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AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY

and

COMMUNITY COMPUTER SERVICE, INC.

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**PAYMENT IN LIEU OF TAXES AGREEMENT**

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Dated as of May 1, 2003

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Exhibit "A" - Description of Land

**THIS AGREEMENT**, dated as of May 1, 2003, by and between the **AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY**, a public benefit corporation organized and existing under the laws of the State of New York having an office at 24 South Street, Memorial City Hall, Auburn, New York 13021 (the "**Authority**"), and **COMMUNITY COMPUTER SERVICE, INC.**, a corporation organized and existing under the laws of the State of New York having an office at 15 Hulbert Street, Auburn, New York 13021 (the "**Company**").

W I T N E S S E T H

WHEREAS, pursuant to Title 15 of Article 8 of the Public Authorities Law of the State of New York (the "**State**") as amended from time to time; as enacted into law by Chapter 915 of the Laws of 1969 of the State (the "**Act**"), the Authority was created and empowered to, among other things, promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, civic and research facilities and facilities for use by a federal agency or medical facility, among others, and thereby advancing the job opportunities, health, general prosperity and economic welfare of the people of the City of Auburn and improving their medical care and standard of living; and

WHEREAS, the Act further authorizes the Authority to lease its projects, to charge and collect rent therefore, for the purpose of carrying out any of its corporate purposes and, as security for the payment of the principal and interest on any financing obtained with respect to its projects, to mortgage any or all of its facilities and to pledge the revenues and receipts therefrom to the payment of such financing; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Authority was created for the benefit of the City of Auburn and the inhabitants thereof; and

WHEREAS, the project shall consist of: (A)(i) the construction of an approximately 15,500 square foot expansion (the "**Building**") to the Company's existing 16,500 square foot facility (the "**Existing Facility**") located at 15 Hulbert Street in the City of Auburn, Cayuga County, New York (the "**Land**") (the Building, the Existing Facility and the Land shall be collectively referred to as the "**Facility**") and (ii) the financing of all or a portion of the foregoing; and (B) the granting of certain "financial assistance" (within the meaning of Section 2302(12) of the Act) with respect to the foregoing, including potential exemptions from certain sales taxes, real estate transfer taxes, mortgage recording taxes and real property taxes; and

WHEREAS, under the present provisions of the Act and Section 412-a of the Real Property Tax Law of the State of New York, the Authority is required to pay no taxes or assessments upon any of the property acquired by it or under its jurisdiction or supervision or control; and

WHEREAS, the Authority has acquired a leasehold interest in the Facility; and

WHEREAS, the Authority has expressed its reluctance to undertake the Project and lease the Facility from the Company unless the Company shall agree to make payments in lieu of real property taxes with respect to the Facility as set forth herein; and

WHEREAS, the Company is desirous that the Authority undertake the Project, and the Company is willing to enter into this Agreement in order to induce the Authority to undertake the Project; and

NOW, THEREFORE, in consideration of the matters above recited and in order to induce the Authority to undertake the Project, the parties hereto formally covenant, agree and bind themselves as follows, to wit:

## ARTICLE I

### DEFINITIONS

#### Section 1.01. Definitions.

For all purposes of this payment in lieu of taxes agreement ("**PILOT Agreement**") and any agreement supplemental thereto, all defined terms indicated by the capitalization of the first letter of such term, shall have the meanings specified in the Leaseback Agreement, except as herein otherwise expressly provided for or the context otherwise requires.

#### Section 1.02. Interpretation.

In this PILOT Agreement, unless the context otherwise requires:

(a) the terms "hereby", "hereof", "herein", "hereunder" and any similar terms used in this PILOT Agreement refer to this PILOT Agreement, and the term "heretofore" shall mean after the date of this PILOT Agreement; and

(b) words of masculine gender shall mean and include correlative words of feminine and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa; and

(c) in this PILOT Agreement, any headings preceding the texts of the Articles and Sections shall be solely for convenience of reference and shall neither constitute a part of this PILOT Agreement nor affect its meaning, construction or effect.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

#### Section 2.01. Representations and Warranties by Company.

The Company does hereby represent and warrant as follows:

(a) Power: The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of New York, and by proper action by its Board of Directors, has been duly authorized to execute, deliver and perform this Agreement.

