2026	Full Taxes
Year 1	2027	2026/2027	Shelter Rent
Year 2	2028	2027/2028	Shelter Rent
Year 3	2029	2028/2029	Shelter Rent
Year 4	2030	2029/2030	Shelter Rent
Year 5	2031	2030/2031	Shelter Rent
Year 6	2032	2031/2032	Shelter Rent
Year 7	2033	2032/2033	Shelter Rent
Year 8	2034	2033/2034	Shelter Rent
Year 9	2035	2034/2035	Shelter Rent
Year 10	2036	2035/2036	Shelter Rent
Year 11	2037	2036/2037	Shelter Rent
Year 12	2038	2037/2038	Shelter Rent
Year 13	2039	2038/2039	Shelter Rent
Year 14	2040	2039/2040	Shelter Rent
Year 15 and thereafter	2041	2040/2041	Full Taxes

In order to calculate each Total Residential PILOT Payment, the Company agrees to provide annual audited financial statements to the City commencing March 15, 2028, and by March 15 of each year thereafter of the PILOT Term. Notwithstanding the PILOT expiration date of December 31, 2040, the Company shall, with respect to PILOT Year 14, submit audited financial statements to the City by March 15, 2041. The PILOT Payment shall be made to the City, in arrears, pursuant to the terms and conditions of the invoice the City shall send to the Company on an annual basis. The City shall distribute to the County its pro rata share of the PILOT Payment pursuant to Section 858(15) of the General Municipal Law.

For purposes of the PILOT Agreement, each Total Residential PILOT Payment shall be an amount equal to Shelter Rent multiplied by ten percent (10%). The term "Shelter Rent" shall mean the total rents received from the occupants of the Residential Improvements minus the cost of providing electricity, gas, heat and other utilities to the Residential Improvements but shall not include (a) the cost of any insurance in connection with the Facility or (b) any utility or related costs incurred by any tenants or other occupants residing at the Facility. The Total Residential PILOT Payment shall be calculated on a calendar year.

**PILOT ADDENDUM
(COLGATE ROCHESTER CROZER DIVINITY SCHOOL)**

The County of Monroe Industrial Development Agency, Jay's Acquisitions II LLC (the "Applicant") and Colgate Rochester Crozer Divinity School (the "Tenant") acknowledge and agree that the Tenant is responsible for creating and maintaining the one (1) full-time/full-time equivalent job(s) required under this PILOT Agreement in accordance with Section 9.1 thereof. However, in the event the Tenant does not create the required job(s), the Applicant, as the direct beneficiary of the PILOT Agreement, is responsible for any and all penalties due as a result of Tenant's failure. The Applicant may attempt to find a substitute tenant and create the one (1) full-time/full-time equivalent job(s) with such new tenant, provided the Agency is informed and consents to the new tenant occupying the Facility.

**COUNTY OF MONROE INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
Name: Ana J. Liss
Title: Executive Director

JAY'S ACQUISITIONS II LLC

By: _____
Name: Angelo Ingrassia
Title: Manager

**COLGATE ROCHESTER CROZER
DIVINITY SCHOOL**

By: _____
Name: _____
Title: _____

**PILOT ADDENDUM
(COLGATE ROCHESTER CROZER DIVINITY SCHOOL)**

The County of Monroe Industrial Development Agency, Jay's Acquisitions II LLC (the "Applicant") and Colgate Rochester Crozer Divinity School (the "Tenant") acknowledge and agree that the Tenant is responsible for creating and maintaining the one (1) full-time/full-time equivalent job(s) required under this PILOT Agreement in accordance with Section 9.1 thereof. However, in the event the Tenant does not create the required job(s), the Applicant, as the direct beneficiary of the PILOT Agreement, is responsible for any and all penalties due as a result of Tenant's failure. The Applicant may attempt to find a substitute tenant and create the one (1) full-time/full-time equivalent job(s) with such new tenant, provided the Agency is informed and consents to the new tenant occupying the Facility.

