

TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

and

HAMPTON JITNEY, INC.

PAYMENT IN LIEU OF TAX AGREEMENT

Dated as of January 30, 2013

THIS PAYMENT IN LIEU OF TAX AGREEMENT, dated as of January 30, 2013, is by and between the TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation and an industrial development agency of the State of New York (the "State") duly organized and existing under the laws of the State, having its office at the Town of Riverhead Town Hall, 200 Howell Avenue, Riverhead, New York 11901 (the "Agency"), and HAMPTON JITNEY, INC., a privately held corporation authorized to do business and incorporated in the State of New York, having an office at 395 Country Road, 39A, Southampton, NY 11968 (the "Company").

WITNESSETH:

WHEREAS, Title 1 of Article 18-A, as amended, of the General Municipal Law of the State (the "Enabling Act") has been duly enacted into law as Chapter 1030 of the Laws of 1969 of 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, improve, maintain, equip and lease or sell land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery, equipment and other facilities deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, civic, commercial or industrial purposes, in order to advance the 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 enter into an agreement which includes provisions such as those contained herein (this agreement being hereinafter referred to as the "PILOT Agreement"); and

WHEREAS, pursuant to and in accordance with the provisions of the Enabling Act, the Agency was created for the benefit of the Town of Riverhead, Suffolk County, New York (the "Town") and the inhabitants thereof by Chapter 624 of the Laws of 1980 (together with the Enabling Act, the "Act"); and

WHEREAS, the Agency intends to enter into a ground lease from the Company (the "Ground Lease") to acquire a leasehold interest in a parcel of real property located at 253 Edwards Avenue, Calverton, NY 11933 in the Town of Riverhead and identified by Suffolk County Tax Map Numbers as 0600-117-01-008.006 (the "Land"), and the construction thereon by the Company of a new building of approximately 45,000 square feet, including any structures or improvements affixed or attached thereto (the "Building") and to furnish and equip the same (the "Equipment"), to be suitable for use and to be used as (i) a bus maintenance repair, fueling and wash facility, with necessary offices, (ii) a lobby consisting of a snack bar, and customer waiting and seating area, and (iii) bus and customer parking (the Land, the Building and the Equipment collectively, the "Project"); and

WHEREAS, the Company proposes to construct the Building, as agent of the Agency, acquire the Equipment and install the same in the Building, as agent of the Agency, and sublease

the Project from the Agency, all upon the terms and conditions set forth in a certain lease agreement (the "**Lease Agreement**");

WHEREAS, the Project constitutes a "project" within the meaning of the Act; and

WHEREAS, under the present provisions of the Act and Section 412-a of the Real Property Tax Law of the State (the "**RPTL**"), the Agency is not required to pay Real Estate Taxes (hereinafter defined in Section 2.01(b)) upon any of the property acquired by it or under its jurisdiction or supervision or control; and

WHEREAS, the Agency will not enter into the Ground Lease unless the Company shall agree to make payments in lieu of Real Estate Taxes ("**PILOT Payments**") with respect to the Project; and

WHEREAS, the Company is desirous that the Agency accept the Ground Lease and enter into the Lease Agreement and the Company is willing to enter into this PILOT Agreement in order to induce the Agency to accept the Ground Lease and enter into the Lease Agreement; and

NOW, THEREFORE, in consideration of the matters above recited, for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the parties hereto formally covenant, agree and bind themselves as follows, to wit:

ARTICLE I

REPRESENTATIONS AND WARRANTIES

Section 1.01 Representations and Warranties.

(a) The Agency does hereby represent and warrant that it has been duly established under the provisions of the Act, its Members have duly adopted a resolution dated December 3, 2012 that authorizes the transactions contemplated by this PILOT Agreement, it has the power to enter into the transactions contemplated by this PILOT Agreement and to carry out its obligations and exercise its rights hereunder and that its Chairman, Vice Chairman or Executive Director has been duly authorized to execute and deliver this PILOT Agreement; and

(b) The Company does hereby represent and warrant that it is a privately held corporation duly formed under the laws of the State of New York, is in good standing under its documents of formation and the laws of the State of New York, is duly qualified to do business in the State of New York, its Board of Directors or majority shareholders have duly authorized the transactions contemplated by this PILOT Agreement, it has the power to enter into the transactions contemplated by this PILOT Agreement and to carry out its obligations and exercise its rights hereunder and that its Board of Directors or majority shareholders have been duly authorized to execute and deliver this PILOT Agreement.

