

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AND

GROUP V REAL ESTATE, INC.

FIRST AMENDMENT TO PAYMENT IN LIEU OF TAX AGREEMENT

The Project is located at 11342 Main Street, Town of Newstead, Erie County, New York (the "Land") improved with an existing 18,500+/- SF manufacturing building (the "Existing Improvements"). The PILOT will be on the addition to the Existing Improvements totaling 8,000+/- SF, and the renovation and installation and or/upgrade of certain infrastructure improvements to the Existing Improvements (collectively, the "Improvements") to be utilized by Athenex Pharma Solutions, LLC (the "Tenant") for the manufacture of small batch pharmaceuticals, and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment"; and, collectively with the Land, the Existing Improvements, and the Improvements, the "Facility").

Dated as of: July 1, 2018

First Amendment Dated as of: March 1, 2019

Termination Date: December 31, 2029

SBL No.: 60.00-1-13.3/P

Affected Tax Jurisdictions: Erie County
Town of Newstead
Clarence Central School District

Prepared by:
Harris Beach PLLC
726 Exchange Street, Suite 1000
Buffalo, New York 14210
(716) 200-5050

FIRST AMENDMENT TO PAYMENT IN LIEU OF TAX AGREEMENT

THIS FIRST AMENDMENT TO PAYMENT IN LIEU OF TAX AGREEMENT (the "First Amendment to PILOT"), dated as of March 1, 2019, by and between **ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation duly existing under the laws of the State of New York with offices at 95 Perry Street, Suite 403, Buffalo, New York 14203 (the "Agency") and **GROUP V REAL ESTATE, INC.**, a corporation duly organized, validly existing and in good standing under the laws of the State of New York, with offices at 2457 Wehrle Drive, Williamsville, New York 14221 (the "Company").

WITNESSETH:

WHEREAS, the Agency was created by Chapter 293 of the Laws of 1970 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 Agency and the Company previously entered into that certain Payment In Lieu Of Tax Agreement (the "PILOT Agreement"), dated as of July 1, 2018, with respect the Company's property located at 11342 Main Street, Town of Newstead, Erie County, New York (the "Facility"); and

WHEREAS, at the written request of the Company, the Agency and the Company have agreed to begin the implementation of the PILOT Agreement by one year, amend the expiration date in the PILOT Agreement by one year, and to revise Schedule A of the PILOT Agreement in accordance with this First Amendment to PILOT; and

WHEREAS, the Agency and the Company desire to amend the PILOT Agreement in accordance with the terms of this First Amendment to PILOT Agreement.

NOW, THEREFORE, in consideration of the covenants contained herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

1. Section 1, entitled Agency Tax Exemption of the PILOT Agreement is amended and restated as follows:

Section 1. Agency Tax Exemption. Subject to the completion and filing of a Form RP-412-a, Application for Real Property Tax Exemption (the "RP-412-a"), by the Taxable Status Date of March 1, 2019 (the "Taxable Status Date"), and the approval of the RP-412-a by the Assessor, the Project shall be exempt from real estate taxes commencing with the:

- (a) 2020 tax fiscal year of the County and the Town, and
- (b) 2019-2020 tax fiscal year of the School District

Prior to the 2020 County and Town and 2019-2020 School District tax fiscal years, the Company shall make payments in lieu of taxes as if the Company owned the Facility and the Agency had no interest in the Facility. This PILOT Agreement shall expire on December 31, 2029; *provided, however*, the Company shall pay the 2030 County and Town and the 2029-2030 School District tax bills, on the dates and in the amounts as if the Agency did not have an interest in the Project on the tax status date with respect to said tax years. The Company shall provide the Agency with all information required to complete the RP-412-a and shall provide such additional information and take such actions as are required by the Assessor in order to process and approve the RP-412-a Application. In the event the exemption from real estate taxes is denied for any reason, the Company agrees to pay all real estate taxes levied upon the Project as they become due. To the extent permitted by law, the Company shall have the right to protest such denial subject, however, to the conditions set forth in Section 8.1 of the Leaseback Agreement. 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 RP-412-a with the Assessor by the Taxable Status Date.