**COUNTY OF MONROE INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Name: Ana J. Liss
Title: Executive Director

JAY'S ACQUISITIONS II LLC

By: _____
Name: Angelo Ingrassia
Title: Manager

**COLGATE ROCHESTER CROZER
DIVINITY SCHOOL**

By: _____
Name: Angela D. Smith
Title: President



NYS BOARD OF REAL PROPERTY SERVICES

RP-412-a (1/95)

INDUSTRIAL DEVELOPMENT AGENCIES
APPLICATION FOR REAL PROPERTY TAX EXEMPTION
(Real Property Tax Law, Section 412-a and General Municipal Law, Section 874)

1. INDUSTRIAL DEVELOPMENT AGENCY (IDA)

Name County of Monroe Industrial Developmnt Agency
Street 50 West Main Street, Suite 1150
City Rochester, New York 14614
Telephone no. Day (585) 419-8769
Evening ()
Contact Rachel C. Baranello
Title Agency Counsel

2. OCCUPANT (IF OTHER THAN IDA)

(If more than one occupant attach separate listing)

Name Jay's Acquisitions II LLC
Street 550 Latona Road, Building E
City Rochester, New York 14626
Telephone no. Day (585) - 225-0140
Evening ()
Contact Angelo Ingrassia
Title Manager

3. DESCRIPTION OF PARCEL

- a. Assessment roll description (tax map no./roll year) 121.24-2-50
- b. Street address 20-30 East Avenue
- c. City, Town or Village Rochester (City)
- d. School District Rochester CSD
- e. County Monroe
- f. Current assessment _____
- g. Deed to IDA (date recorded; liber and page)
Lease Agreement, a memorandum of which was recorded on or about September 25, 2023.

4. GENERAL DESCRIPTION OF PROPERTY (if necessary, attach plans or specifications)

- a. Brief description (include property use) renovation of the existing Triangle Building into commercial space and residential space
- b. Type of construction _____
- c. Square footage _____
- d. Total cost \$9,226,901
- e. Date construction commenced Summer/Fall
- f. Projected expiration of exemption (i.e. date when property is no longer possessed, controlled, supervised or under the jurisdiction of IDA)
See Attached PILOT Agreement

5. SUMMARIZE AGREEMENT (IF ANY) AND METHOD TO BE USED FOR PAYMENTS TO BE MADE TO MUNICIPALITY REGARDLESS OF STATUTORY EXEMPTION

(Attach copy of the agreement or extract of the terms relating to the project).

- a. Formula for payment See Attached PILOT Agreement
- b. Projected expiration date of agreement See Attached PILOT Agreement

c. Municipal corporations to which payments will be made

	Yes	No
County <u>Monroe</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Town/City <u>Rochester</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Village _____		<input checked="" type="checkbox"/>
School District _____		

d. Person or entity responsible for payment

Name Jay's Acquisitions II LLC
 Title _____
 Address 550 Latona Road, Building E
Rochester, New York 14626

e. Is the IDA the owner of the property? Yes/No (circle one)

If "No" identify owner and explain IDA rights or interest

Telephone 585-225-0140

in an attached statement. The IDA has a leasehold interest in the property.

6. Is the property receiving or has the property ever received any other exemption from real property taxation? (check one) Yes ☐ No ☒

If yes, list the statutory exemption reference and assessment roll year on which granted:

exemption Real Property Tax Law assessment roll year _____

7. A copy of this application, including all attachments, has been mailed or delivered on 9/25/2023 (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

CERTIFICATION

I, Rachel C. Baranello, Agency Counsel of _____
 Name Title
County of Monroe Industrial Development Agency hereby certify that the information
 Organization

on this application and accompanying papers constitutes a true statement of facts.

9/21/2023
 Date

Rachel C Baranello
 Signature

FOR USE BY ASSESSOR

1. Date application filed _____
2. Applicable taxable status date _____
- 3a. Agreement (or extract) date _____
- 3b. Projected exemption expiration (year) _____
4. Assessed valuation of parcel in first year of exemption \$ _____
5. Special assessments and special ad valorem levies for which the parcel is liable:

 Date

 Assessor's signature

**MEMORANDUM OF LEASE PURSUANT TO
SECTION 291-c OF THE REAL PROPERTY LAW
(Company to Agency)**

THIS MEMORANDUM, dated as of September 1, 2023 (the "Memorandum of Lease"), is by and between **JAY'S ACQUISITIONS II LLC**, a New York limited liability company with offices at 550 Latona Road, Building E, Rochester, New York 14626 (the "Company") and the **COUNTY OF MONROE INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York, having its offices at 50 West Main Street, Suite 1150, Rochester, New York 14614 (the "Agency").

1. Reference to Lease: That certain Lease Agreement, dated as of September 1, 2023 (the "Lease Agreement"), whereby the Company leases certain real property to the Agency.

2. Description of the Leased Premises: Certain real property and improvements located in the City of Rochester, Monroe County, New York, as more particularly described on **Schedule A** attached hereto (the "Leased Premises").