ARTICLE II

COVENANTS AND AGREEMENTS

Section 2.01 Tax-Exempt Status of the Land and the Project.

(a) Assessment of Project. 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 a leasehold interest in the Project and continuing for the period during which the Agency maintains a leasehold interest in the Project, as provided in the Ground Lease, the Project shall be assessed as exempt upon the assessment rolls of the Town, except for Special Levies (hereinafter defined) and as hereafter provided. The parties hereto understand that the Project shall be entitled to such exempt status on the tax rolls of the Town from the first taxable status date following (i) the Agency's acquisition of a leasehold interest in the Project, and (ii) the completion and submission of all necessary filings in connection therewith, including but not limited to the Application for Real Property Tax Exemption, attached hereto as Exhibit A. It is the intent of this PILOT Agreement that the Company shall, at all times during which the Project shall be entitled to an exempt status due to the Agency's leasehold interest, be obligated to pay either PILOT Payments or Real Estate Taxes, and that the foregoing obligations shall not be duplicative of each other or otherwise be additive. For example, and without limitations, (i) the Company shall be obligated to pay Real Estate Taxes until such time as the Agency's exemption with respect to the Project lawfully takes effect on the tax rolls of the Town, and shall be obligated to pay PILOT Payments at all times thereafter until the Agency's exemption with respect to the Project is no longer in effect on the tax rolls, and (ii) after the Agency no longer has a leasehold interest in the Project, PILOT Payments shall continue to be payable by the Company until such time as the Agency's lack of interest in such Project has been reflected on the tax rolls of the Town. PILOT Payments shall be adjusted from year to year in the same manner as Real Estate Taxes. The term "**Real Estate Taxes**" shall mean 100% of the real property taxes which would be levied upon or with respect to the Project by the Town, the County of Suffolk, the Riverhead Central School District and the Riverhead Fire District as if the Agency did not have a leasehold interest in the Project and shall include interest and penalties as provided in this PILOT Agreement. Real Estate Taxes shall include all real property taxes of every kind and nature, all general and special assessments and levies, all water and sewer rents and charges, and all other public charges whether of a like or different nature, foreseen and unforeseen, ordinary and extraordinary, imposed upon or assessed against the Project, or any part thereof, or arising in respect of the occupancy, use or possession thereof (but excluding Special Levies and any other item from which the Agency is not exempt in accordance with applicable law); provided however, that Real Estate Taxes shall not include any taxes on or measured by net income, franchise taxes, unincorporated business taxes, use taxes, sales taxes, recording taxes and other taxes not generally known as real estate taxes that either are actually paid by the Agency or the Company to any taxing authority or would not be payable even if the Project was owned by the Company and not lease to the Agency.

(b) To the extent the Project, or any portion thereof, is declared to be subject to taxation or assessment by a final judgment of a court of competent jurisdiction, an amendment to the Act or other legislative or administrative change, the obligations of the Company to make PILOT Payments hereunder shall, to such extent only, be replaced by the obligation of the

Company to pay Real Estate Taxes. To the extent that the foregoing declaration of non-exemption is given retroactive effect, any PILOT Payments previously made by the Company during such retroactive period shall be credited against Real Estate Taxes due for such period. Nothing herein contained shall prohibit the Company from contesting the validity or constitutionality of any such amendment, legislative or administrative change or judicial decision.

(c) Special Assessments. 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 RPTL does not entitle the Agency to exemption from certain special assessments, special ad valorem levies and certain rents and charges (collectively, "**Special Levies**"). The Company shall be obligated to pay all Special Levies to the appropriate parties even if Section 874 of the General Municipal Law, Section 412-a of the RPTL, or any other provisions of law, are amended to entitle the Agency to exemptions from any or all Special Levies.

