

APPENDIX B

2014 BISON BAG COMPANY, INC. PROJECT

PAYMENTS IN LIEU OF TAXES

THIS APPENDIX B, PAYMENTS IN LIEU OF TAXES, SUPERCEDES AND REPLACES IN ITS ENTIRETY THE PRIOR AGREEMENT FOR PAYMENT IN LIEU OF TAXES IN THE LEASE/SUBLEASE AGREEMENT AMENDMENT DATED AS OF JUNE 1, 2003 BETWEEN THE AGENCY AND 5404 CROWN DRIVE, INC. AND BISON BAG, INC.

It is recognized that under the provisions of the Act, the Agency is required to pay no real estate taxes upon any of the property acquired by it or under its jurisdiction or control or supervision or upon its activities. Except as otherwise provided herein, while the Facility is being used in accordance with the Act and the Lease/Sublease Agreement, the provisions of this Appendix A with respect to payments in lieu of real estate taxes shall be applicable and 5404 Crown Drive, Inc. (the "Company") shall pay to the Town of Lockport (Town), County of Niagara (County) and the Starpoint Central School District (School District) in lieu of exempted taxes the following amounts:

A. To the Town, 6560 Dysinger Road, Lockport, New York 14094, no later than January 15th of each year,

1. Commencing in tax fiscal year 2015, an amount equal to the percentage of the Town taxes which would be due, were there no such exemption, based upon the assessed value of the real property in accordance with the following schedule:

Tax Fiscal Year	Percentage
2015	85.6%
2016	52.8%
2017	57.6%
2018	67.1%
2019	67.1%
2020	71.8%
2021	71.8%
2022	71.8%
2023	71.8%
2024	71.8%
2025	76.5%
2026	76.5%
2027	76.5%
2028	76.5%
2029	76.5%
2030	76.5%

2031

76.5%

2. Commencing in tax fiscal year 2032, an amount equal to the Town taxes which would be due, were there no such exemption based upon the then assessed value of the real property.

B. To the County, c/o County Treasurer, County Office Building, Lockport, New York 14094, no later than January 15th of each year,

1. Commencing in tax fiscal year 2015, an amount equal to the percentage of the County taxes which would be due, were there no such exemption, based upon the assessed value of the real property in accordance with the following schedule:

Tax Fiscal Year	Percentage
2015	85.6%
2016	52.8%
2017	57.6%
2018	67.1%
2019	67.1%
2020	71.8%
2021	71.8%
2022	71.8%
2023	71.8%
2024	71.8%
2025	76.5%
2026	76.5%
2027	76.5%
2028	76.5%
2029	76.5%
2030	76.5%
2031	76.5%

2. Commencing in tax fiscal year 2032, an amount equal to the County taxes which would be due, were there no such exemption based upon the then assessed value of the real property.

C. To the School District, Starpoint Central School District, 4363 Mapleton Road, Lockport, New York 14094, no later than October 15th of each year,

1. Commencing with the School Districts tax fiscal years 2015-2016, an amount equal to the percentage of the School District which would be due, were there no such exemption, based upon the assessed value of the real property in accordance with the following schedule:

Tax Fiscal Year	Percentage
2015-2016	90.4%
2016-2017	57.6%
2017-2018	62.4%

2018-2019	67.1%
2019-2020	67.1%
2020-2021	71.8%
2021-2022	71.8%
2022-2023	71.8%
2023-2024	71.8%
2024-2025	71.8%
2025-2026	76.5%
2026-2027	76.5%
2027-2028	76.5%
2028-2029	76.5%
2029-2030	76.5%
2030-2031	76.5%
2031-2032	76.5%

2. Commencing with the School District's tax fiscal year 2032-2033, an amount equal to the School District taxes which would be due, were there no such exemption based upon the then assessed value of real property.

The foregoing provisions is subject to the Company's rights to obtain reductions in the assessed valuation of the Facility Realty, to maintain existing exemptions, and to obtain other exemption, abatements or discounts therefrom, if any, and to seek to obtain a refund of any such payments made, all of which are hereby expressly reserved by the Company.

If the Company shall fail to make any such installments of payments in lieu of real estate taxes, the amount or amounts so in default shall continue as an obligation of the Company until fully paid and the Company agrees to pay the same with interest thereon.

In addition, a late payment penalty of five percent (5%) of the amount due shall be paid by the Company if payment is not received by the affected tax jurisdiction by the due date. For each month, or part thereof, that the payment in lieu of taxes is delinquent beyond the first month, interest shall accrue and be paid to the affected tax jurisdiction on the total amount due plus a late payment penalty in the amount of one percent (1%) per month until the payment is made. Once having paid the amount required by Section 4.2 of the Lease/Sublease Agreement to be paid by it in lieu of real estate taxes, the Company shall not be required to pay any such taxes for which a payment in lieu thereof has been made to the appropriate officer if the Town, County or School District, as the case may be.

The Agency shall cause such officers to apportion, within fifteen days prior to the date on which the Agency is no longer to be the owner of the Facility Realty, that installment or payment in lieu of tax paid by the Company to the Town, County and the School District, as the case may be, immediately preceding the date on which the Agency no longer owns the Facility Realty, as of such date, and apply that portion attributable to the period from such date to the end of the period of such installment as a credit against the amount of real estate tax that would have been due for the period of such installment had the Facility Realty been privately owned on the final assessment date of the tax year immediately preceding the date of such installment, and bill the

Company for the balance of such installment, which amount shall be paid by the Company to such officer immediately upon the receipt thereof. The Agency shall terminate the Lease/Sublease Agreement and cause the Facility Realty to be returned to the tax rolls as of the date of the termination of the Lease/Sublease Agreement.

If the Project is not being used in accordance with the Act and this Agreement, the Company shall be required to make full payments in lieu of real estate taxes on the land, building and improvements constituting the Facility Realty in such amount as would result from taxes levied on the Facility Realty as if the Facility Realty were owned by the Company. Such amounts shall commence to be paid for the period subsequent to the date it is reasonably determined by the Agency that use of the Project under the Act or this Agreement is not in compliance, subject to the provisions of Section 7.1 of the Lease/Sublease Agreement. In such event, the tax rate and valuation shall be those then in effect in the records of the proper County, Town and School District departments, respectively. The Agency in its discretion may waive the increased payments set forth in this paragraph and agree to the continuation of the payments as otherwise set forth in Section 4.2 and Appendix A of the Lease/Sublease Agreement.

The obligations of the Company under Sections 4.2 and Appendix A of the Lease/Sublease Agreement shall survive the termination or expiration of this Agreement for any reason whatsoever. The Agency, in its discretion and in furtherance of the purposes of the Act, may waive, in whole or in part, payments in lieu of taxes, set forth in Section 4.2 and Appendix A of the Lease/Sublease Agreement, for good cause shown.

Payments for the Town of Lockport shall be mailed to the Town of Lockport, 6560 Dysinger Road, Lockport, New York 14094 and are due no later than January 15th of each year.

Payments to the County of Niagara shall be mailed to the County Treasurer, County Office Building, Lockport, New York 14094 and are due no later than January 15th of each year.

Payments for the Starpoint Central School District shall be mailed to the School District, 4363 Mapleton Road, Lockport, New York 14094, and are due not later than October 15th of each year.