3. Term of Lease Agreement: Commencing September 1, 2023 and ending **December 31, 2038**.

4. Date of Commencement: September 1, 2023.

5. Date of Termination: December 31, 2038.

6. Rights of Extension or Renewal: None.

7. Lease Subordinate. The Lease Agreement (excepting the Agency's Unassigned Rights as set forth in the Leaseback Agreement) is subject and subordinate to any mortgages granted by the Company and the Agency to any lender (the "Mortgagee") which shall be recorded in the office of the Monroe County Clerk subsequent to the recording of this Memorandum; and (ii) that certain Leaseback Agreement, dated as of September 1, 2023, between the Agency and the Company (the "Leaseback Agreement").

Property Address: 20-30 East Avenue, Rochester, New York 14604
Tax Map No.: 121.24-2-50

Record and Return to:
Harris Beach PLLC
Attention: Lori A. Palmer, Paralegal
County Clerk Box #18

IN WITNESS WHEREOF, the Company and the Agency have caused this Memorandum of Lease to be executed in their respective names, all as of the date first written above.

JAY'S ACQUISITIONS II LLC

By: _____
Name: Angelo Ingrassia
Title: Manager

**COUNTY OF MONROE INDUSTRIAL
DEVELOPMENT AGENCY**

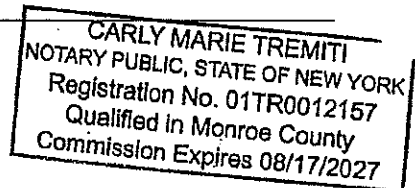
By: _____
Name: Ana J. Liss
Title: Executive Director

STATE OF NEW YORK)
COUNTY OF MONROE) ss.:

On the 20th day of September, 2023, before me, the undersigned, a Notary Public in and for said State, personally appeared **Angelo Ingrassia**, 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Carly Marie Tremiti
Notary Public

STATE OF NEW YORK)
COUNTY OF MONROE) ss.:



On the _____ day of September, 2023, before me, the undersigned, a Notary Public in and for said State, personally appeared **Ana J. Liss**, 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

IN WITNESS WHEREOF, the Company and the Agency have caused this Memorandum of Lease to be executed in their respective names, all as of the date first written above.

JAY'S ACQUISITIONS II LLC

By: _____
Name: Angelo Ingrassia
Title: Manager

**COUNTY OF MONROE INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Name: Ana J. Liss
Title: Executive Director

STATE OF NEW YORK)
COUNTY OF MONROE) ss.:

On the _____ day of September, 2023, before me, the undersigned, a Notary Public in and for said State, personally appeared **Angelo Ingrassia**, 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
COUNTY OF MONROE) ss.:

On the 19th day of September, 2023, before me, the undersigned, a Notary Public in and for said State, personally appeared **Ana J. Liss**, 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

JULIE T VISCA
Notary Public, State of New York
Reg. No. 01V15065188
Qualified in Monroe County
Commission Expires September 3, 2026

Schedule A
Legal Description

Property: 20-30 East Ave, City of Rochester, NY – Tax Id No. 121.24-2-50

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Rochester, County of Monroe and State of New York, known and distinguished as lots or parts of Lots Numbers Two (2), Three (3) and Four (4) as laid down on a map of the Washington Plat, so-called, being a triangular piece of land bounded on the north by Main Street East, on the east by Stillson Street and on the south and west by East Avenue, and known as the "Triangular Building Property".

THE ABOVE PREMISES ARE MORE CURRENTLY DESCRIBED AS FOLLOWS:

ALL THAT TRACT OR PARCEL OF LAND, situated in part of Lot Nos. 2, 3 and 4 of Washington Tract, City of Rochester, County of Monroe and State of New York, and being more particularly described as follows:

BEGINNING at a point, said point being the easterly intersection of Main Street and East Avenue; thence,

- 1) N 73° 06' 24" E, a distance of 187.42' feet to a point; thence
- 2) S 22° 07' 54" W, a distance of 109.97' feet to a point; thence
- 3) N 71° 01' 46" W, a distance of 145.82' feet to a point of Beginning.

As shown on an instrument survey map made by McMahon LaRue Associates, P.C. dated December 23, 1997 and redated February 10, 2006 Proj. #2006-004.