(d) Counsel Fees. The Company expressly covenants and agrees to pay in full the reasonable fees and expenses of the Agency's counsel and all court costs, promptly upon receipt of a statement therefor, which are incurred after the date hereof and which fees and expenses arise in connection with any matter related to this PILOT Agreement.

Section 2.02 Payments in Lieu of Taxes.

(a) Agreement to Make Payments. The Company agrees that it shall make, or cause to be made, PILOT Payments in lieu of Real Estate Taxes to the Agency for a period of ten (10) years in the following amounts: (i) with respect to the Land in an amount equal to the amount of Real Estate Taxes to be paid thereon based upon an assessed value herein stipulated to be one hundred five thousand eight hundred dollars (\$105,800) (the "**Deemed Assessed Value**") and (ii) with respect to any improvements to the Land and the Building to be constructed thereon, a percentage (as specified in Exhibit C) of the Real Estate Taxes that would otherwise be due on the difference, if positive, between (x) the assessed value of the Project otherwise to be used to calculate the Real Estate Taxes for the payment date, and (y) the Deemed Assessed Value described above. The PILOT Payments shall commence after the taxable status date of March 1, 2013, with the first year being the 2013/2014 tax year payable by PILOT Payment by January 10, 2014, and each January 10 through and including January 10, 2023, at the address and to the attention of the person set forth in Section 5.03 hereof, for remittance by the Agency to each affected taxing jurisdiction, being the Town of Riverhead, the County of Suffolk, the Riverhead Central School District and the Riverhead Fire District, in amounts, as determined solely by the Agency, equal to the percentage which the tax levy of each such taxing jurisdiction is of the total tax levy of all such taxing jurisdictions, as shown upon the Town of Riverhead Tax Receiver's rate sheet for the year in which such PILOT Payments are payable, not later than January 10 of each year in which PILOT Payments are payable hereunder, after which date such PILOT Payments shall be considered delinquent Real Estate Taxes if not paid in full. The Company agrees to forgo any right to contest the Deemed Assessed Values described herein during the term of the PILOT Agreement.

(b) Full Value Option. The Company may elect to pay a PILOT Payment for the 2013/14 tax year calculated upon the full assessed value stated on the assessment roll on

October 1, 2013 rather than the "Deemed Assessed Value". Such election must be in writing delivered to and received by the Agency prior to October 1, 2013. In the event of such election the ten year period of PILOT calculation based on the "Deemed Assessed Value" shall be used for tax years 2014/15 through 2023/24 and Section 5.10 hereof shall be amended to state "the taxable status date in effect in the year 2024". In the event of such election, the Full Value Option Schedule as set forth on Exhibit D shall apply instead of the Schedule as set forth on Exhibit C.

(c) Maximum PILOT. Notwithstanding anything else contained herein, the PILOT Payments due under this PILOT Agreement shall not exceed the Real Estate Taxes that would have been due from the Company during each period that this PILOT Agreement is in effect if the Land and the Project were owned by the Company and were not leased to the Agency during such period.

(d) Method of Payment. All payments hereunder shall be paid by check made payable to the order of the Agency in then lawful money of the United States of America.

(e) Interest and Penalties. If the Company shall fail to make any payment required by this PILOT Agreement when due, its obligation to make the payment so in default shall continue as an obligation of the Company until such payment in default shall have been made in full, and the Company shall pay the same together with interest and penalties thereon, to the extent permitted by law, at the rate per annum which would be payable if such amounts were delinquent Real Estate Taxes at the rate provided by applicable law or laws, until so paid in full.

Section 2.03 Review of Assessments.

As long as this PILOT Agreement is in effect, the Agency and the Company agree that (i) the Agency hereby irrevocably appoints the Company its agent and attorney-in-fact for the purpose of instituting judicial review of any assessment of the real estate with respect to the Land and the Project pursuant to this PILOT Agreement and the provisions of Article 7 of the RPTL or any other applicable law as the same may be amended from time to time during the term of this PILOT Agreement, such appointment being coupled with an interest; and (ii) the Company shall have sole authority and power to file grievances and protests, protesting any assessment placed on the Land or the Project or seeking judicial review after the final determination by the assessor of any grievance or protest.