(b) Authorization: The Company is authorized and has the power under the laws of the State of New York to enter into this Agreement and the transactions contemplated hereby and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement. The Company has duly authorized the execution, delivery and performance of this Agreement and the consummation of the transactions herein contemplated. The Company is not prohibited from entering into this Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement by (and the execution, delivery and performance of this Agreement, the consummation of the transactions contemplated hereby and the fulfillment of and compliance with the provisions of this Agreement will not conflict with or violate or constitute a breach of or a default under) the terms, conditions or provisions of its certificate or articles of incorporation or by-laws or any other corporate restriction or any law, rule, regulation or order of any court or other agency or authority of government, or any contractual limitation, restriction or outstanding indenture, deed of trust, mortgage, loan agreement, other evidence of indebtedness or any other agreement or instrument to which the Company is a party or by which it or any of its property is bound, and neither the Company's entering into this Agreement nor the Company's discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement will be in conflict with or result in a breach of or constitute (with due notice and/or lapse of time) a default under any of the foregoing, or result in the creation or imposition of any lien of any nature upon any of the property of the Company under the terms of any of the foregoing, and this Agreement is the legal, valid and binding obligation of the Company enforceable in accordance with its terms.

(c) Governmental Consent: No consent, approval or authorization of, or filing, registration or qualification with, any governmental or public authority on the part of the Company is required as a condition to the execution, delivery or performance of this Agreement by the Company or as a condition to the validity of this Agreement.

#### Section 2.02. Representations and Warranties by Authority.

The Authority does hereby represent and warrant as follows:

(a) Existence and Power: The Authority has been duly established under the provisions of the Act and has the power to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder.

(b) Intentions: The Authority intends to acquire a leasehold interest in the Facility and to lease the Facility back to the Company pursuant to the Leaseback Agreement.

(c) Authorization: The Authority is authorized and has the corporate power under the Act, its by-laws and the laws of the State to enter into this Agreement and the transactions contemplated hereby and to perform and carry out all the covenants and obligations on its part to be performed under and pursuant to this Agreement. By proper corporate action on the part of its members, the Authority has duly authorized the execution, delivery and performance of this Agreement and the consummation of the transactions herein contemplated.

(d) Validity: The Authority is not prohibited from entering into this Agreement and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement by the terms, conditions or provisions of the Act, any other law, any order of any court or other agency or authority of government, or any agreement or instrument to which the Authority is a party or by which the Authority is bound.

(e) Governmental Consent: No consent, approval or authorization of, or filing, registration or qualification with, any governmental or public authority on the part of the Authority is required as a condition to the execution, delivery or performance of this Agreement by the Authority or as a condition to the validity of this Agreement.

### ARTICLE III COVENANTS AND AGREEMENTS

#### Section 3.01. Tax-Exempt Status of Facility.

(a) Assessment of Facility: Pursuant to Section 2326 of the Public Authorities Law and Section 412-a of the Real Property Tax Law, the parties hereto understand that upon acquisition by the Authority of a leasehold interest in the Facility, and for so long thereafter as the Authority shall hold such leasehold interest, the Facility shall be assessed by the various taxing entities having jurisdiction over the Facility, including, without limitation, any county, city, school district, town, village or other political unit or units wherein the Facility is located (such taxing entities being sometimes collectively hereinafter referred to as the "**Taxing Entities**", and each of such