MEMORANDUM OF LEASEBACK AGREEMENT
Section 291-c of the Real Property Law
(Agency to Company)

THIS MEMORANDUM, dated as of September 1, 2023 (the "Memorandum of Leaseback"), is by and between the **COUNTY OF MONROE INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation duly organized and existing under the laws of the State of New York with offices at 50 West Main Street, Suite 1150, Rochester, New York 14614, as Lessor (the "Agency"), and **JAY'S ACQUISITIONS II LLC**, a New York limited liability company with offices at 550 Latona Road, Building E, Rochester, New York 14626, as Lessee (the "Company").

1. Reference to Leaseback: That certain Leaseback Agreement, dated as of September 1, 2023 (the "Leaseback Agreement"), whereby the Agency leases certain real property and improvements back to the Company.

2. Description of the Leased Premises: Certain real property and improvements located in the City of Rochester, Monroe County, New York, as more particularly described on **Schedule A** attached hereto (the "Leased Premises").

3. Term of Leaseback Agreement: Commencing September 1, 2023 and ending **December 31, 2038**.

4. Date of Commencement: September 1, 2023.

5. Date of Termination: December 31, 2038.

6. Rights of Extension or Renewal: None.

7. Leaseback Subordinate. The Leaseback Agreement (excepting the Agency's Unassigned Rights as set forth in the Leaseback Agreement) is subject and subordinate to any mortgages granted by the Company and the Agency to any lender (the "Mortgagee"), which should be recorded in the office of the Monroe County Clerk subsequent to the recording of this Memorandum.

Property Address: 20-30 East Avenue, Rochester, New York 14604

Tax Map No.: 121.24-2-50

Record and Return to:

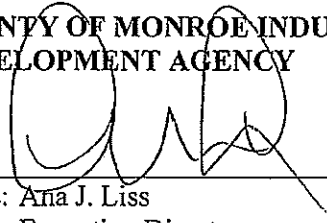
Harris Beach PLLC

Attention: Lori A. Palmer, Paralegal

County Clerk Box #18

IN WITNESS WHEREOF, the Agency and the Company have caused this Memorandum of Leaseback Agreement to be executed in their respective names as of the date first written above.

**COUNTY OF MONROE INDUSTRIAL
DEVELOPMENT AGENCY**

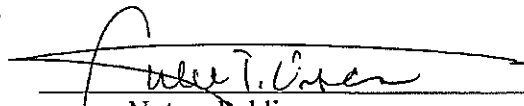
By: 
Name: Ana J. Liss
Title: Executive Director

JAY'S ACQUISITIONS II LLC

By: _____
Name: Angelo Ingrassia
Title: Manager

STATE OF NEW YORK)
COUNTY OF MONROE) ss.:

On the 19th day of September, 2023, before me, the undersigned, a Notary Public in and for said State, personally appeared **Ana J. Liss**, 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

JULIE T VISCA
Notary Public, State of New York
Reg. No. 01V15065188
Qualified in Monroe County
Commission Expires September 3, 2024

STATE OF NEW YORK)
COUNTY OF MONROE) ss.:

On the _____ day of September, 2023, before me, the undersigned, a Notary Public in and for said State, personally appeared **Angelo Ingrassia**, 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

IN WITNESS WHEREOF, the Agency and the Company have caused this Memorandum of Leaseback Agreement to be executed in their respective names as of the date first written above.

**COUNTY OF MONROE INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Name: Ana J. Liss
Title: Executive Director

JAY'S ACQUISITIONS II LLC

By: _____
Name: Angelo Ingrassia
Title: Manager

STATE OF NEW YORK)
COUNTY OF MONROE) ss.:

On the ____ day of September, 2023, before me, the undersigned, a Notary Public in and for said State, personally appeared **Ana J. Liss**, 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
COUNTY OF MONROE) ss.:

On the 20th day of September, 2023, before me, the undersigned, a Notary Public in and for said State, personally appeared **Angelo Ingrassia**, 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Carly Marie Tremiti
Notary Public

CARLY MARIE TREMITI NOTARY PUBLIC, STATE OF NEW YORK Registration No. 01TR0012157 Qualified in Monroe County Commission Expires 08/17/2027

Schedule A
Legal Description

Property: 20-30 East Ave, City of Rochester, NY – Tax Id No. 121.24-2-50

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BEGINNING at a point, said point being the easterly intersection of Main Street and East Avenue; thence,

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As shown on an instrument survey map made by McMahon LaRue Associates, P.C. dated December 23, 1997 and redated February 10, 2006 Proj. #2006-004.