Upon receipt from the Town of notice of any change in the assessment of the Land or the Project pursuant to the applicable provisions of the RPTL, the Agency shall use its best efforts to provide to the Company, in the same manner and at the same time as if the Company were a taxpayer (or within fifteen calendar days thereof) a copy thereof. Failure of the Agency to provide to the Company a copy of any such notice within the time herein stated shall not relieve the Company of its obligations under this PILOT Agreement to pay PILOT Payments in the amounts due. Notwithstanding the foregoing, if the assessment of the Land or the Project is reduced as a result of any such grievance, protest or judicial review so that the Company would be entitled to receive a refund or refunds of taxes paid if the Company were the taxpayer of record, then the payments due pursuant to this PILOT Agreement shall be recalculated based on such reduction and the Company shall be entitled to a credit against future PILOT Payments in

the amount equal to the payment due to the Company as the result of such recalculation unless the Agency or the Town shall pay to the Company any overpayment made. In no event shall the Agency refund any PILOT Payment previously made or be liable for any credit against future PILOT Payments which exceeds future PILOT Payments due.

ARTICLE III

LIMITED OBLIGATION OF THE PARTIES

Section 3.01 No Recourse; Limited Obligation of the Agency.

(a) No Recourse. All covenants, stipulations, promises, agreements and obligations of the Agency contained in this PILOT Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Agency and not of any member, officer, agent, servant or employee of the Agency in his or her individual capacity, and no recourse under or upon any obligations, covenant or agreement contained in this PILOT Agreement, or otherwise based or in respect of this PILOT Agreement, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future member, officer, agent, servant or employee, as such, of the Agency, or any successor public benefit corporation. It is expressly understood that this PILOT Agreement is a corporate obligation, and that no such personal liability whatever shall attach to, or is or shall be incurred by, any such member, officer, agent, servant or employee of the Agency or of any successor public benefit corporation. Any and all such personal liability of, and any and all such rights and claims against, every such member, officer, agent, servant or employee under or by reason of the obligations, covenants or agreements contained in this PILOT Agreement or implied therefrom are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution of this PILOT Agreement.

(b) Limited Obligation. The obligations and agreements of the Agency contained herein shall not constitute or give rise to an obligation of the Town and the Town shall not be liable thereon. Furthermore, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency payable solely from the revenues of the Agency derived and to be derived from this PILOT Agreement, the Ground Lease, the Lease Agreement, the Guaranty, the Land and the Project generally, or sale or other disposition of the Land or the Project.

(c) Further Limitation. Notwithstanding any provision of this PILOT Agreement to the contrary, the Agency shall not be obligated to take any action pursuant to any provision hereof unless (i) the Agency shall have been requested to do so in writing by the Company and (ii) if compliance with such request is reasonably expected to result in the incurrence by the Agency (or any of its members, officers, agents, servants or employees) of any liability, fees, expenses or other costs, the Agency shall have received from the Company security or indemnity satisfactory to the Agency for protection against all such liability, however remote, and for the reimbursement of all such fees, expenses and other costs. Nothing in this

paragraph shall be construed as requiring the Agency to receive any such written request or indemnity as a precondition to the exercise by the Agency of its rights hereunder.

Section 3.02 No Recourse.

Except as provided in the Guaranty by the Brent and Jered Lynch Limited Partnership, all covenants, stipulations, promises, agreements and obligations of the Company contained in this PILOT Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Company, not of any officer, agent, servant or employee of the Company, and no recourse under or upon any obligation, covenant or agreement contained in this PILOT Agreement, or otherwise based or in respect of this PILOT Agreement, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future officer, agent, servant or employee, as such of the Company or any successor thereto. It is expressly understood that, except as provided in the Guaranty, this PILOT Agreement is an obligation of the Company, and that no such personal liability whatever shall attach to, or is or shall be incurred by, any such officer, agent, servant or employee by reason of the obligations, covenants or agreements contained in this PILOT Agreement or implied therefrom. Except as provided in the Guaranty, any and all such personal liability of, and any and all such rights and claims against, every such officer, agent, servant or employee under or by reason of the obligations, covenants or agreements contained in this PILOT Agreement or implied therefrom are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution of this PILOT Agreement.