Taxing Entities, being sometimes individually hereinafter referred to as a "**Taxing Entity**") as exempt upon the assessment rolls of the respective Taxing Entities prepared subsequent to the acquisition by the Authority of a leasehold interest in the Facility. The Company shall, promptly following acquisition by the Authority of a leasehold interest in the Facility, take such action as may be necessary to ensure that the Facility shall be assessed as exempt upon the assessment rolls of the respective Taxing Entities prepared subsequent to such acquisition by the Authority, and, for so long thereafter as the Authority shall hold a leasehold interest in the Facility, the Company shall take such further action as may be necessary to maintain such exempt assessment with respect to each Taxing Entity. The parties hereto understand that the Facility shall not be entitled to such exempt status on the tax rolls of any Taxing Entity until the first tax year of such Taxing Entity following the tax status date of such Taxing Entity occurring subsequent to the date upon which the Authority becomes the holder of record of a leasehold interest in the Facility. Pursuant to the provisions of the Leaseback Agreement, the Company will be required to pay all taxes and assessments lawfully levied and/or assessed against the Facility, including taxes and assessments levied for the current tax year and all subsequent tax years until the Facility shall be entitled to exempt status on the tax rolls of the respective Taxing Entities.

(b) Special Assessments: The parties hereto understand that the tax exemption extended to the Authority by Section 2326 of the Public Authorities Law and Section 412-a of the Real Property Tax Law does not entitle the Authority to exemption from special assessments, special district charges, special ad valorem levies (including, but not limited to, fire district charges), pure water charges and sewer charges. Pursuant to the Leaseback Agreement, the Company will be required to pay all such charges and assessments lawfully levied and/or assessed against the Facility.

### Section 3.02. Payments in Lieu of Taxes.

(a) Agreement to Make Payments: The Company agrees that it shall make periodic payments in lieu of property taxes in the amounts hereinafter provided to the Authority and in accordance with the other provisions set forth in this Agreement.

(b) Valuation of the Facility: The value of the Building and the Existing Facility for purposes of determining payments in lieu of taxes due under this Agreement shall be Five Hundred Fifty Thousand Dollars and 00/100 (\$550,000) (the "**Building Assessed Value**") and Two Hundred Fifty Thousand Dollars and 00/100 (\$250,000) (the "**Existing Facility Assessed Value**"), respectively. The parties agree that the valuations set forth are fair valuations which will not be challenged by either party in any action or proceeding so long as this Agreement remains in effect.

(c) Amount of Payments in Lieu of Taxes: The payments in lieu of taxes to be paid by the Company to the Authority annually on behalf of the Taxing Entities pursuant to the terms of this Agreement shall be computed by multiplying (1) the



Building Assessed Value and the Existing Facility Assessed Value, as applicable, by (2) the tax rate or rates for each respective year that would be applicable to the Facility if the Authority did not have a leasehold interest in such Facility by (3) the percentages for each year as set forth on Exhibit "B" attached hereto.

In the event the Taxing Entities modify the property valuation system for assessment purposes throughout the taxing jurisdictions to a system based on other than a full market valuation, the Building Assessed Value and the Existing Facility Assessed Value shall be adjusted proportionately in accordance with such new valuation system consistent with the valuation applied throughout the taxing jurisdictions.

(d) Additional Amounts in Lieu of Taxes: Commencing on the first tax year following the date on which any structural addition shall be made to the Facility or any additional building shall be constructed on the real property described on Exhibit "A" annexed hereto (such structural additions and additional buildings being hereinafter referred to as "**Additional Facilities**"), the Company agrees to make additional annual payments in lieu of property taxes (such additional payments being hereinafter collectively referred to as "**Additional Payments**") to the Authority with respect to such Additional Facilities, such Additional Payments to be computed by multiplying (x) the value for assessment purposes of such Additional Facilities as determined by the appropriate officer or officers of the Taxing Entities responsible for assessing properties by (y) the tax rate or rates that would be applicable to such Additional Facilities if the Authority did not have a leasehold interest in such Additional Facilities, and (z) reduce the amount so determined by the amounts of any tax exemptions that would be afforded to the Company if the Authority did not have a leasehold interest in such Additional Facilities.

(e) Restriction on Additional Reductions in Property Tax Payments: The parties hereto acknowledge and agree that the tax-exempt status of the Facility as described in Section 3.01 hereof precludes the Company from obtaining any other limitations, reductions or exemptions in property taxes assessed against the Facility; provided, however, nothing in this Section 3.02(e) shall prejudice the Company from obtaining such additional limitations, reductions or exemptions in property taxes that would be afforded to the Company upon the expiration or termination of this PILOT Agreement and in the event the Authority does not have a leasehold interest in the Facility.