2. Section 3(2), of the PILOT Agreement is hereby amended and restated as follows:

(2) For the periods of time indicated below, the Company shall make the indicated payments in lieu of taxes to the indicated taxing authorities:

(a) County PILOT Payments. Payments in lieu of general levy real estate taxes to the County for each of the tax fiscal years **2020 through 2029**, or until termination of the Leaseback Agreement, whichever date occurs first, shall be in an amount equal to the sum of the County Land Component Payment plus the County Variable Component Payment (as such terms are depicted above and defined below) for each such tax fiscal year. The County Land Component Payment for each tax fiscal year shall be in an amount equal to the County Tax rate then in effect for such tax fiscal year, applied against the then current assessed valuation that is to be determined by the Assessor of the Town of Newstead of the non-depreciable portion of all tax parcels constituting the Project (assessed as land). The County Variable Component Payment for each tax fiscal year shall be an amount equal to the County tax rate then in effect for such tax fiscal year, applied to the product of (i) the then current assessed valuation that is to be determined by the Assessor of the Town of Newstead of the depreciable portion of all tax parcels comprising the Project (assessed as buildings or other improvements) and (ii) the payment factor applicable to such tax fiscal year as shown on Schedule A attached hereto and made a part hereof. Each such payment shall be delivered to Erie County Dept. of R.P.T.S., 95 Franklin Street-Room 100, Buffalo, NY 14202, or such other place as may be designated from time to time by the County. Payments for each tax fiscal year must be made by March 15 of that year, or such payment shall be considered delinquent.

(b) Town PILOT Payments. Payments in lieu of general levy real estate taxes to the Town for each of the tax fiscal years **2020 through 2029**, or until termination of the Leaseback Agreement, whichever date occurs first, shall be in an amount equal to the sum of the Town Land Component Payment plus the Town Variable Component Payment (as such terms are depicted above and defined below) for each such tax fiscal year. The Town Land Component Payment for each tax fiscal year shall be in an amount equal to the Town Tax rate

then in effect for such tax fiscal year, applied against the then current assessed valuation that is to be determined by the Assessor of the Town of Newstead of the non-depreciable portion of all tax parcels constituting the Project (assessed as land). The Town Variable Component Payment for each tax fiscal year shall be an amount equal to the Town tax rate then in effect for such tax fiscal year, applied to the product of (i) the then current assessed valuation that is to be determined by the Assessor of the Town of Newstead of the depreciable portion of all tax parcels comprising the Project (assessed as buildings or other improvements), and (ii) the payment factor applicable to such tax fiscal year as shown on Schedule A attached hereto and made a part hereof. Each such payment shall be delivered to the Town, or such other place as may be designated from time to time by the County. Payments for each tax fiscal year must be made by March 15 of that year, or such payment shall be considered delinquent.

(c) School District PILOT Payments. Payments in lieu of general levy real estate taxes to the School District for each of the tax fiscal years **2019-2020 through 2028-2029**, or until termination of the Leaseback Agreement, whichever date occurs first, shall be in an amount equal to the sum of the School District Land Component Payment plus the School District Variable Component Payment (as such terms are depicted above and defined below) for each such tax fiscal year. The School District Land Component Payment for each tax fiscal year shall be in an amount equal to the School District Tax rate then in effect for such tax fiscal year, applied against the then current assessed valuation that is to be determined by the Assessor of the Town of Newstead of the non-depreciable portion of all tax parcels constituting the Project (assessed as land). The School District Variable Component Payment for each tax fiscal year shall be an amount equal to the School District tax rate then in effect for such tax fiscal year, applied to the product of (i) the then current assessed valuation that is to be determined by the Assessor of the Town of Newstead of the depreciable portion of all tax parcels comprising the Project (assessed as buildings or other improvements), and (ii) the payment factor applicable to such tax fiscal year as shown on Schedule A attached hereto and made a part hereof. Each such payment shall be delivered to the School District, or such other place as may be designated from time to time by the School District. Payments for each tax fiscal year must be made by October 15 of that year, (unless otherwise required by the School District), or such payment shall be considered delinquent.