ARTICLE IV

EVENTS OF DEFAULT

Section 4.01 Nature of Events. An "Event of Default" shall exist if any of the following occurs:

(a) Particular Covenant Defaults. The Company fails to perform or observe any covenant contained in Sections 2.01(c), 2.01(d), 2.02(a), and 2.02(d) hereof and such failure continues for more than thirty (30) days after written notice of such failure has been given to the Company by the Agency; or

(b) Warranties or Representations. Any warranty, representation or other statement by the Company contained in this PILOT Agreement is false or misleading in any material respect.

(c) Event of Default as Defined in Lease Agreement. An Event of Default (as defined in the Lease Agreement) shall have occurred and be continuing.

Section 4.02 Default Remedies.

(a) The Agency will give written notice to Capital One, National Association, as mortgagee (the "Mortgagee") under the Building Loan Mortgage, dated January 28, 2013, by and between the Company, the Agency and the Mortgagee, at the same time notice is given to the Company under Section 4.01(a) or at a reasonable time thereafter, and such notice will

provide that the Mortgagee may cure within 30 days from the date of the notice any default resulting from the Company's failure to perform its payment obligations.

(b) If an Event of Default exists and the Agency has provided written notice to the Mortgagee as required under Section 4.02(a), the Agency may proceed, to the extent permitted by law, to enforce the provisions hereof available for its benefit and to exercise any other rights, powers and remedies available to the Agency hereunder and, or, to terminate the PILOT Agreement, the Ground Lease and Lease Agreement.

Section 4.03 Remedies; Waiver and Notice.

(a) No remedy herein conferred upon or reserved to the Agency is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute.

(b) No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

(c) In order to entitle Agency to exercise any remedy reserved to it in this PILOT Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required in this PILOT Agreement.

(d) In the event any provision contained in this PILOT Agreement should be breached by the Company and thereafter duly waived by the Agency, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

(e) No waiver, amendment, release or modification of this Agreement shall be established by conduct, custom or course of dealing.

ARTICLE V

MISCELLANEOUS

Section 5.01 Amendment of PILOT Agreement.

This PILOT Agreement may not be amended, changed, modified, altered or terminated, unless such amendment, change, modification, alteration or termination is in writing and signed by the Agency and the Company.

Section 5.02 Agreement to Run with the Land.

This PILOT Agreement shall run with the Land, both as respects benefits and burdens created herein, and shall be binding upon and inure to the benefit of the successors and assigns of the respective parties.

Section 5.03 Notices.

All notices, certificates or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed received, served or noticed, as applicable, when delivered or when mailed by United States registered, postage prepaid, return receipt requested, to the Agency, the Company and the Mortgagee, as the case may be, addressed as follows:

To the Agency: Town of Riverhead Industrial Development Agency
Town of Riverhead Town Hall
200 Howell Avenue
Riverhead, New York 11901
Attention: Executive Director

To the Company: Hampton Jitney, Inc.
395 Country Road, 39A
Southampton, NY 11968
Attention: A Geoffrey R. Lynch, President, and David Mankoff,
Vice President/Finance

and

Theodore D. Sklar
Esseks, Hefter & Angel, LLP
108 East Main Street
PO Box 279
Riverhead, NY 11901

To the Mortgagee: Capital One, National Association
275 Broadhollow Road
Melville, New York 11747
Attention: Erin Coveny, Senior Vice President

The Agency, the Company and the Mortgagee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

Section 5.04 Binding Effect.

This PILOT Agreement shall inure to the benefit of the Agency and the Company, and shall be binding upon the Agency and the Company and their respective successors and assigns.

Section 5.05 Severability.

If any article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion of this PILOT Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion so adjudged invalid, illegal or

unenforceable shall be deemed separate, distinct and independent and the remainder of this 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.

Section 5.06 Counterparts.

This PILOT Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 5.07 Applicable Law.