(f) Statements: The Authority agrees to submit to the appropriate officer(s) of the Company periodic statements specifying the amount and due date or dates of the payments due hereunder, such periodic statements to be submitted to the Company at approximately the time that tax bills for real estate taxes would be due if the Facility were privately owned are mailed. Each such statement shall coincide with the tax bills set by the Taxing Entities and shall be for that portion of the PILOT Agreement payment due in that year as apportioned to the taxes otherwise payable to each such entity.

(g) Time of Payments: The Company agrees to pay the amounts due hereunder in any calendar year to the Authority within the period of time that the Taxing Entity allows for payment of taxes levied in such calendar year without penalty. The Company shall be entitled to receive receipts for such payments.

(h) Method of Payment: All payments by the Company hereunder shall be paid to the Authority in such coin and currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

#### Section 3.03. Credit for Taxes Paid.

(a) General: The parties hereto acknowledge and agree that the obligation of the Company to make the payments provided in Section 3.02 of this Agreement shall be in addition to any and all other taxes and governmental charges of any kind whatsoever which the Company may be required to pay under the Leaseback Agreement. It is understood and agreed, however, that should the Company pay in any calendar year to the Taxing Entities any amounts in the nature of general property taxes, general assessments, service charges or other governmental charges of a similar nature levied and/or assessed upon the Facility or in the interest therein of the Company or the occupancy thereof by the Company (but not including, by way of example, (i) sales and use taxes and (ii) special assessments, special ad valorem levies or governmental charges in the nature of utility charges, including, but not limited to water, solid waste, sewage treatment or sewer or other rents, rates and charges), then the Company's obligation to make payments in lieu of property taxes for such calendar year to the Authority hereunder shall be reduced by the amounts which the Company shall have so paid in such calendar year, but there shall be no cumulative or retroactive credit as to any payment in lieu of property taxes due to the Authority or as to any payment in lieu of property taxes due to the Authority in any other calendar year.

(b) Method of Claiming Credit: If the Company desires to claim a credit against any particular payment in lieu of tax due hereunder, the Company shall give the Authority prior written notice of its intention to claim any credit pursuant to the provisions of this Section 3.03, said notice to be given by the Company at least thirty (30) days prior to the date on which such payment in lieu of tax is due pursuant to the provisions of Section 3.02 hereof.

#### Section 3.04. Interest.

If the Company shall fail to make any payment required by this 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 thereon, to the extent permitted by law, at the rate per annum which would be payable if such amounts were delinquent taxes, until so paid in full.

Section 3.05. Company to Furnish Leases.

The Company agrees to furnish the commissioner of assessments of each Taxing Entity an annual report, certified by the Company, and if requested by each Taxing Entity, certified to each Taxing Entity by certified public accountants, of the area leased in the premises and to furnish copies of each and every lease within 10 days of the execution of said lease.

Section 3.06. Employment Requirements.

The Company agrees to maintain Average Employment (as hereinafter defined) at the Facility for at least one hundred twenty-five (125) individuals by the second year of this Agreement. If in any year commencing with the second year of this Agreement the Company fails to maintain Average Employment of at least one hundred twenty-five (125) employees, the payments required to be made by the Company for the following year pursuant to Section 3.02 hereof shall be, to the extent permitted by law, the lesser of (1) the amount due under this Agreement divided by a fraction the numerator of which is the Average Employment by the Company at the Facility for such prior year and the denominator of which is the fixed employment requirement of one hundred twenty-five (125) or (2) the rate that would be payable if the Authority did not have a leasehold interest in the Facility, giving credit for the exemption which would otherwise be available to the Company pursuant to New York Real Property Tax Law §485-b. For purposes of this Section 3.06 herein, "**Average Employment**" shall mean the number of employees employed by the Company during the calendar year in question who are regularly employed (a) at least forty (40) hours per week and (b) for a period of time sufficient enough to allow such employee to be eligible for all employment benefits offered by the Company to its full time workers (excluding pension plan benefits).