(d) In addition to the foregoing, the Company shall pay all special district charges, special assessments and special ad valorem levies (specifically including but not limited to any fire district charges or "curb charges"), and pure water charges and sewer charges that are levied against the Project are to be paid in full in accordance with normal billing practices as if the Agency did not have an interest in the Project.


3. Schedule A attached to the PILOT Agreement is hereby replaced with Schedule A attached hereto.

4. Unless otherwise amended and modified by this First Amendment to PILOT, the terms of the PILOT Agreement shall remain unchanged and in full force and effect. This First Amendment to PILOT shall in no way be construed as a waiver of any of the rights or remedies of the Agency or a release or waiver by the Agency of any Event of Default under the PILOT Agreement. The Agency hereby reserves all such rights and remedies.

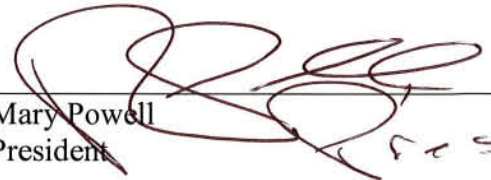
[Signature Page to First Amendment to PILOT]

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

**ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**


BY: 
Name: Karen M. Fiala
Title: Assistant Treasurer

GROUP V REAL ESTATE, INC.

BY: 
Name: Mary Powell
Title: President

STATE OF NEW YORK)
COUNTY OF ERIE) SS.:

On the 25 day of July, 2019, before me, the undersigned, personally appeared **KAREN M. FIALA**, 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.

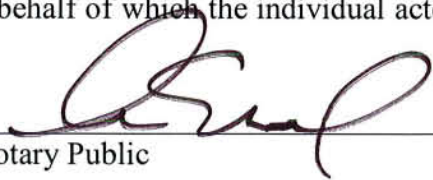

Notary Public

STATE OF NEW YORK)
COUNTY OF ERIE) SS.:

DAWN M. BOUDREAU
NOTARY PUBLIC, STATE OF NEW YORK
QUALIFIED IN ERIE COUNTY
My Commission Expires May 27, 2023

On the 18th day of July, 2019, before me, the undersigned, personally appeared **MARY POWELL**, 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.

ALISON STRUEBEL
Notary Public, State of New York
No. 01ST6100311
Qualified in Erie County
Commission Expires October 14, 2019


Notary Public

PILOT Agreement dated as of July 1, 2018,
as amended by the First Amendment to PILOT Agreement
dated as of March 1, 2019,
by and between Erie County Industrial Development Agency
and Group V Real Estate, Inc.

Address: 11342 Main Street, Newstead, NY

SBL No.: 60.00-1-13.3/P

Expiration of Lease: December 31, 2029

SCHEDULE A

Project/PILOT Tax Year	Town	County	School District	Payment Factor
Project Year 1	2019	2019	2018-2019	N/A-As if owned
PILOT Year 1	2020	2020	2019-2020	10%
PILOT Year 2	2021	2021	2020-2021	10%
PILOT Year 3	2022	2022	2021-2022	10%
PILOT Year 4	2023	2023	2022-2023	20%
PILOT Year 5	2024	2024	2023-2024	20%
PILOT Year 6	2025	2025	2024-2025	20%
PILOT Year 7	2026	2026	2025-2026	30%
PILOT Year 8	2027	2027	2026-2027	30%
PILOT Year 9	2028	2028	2027-2028	30%
PILOT Year 10	2029	2029	2028-2029	30%