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

Section 5.08 Recording.


This PILOT Agreement shall be filed in the Office of the Suffolk County Clerk, Division of Land Records of the County of Suffolk pertaining to the real property described in Exhibit B hereto.

Section 5.09 Estoppel Certificates.

The Agency, within 10 days after a request in writing by the Company or a mortgagee, shall furnish a written statement, duly acknowledged, that this PILOT Agreement is in full force and effect and that there are not defaults thereunder by the Company, or if there are any defaults, such statement shall specify the defaults the Agency claims to exist.

Section 5.10 Termination.

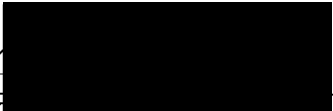
Unless sooner terminated in accordance with the terms hereof, this PILOT Agreement, the Ground Lease and the Lease Agreement shall terminate thirty (30) days prior to the taxable status date in effect in the year 2023, unless modified by Section 2.02(b) and changed to the year 2024 by the exercise of the Full Value Option.



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

TOWN OF RIVERHEAD INDUSTRIAL
DEVELOPMENT AGENCY

By: _____


Thomas Cruso
Chairperson

HAMPTON JITNEY, INC.

By: _____


Geoffrey R. Lynch, President

STATE OF NEW YORK)

) ss.:

COUNTY OF SUFFOLK)

On the 29 day of January in the year 2013 before me, the undersigned, a notary public in and for said State, personally appeared Thomas Cruso, 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

Notary Public

RICHARD A. EHLERS
Notary Public, State of New York
Suffolk County No. 02EH4738288 /4
Commission Expires February 28, 20__

STATE OF NEW YORK)

) ss.:

COUNTY OF SUFFOLK)

On the 30th day of January in the year 2013 before me, the undersigned, a notary public in and for said State, personally appeared Geoffrey R. Lynch 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.

Notary Public

THEODORE D. SKLAR
Notary Public, State of New York
No. 4950529
Qualified in Suffolk County
Commission Expires May 1, 2015

EXHIBIT A

APPLICATION FOR REAL PROPERTY TAX EXEMPTION



**NYS DEPARTMENT OF TAXATION & FINANCE
OFFICE OF REAL PROPERTY TAX 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 Riverhead Industrial Development Agency
Street 200 Howell Avenue
City Riverhead, NY 11901
Telephone no. Day (631) 369-5129
Evening () same
Contact Tracy Stark-James
Title Executive Director

2. OCCUPANT (IF OTHER THAN IDA)

(If more than one occupant attach separate listing)

Name Hampton Jitney
Street 395 County Road 39A
City Southampton, NY 11968
Telephone no. Day (631) 283-4600
Evening () same
Contact David Mankoff
Title _____

3. DESCRIPTION OF PARCEL

- a. Assessment roll description (tax map no./roll year) 600-117-01-08.006
- b. Street address 253 Edwards Avenue
Calverton, New York 11933
- c. City, Town or Village Riverhead
- d. School District Riverhead Central
- e. County Suffolk
- f. Current assessment \$108,500
- g. Deed to IDA (date recorded; liber and page)
Straight Lease by Ground Lease 1/30/2013

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

- a. Brief description (include property use) New construction on vacant land of a bus fueling and maintenance facility, fueling and wash facility, customer lobby, bus and customer parking.
- b. Type of construction New to current code
- c. Square footage 45,000.
- d. Total cost \$8,745,000
- e. Date construction commenced projected 3/1/2013
- f. Projected expiration of exemption (i.e. date when property is no longer possessed, controlled, supervised or under the jurisdiction of IDA) 2/1/2024

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 Full value of current assessment of \$105,800 plus 50% of improvements increasing 5% per year over 10 years. Owner may elect to pay full improvement value for 2013/2014 and begin 10 years in 2014. Please see attached PILOT agreement dated January 30, 2013.
- b. Projected expiration date of agreement 2/1/2014

c. Municipal corporations to which payments will be made

	Yes	No
County <u>Suffolk</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Town/City <u>Riverhead Fire District</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Village <u>Riverhead Fire District</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
School District <u>Riverhead Central</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

d. Person or entity responsible for payment

Name Hampton-Jitney, Inc.
 Title Attn: David Mankoff
 Address 395 County Road 39A
Southampton, NY 11968

e. Is the IDA the owner of the property? ☐ Yes ☒ No (check one)

If "No" identify owner and explain IDA rights or interest in an attached statement.