Section 3.07. Sale or Transfer of Facility.

The Company may sell, lease, or otherwise transfer the Facility or any part thereof or permit a transfer of more than forty-nine percent (49%) of the total number of shares of stock of the Company which may be issued and outstanding at any time to other than the present shareholders only with the prior written consent of the Authority. As a condition of such consent, the Authority may require that the transferee assume all of the Company's covenants, stipulations, promises, agreements and obligations contained in this Agreement including, but not limited to, the employment requirements as described in Section 3.06 hereof.

## ARTICLE IV

### ADMINISTRATIVE FEE AND EXPENSES; LIMITED OBLIGATION OF THE AUTHORITY

Section 4.01. Administrative Fee and Expenses.

Upon execution of this Agreement, the Company agrees to pay to the Authority the amount of Two Thousand Seven Hundred Fifty Dollars and 00/100 (\$2,750) to offset the indirect expenses incurred by the Authority in administering the Project and for the other corporate purposes of the Authority. The Company shall also pay the reasonable fees and expenses of counsel to the Authority in connection with the Project and the transactions related thereto.

Section 4.02. No Recourse: Limited Obligation of the Authority.

(a) No Recourse: All covenants, stipulations, promises, agreements and obligations of the Authority contained in this Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Authority and not of any member, officer, agent (other than the Company), servant or employee of the Authority in his individual capacity, and no recourse under or upon any obligation, covenant or agreement contained in this Agreement, or otherwise based or in respect of this 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 Authority or any successor public benefit corporation or political subdivision or any person executing this Agreement on behalf of the Authority, either directly or through the Authority or any successor public benefit corporation or political subdivision or any person so executing this Agreement. It is expressly understood that this Agreement is a corporate obligation, and that no such personal liability whatsoever shall attach to, or is or shall be incurred by any such member, officer, agent (other than the Company), servant or employee of the Authority or of any successor public benefit corporation or political subdivision or any person so executing this Agreement under or by reason of the obligations, covenants or agreements contained in this Agreement or implied therefrom. 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 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 Agreement.

(b) Limited Obligation: The obligations and agreements of the Authority contained herein shall not constitute or give rise to an obligation of the State of New York or the City of Auburn, New York, and neither the State of New York nor the City of Auburn, New York shall be liable thereon, and further such obligations and agreements shall not constitute or give rise to a general obligation of the Authority, but rather shall constitute limited obligations of the Authority payable solely from the revenues of the Authority derived and to be derived from the lease, sale or other disposition of the Facility.

(c) Further Limitation: Notwithstanding any provision of this Agreement to the contrary, the Authority shall not be obligated to take any action pursuant to any provision hereof unless (i) the Authority 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 Authority (or any of its members, officers, agents (other than the Company), servants or employees) of any liability, fees, expenses or other costs, the Authority shall have received from the Company security or indemnity satisfactory to the Authority for protection against all such liability, however remote, and for the reimbursement of all such fees, expenses and other costs.

Section 4.03. Agreement to Pay Proportionate Share.

The Authority covenants and agrees that it shall make payment to each of the respective Taxing Entities its pro rata share of the payments received from the Company pursuant to Section 3.02 hereunder and the same proportion to the amount of real property tax and other taxes which would have been received by each such Taxing Entity had the Facility not been tax exempt due to the status of the Authority.

ARTICLE V  
EVENTS OF DEFAULT

Section 5.01. Events of Default.

Any one or more of the following events shall constitute an event of default under this Agreement, and the terms "**Event of Default**" or "**Default**" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure of the Company to pay any amount due and payable by it pursuant to this Agreement and continuance of said failure for a period of fifteen (15) days after written notice to the Company stating that such payment is due and payable;

(b) A default in the observance or performance of any other covenant, condition or agreement on the part of the Company to be observed and performed, other than as referred to in paragraph (a) above, and continuance of such failure for a period of thirty (30) days after written notice to the Company, specifying the nature of such failure and requesting that it be remedied; and

(c) Any warranty, representation or other statement by or on behalf of the Company contained in this Agreement shall prove to have been false or incorrect in any material respect on the date when made or on the effective date of this Agreement.

Section 5.02. Remedies on Default.

Whenever any Event of Default shall have occurred with respect to this Agreement, the Authority may, to the extent permitted by law, take any other action at law or in equity which may appear necessary or desirable to collect any amounts then due or thereafter to become due

hereunder and to enforce the obligations, agreements or covenants of the Company under this Agreement, whether by way of damages or equity relief.

Section 5.03. Earlier Conveyance of Facility.

Notwithstanding anything herein to the contrary, in the event that (i) any Event of Default shall have occurred with respect to this Agreement, or (ii) this Agreement is not approved by the Department of Economic Development and the Office of Real Property Services, then the Authority may, upon ten (10) days' prior written notice to the Company, cause the leasehold interest in the Facility to be terminated in accordance with Section 5.2(B) of the Leaseback Agreement. The Company hereby appoints the Authority as its attorney-in-fact to execute any and all documents necessary for such termination, and recording thereof in the Cayuga County Clerk's Office shall constitute delivery thereof so long as notice thereof, including a copy with the notice of recording, is sent to the Company.

Section 5.04. Payment of Attorney's Fees and Expenses.

If the Company should default in performing any of its obligations, covenants and agreements under this Agreement and the Authority should employ attorneys or incur other expenses for the collection of any amounts payable hereunder or for the enforcement of performance or observance of any obligation or agreement on the part of the Company herein contained, the Company agrees that it will, on demand therefore, pay to the Authority the reasonable fees and disbursements of such attorneys and such other reasonable expenses so incurred.

Section 5.05. Remedies; Waiver and Notice.

(a) No Remedy Exclusive: No remedy herein conferred upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and, subject to Section 5.03 hereof, 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) Delay: No delay or omission in exercising 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) Notice Not Required: In order to entitle the Authority to exercise any remedy reserved to it in this Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required in this Agreement.

(d) No Waiver: In the event any provision contained in this Agreement should be breached by any party and thereafter duly waived by the other party so

empowered to act, such waiver shall be limited to the particular breach so waived and shall not be deemed to be a waiver of any other breach hereunder. No waiver, amendment, release or modification of this Agreement shall be established by conduct, custom or course of dealing.

## ARTICLE VI MISCELLANEOUS

### Section 6.01. Term of Agreement.

(a) General: This Agreement shall become effective and the obligations of the Company shall commence on the execution hereof and unless earlier terminated, shall terminate, and the Property returned to the tax rolls (whether or not the Property is actually conveyed to the Company) on the day preceding the taxable status date in the year 2024.

(b) Extended Term: In the event that (i) the Leaseback Agreement shall terminate, expire or otherwise lose its effect, (ii) on the date of such occurrence the Facility shall be assessed as exempt upon the assessment roll of any one or more of the Taxing Entities, and (iii) such occurrence shall not immediately obligate the Company to make pro-rata tax payments pursuant to subsection 3 of Section 302 of the Real Property Tax Law, this Agreement shall remain in full force and effect and the Company shall be obligated to make payments to the Authority pursuant to Section 3.02 hereof until the first tax year in which the Company shall appear on the tax rolls of the various Taxing Entities having jurisdiction over the Facility, as the legal owner of record of the Facility.

### Section 6.02. Company Acts.

Where the Company is required to do or accomplish any act or thing hereunder, the Company may cause the same to be done or accomplished with the same force and effect as if done or accomplished by the Company.

### Section 6.03. Amendment of Agreement.

This Agreement may be amended, changed, modified, altered or terminated by the Company and the Authority only with the concurring written consent of the Authority. This Agreement may not be effectively amended, changed, modified, altered or terminated unless such amendment, change, modification, alteration or termination is in writing and, in the case of any amendment, change, modification or alteration of this Agreement, unless the Company and its successors and assigns shall assume in writing the obligations of such amended, changed, modified or altered Agreement.

Section 6.04. Notices.