Telephone 631-283-4600

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 n/a assessment roll year n/a

7. A copy of this application, including all attachments, has been mailed or delivered on 2/11/2013 (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

CERTIFICATION

I, Tracy Stark-James, Executive Director of
Riverhead Industrial Development Agency hereby certify that the information
Organization
 on this application and accompanying papers constitutes a true statement of facts.

February 11, 2013

Date


 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 as valorem levies for which the parcel is liable:

Date

Assessor's signature

SCHEDULE B

All that certain plot, piece or parcel of land, situate, lying and being in the Town of Riverhead, at Riverhead, County of Suffolk and State of New York being bounded and described as follows:

BEGINNING at a point on the northeasterly corner of the tract of land to be described said point being 4,228.44 feet southerly from the corner formed by the intersection of the southerly side of Middle Country Road (S.R. 25) and the westerly side of Edwards Avenue;

THENCE from said point of beginning along the westerly side of Edwards Avenue south 05 degrees 27 minutes 30 seconds west, 955.00 feet to a point and lands now or formerly of Riverhead Oil Products, Inc.;

THENCE along said lands north 86 degrees 06 minutes 30 seconds west, 198.75 feet to a point;

THENCE still along last mentioned lands and lands now or formerly of Schulman north 82 degrees 27 minutes 30 seconds west, 200.00 feet to a point;

THENCE continuing along the land of Schulman, the following two courses and distances:

- 1) North 81 degrees 12 minutes 30 seconds west, 225.97 feet to a point;
- 2) North 04 degrees 26 minutes 00 seconds east, 948.27 feet to a point;

THENCE south 85 degrees 36 minutes 20 seconds east, 323.11 feet to a point;

THENCE south 04 degrees 23 minutes 40 seconds west, 20.00 feet to a point;

THENCE south 85 degrees 36 minutes 20 seconds east, 317.72 feet to the westerly side of Edwards Avenue, the point or place of BEGINNING.



ABSTRACTS, INCORPORATED™

EXHIBIT C

Percentage of the Real Estate Taxes that would otherwise be due on the difference between (i) the assessed value of the Project otherwise used to calculate the Real Estate Taxes for the payment date and (ii) the Deemed Assessed Value of \$105,800.

	<u>Payment Date</u>	<u>Taxable Year</u>	<u>Percentage</u>
Year 1	1/10/2014	2013-2014	50%
Year 2	1/10/2015	2014-2015	55%
Year 3	1/10/2016	2015-2016	60%
Year 4	1/10/2017	2016-2017	65%
Year 5	1/10/2018	2017-2018	70%
Year 6	1/10/2019	2018-2019	75%
Year 7	1/10/2020	2019-2020	80%
Year 8	1/10/2021	2020-2021	85%
Year 9	1/10/2022	2021-2022	90%
Year 10	1/10/2023	2022-2023	95%

EXHIBIT D

Percentage of the Real Estate Taxes that would otherwise be due on the difference between (i) the assessed value of the Project otherwise used to calculate the Real Estate Taxes for the payment date and (ii) the Deemed Assessed Value of \$105,800.

	<u>Payment Date</u>	<u>Taxable Year</u>	<u>Percentage</u>
Year 1	1/10/2014	2013-2014	100%
Year 2	1/10/2015	2014-2015	50%
Year 3	1/10/2016	2015-2016	55%
Year 4	1/10/2017	2016-2017	60%
Year 5	1/10/2018	2017-2018	65%
Year 6	1/10/2019	2018-2019	70%
Year 7	1/10/2020	2019-2020	75%
Year 8	1/10/2021	2020-2021	80%
Year 9	1/10/2022	2021-2022	85%
Year 10	1/10/2023	2022-2023	90%
Year 11	1/10/2024	2023-2024	95%