All notices, certificates or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when (a) sent to the applicable address stated below by registered or certified mail, return receipt requested, or by such other means as shall provide the sender with documentary evidence of such delivery, or (b) delivery is refused by the addressee, as evidenced by the affidavit of the Person who attempted to effect such delivery. The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

(i) To the Authority:

Auburn Industrial Development Authority  
Memorial City Hall  
Auburn, New York 13021  
Attention: David Dempsey, Chairman

with a copy to:

Hancock & Estabrook, LLP  
1500 MONY Tower I  
P.O. Box 4976  
Syracuse, New York 13221-4976  
Attention: Richard W. Cook, Esq.

(ii) To the Company:

Community Computer Service, Inc.  
15 Hulbert Street  
Auburn, New York 13021  
Attention: Gary S. Cuthbert, President

with copy to:

Boyle & Anderson, P.C.  
110 Genesee Street, Suite 300  
Auburn, New York 13021  
Attention: Charles H. Lynch, Jr., Esq.

and to the Bank at such address as is provided in writing to the above listed parties.

All such notices, certificates and other communications shall be deemed to have been received on the date of delivery thereof, if delivered by hand, on the third day after mailing thereof, if mailed; on the next day after the sending thereof, if by overnight courier; and when



receipt is acknowledged, if telecopied. A duplicate copy of each notice, certificate and other communication given hereunder by the Authority or the Company shall be given to the Bank who provides an address for same. The Authority, the Company and the Bank may, by notice given hereunder, designate any further or different address to which subsequent notices, certificates and other communications shall be sent.

Section 6.05. Binding Effect.

This Agreement shall inure to the benefit of, and shall be binding upon, the Authority, the Company and their respective successors and assigns. The provisions of this Agreement are intended to be for the benefit of the Authority and the Taxing Entities.

Section 6.06. Severability.

If any article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion of this 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 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 6.07. Counterparts.

This 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 6.08. Applicable Law.

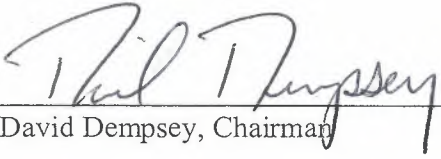
This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Section 6.09. Entire Agreement.

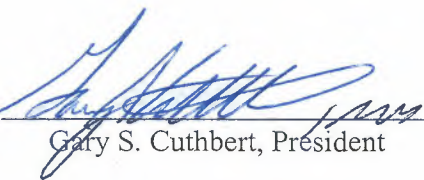
This Agreement is intended to constitute the entire Agreement and to supersede all prior agreements, whether oral or written, between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Authority and the Company have caused this Agreement to be executed in their respective names, all being done the date first above written.

**AUBURN INDUSTRIAL  
DEVELOPMENT AUTHORITY**

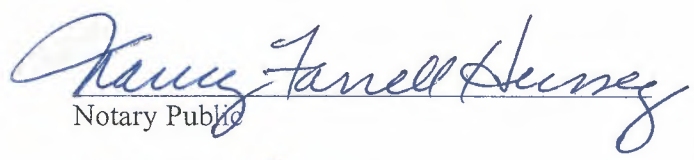
By:   
David Dempsey, Chairman

**COMMUNITY COMPUTER SERVICE, INC.**

By:   
Gary S. Cuthbert, President

STATE OF NEW YORK )  
COUNTY OF CAYUGA ) SS:

On the 18 day of ~~May~~ <sup>JUNE</sup>, 2003, before me, the undersigned, a notary public in and for said state, personally appeared David Dempsey, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
Notary Public

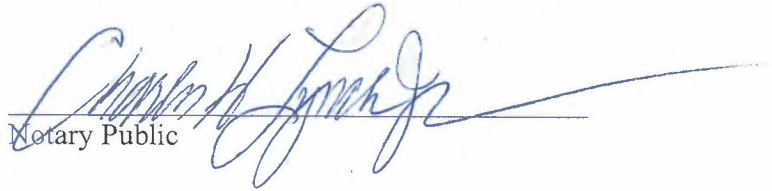
~~Joseph T. Mancuso  
Notary Public, State of New York  
Qual. in Onon. Co., No. O2MA6004179  
My Commission Expires Mar. 16, 2006~~

NANCY FARRELL HUSSEY  
Notary Public, State of New York  
No. 02HU6023017 **CAYUGA**  
Qualified in **Onondaga** County  
Commission Expires, April 30, 2007  
12

STATE OF NEW YORK )  
COUNTY OF CAYUGA ) SS:

On the 12 day of June, 2003, before me, the undersigned, a notary public in and for said state, personally appeared Gary S. Cuthbert, personally known to me or proved to me on the

basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
Notary Public

CHARLES H. LYNCH, JR. 1467  
N.Y.S. Reg. No. 4517625  
Notary Public, State of New York  
Qualified in Cayuga County  
My Commission Expires April 30, 19~~2006~~2006

**EXHIBIT "A"**

Land Description

**PARCEL I**

**ALL THAT TRACT OR PARCEL OF LAND** situate in the City of Auburn, County of Cayuga and State of New York, bounded and described as follows:

BEGINNING at the intersection of the west line of Hulbert Street and the south line of lands owned by the State of New York Department of Transportation, said point being marked by a monument,

Thence South 89 degrees 38 minutes 58 seconds west along the south boundary line of the said New York State DOT land a discharge of 156.29 feet to a point marked by a monument;

Thence South 00 degrees 39 minutes 02 seconds East along the east boundary lines of lands of the said New York State DOT a distance of 99.88 feet to a point marked by a steel rod;

Thence North 87 degrees 23 minutes 02 seconds West along the south boundary line of lands of the said New York State DOT a distance of 75.14 feet to a point marked by a steel rod;

Thence South 02 degrees 15 minutes 58.9 seconds West along the south boundary line of lands of John Guzzo (Book 87, Page 17) a distance of 49.50 feet to a point marked by a steel rod;

Thence South 87 degrees 23 minutes 02 seconds East along the north boundary line of premises owned by Richard and Patricia Dwello (Book 687, Page 166) a distance of 77.66 feet to a point marked by a steel rod;

Thence South 00 degrees 39 minutes 02 seconds East along the east boundary line of the said Richard and Patricia Dwello property a distance of 16.18 feet to a point;

Thence North 89 degrees 42 minutes 58 seconds East along the north boundary line of other lands of Community Computer Service, Inc. (Book 1082, Page 304) a distance of 156.49 feet to a point in the west boundary line of Hulbert Street;

Thence North 00 degrees 43 minutes 15 seconds West along the said west boundary line of Hulbert Street, a distance of 165.82 feet to the point and place of beginning.

Containing 0.682 acres, more or less.

**EXHIBIT "B"**

PAYMENT IN LIEU OF TAX SCHEDULE

Year Beginning July 1	<u>Existing Facility</u>		<u>Building</u>	
	Assessed Value	Percentage of Tax Rate	Assessed Value	Percentage of Tax Rate
2003	\$234,100	100%	\$550,000	0%
2004	\$234,100	100%	\$550,000	5%
2005	\$234,100	100%	\$550,000	10%
2006	\$234,100	100%	\$550,000	15%
2007	\$234,100	100%	\$550,000	20%
2008	\$234,100	100%	\$550,000	25%
2009	\$234,100	100%	\$550,000	30%
2010	\$234,100	100%	\$550,000	35%
2011	\$234,100	100%	\$550,000	40%
2012	\$234,100	100%	\$550,000	45%
2013	\$234,100	100%	\$550,000	50%
2014	\$234,100	100%	\$550,000	55%
2015	\$234,100	100%	\$550,000	60%
2016	\$234,100	100%	\$550,000	65%
2017	\$234,100	100%	\$550,000	70%
2018	\$234,100	100%	\$550,000	75%
2019	\$234,100	100%	\$550,000	80%
2020	\$234,100	100%	\$550,000	85%
2021	\$234,100	100%	\$550,000	90%
2022	\$234,100	100%	\$550,000	95%