Execution Copy

THE ALLEGANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AND

P.M. RESEARCH, INC.,

PAYMENT IN LIEU OF TAXES AGREEMENT

FOR THE

TOWN OF WELLSVILLE, NEW YORK FACILITY

DATED AS OF MAY 10, 2018

PM RESEARCH PILOT

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FORMER LUFKIN BUILDING
TOWN OF WELLSVILLE, NEW YORK FACILITY

PAYMENT IN LIEU OF TAXES AGREEMENT

This **PAYMENT IN LIEU OF TAXES AGREEMENT,** dated as of the 1st day of June, 2018 (the **"Agreement"),** by and between the **ALLEGANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY,** a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, duly organized and validly existing under the laws of the State of New York, with an office at Crossroads Commerce Center, Belmont New York 14-- (the **"Agency"),** and **P.M. RESEARCH, INC.,** a business corporation organized under the laws of New York, with an office at 4110 Niles Hill Road, Wellsville, New York 14813, (the **"Company"**) (the Agency and the Company are referred to herein as the **"Parties").**

WITNESSETH:

WHEREAS, Title 1 of Article 18-A of the New York General Municipal Law (the **"Enabling Act"**) was duly enacted into law as Chapter 1030 of the New York Laws of 1969 ;and

WHEREAS, the Enabling Act authorizes and provides for the creation of industrial development agencies for the benefit of the several counties, cities, villages, and towns in the State of New York and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip, and dispose of land and any buildings or other improvements, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, or industrial purposes, in order to advance the job opportunities, health, general prosperity, and economic welfare of the people of the State of New York and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease or sell any or all of its properties, to grant financial assistance as defined in Section 854(14)thereof, and to enter into an agreement which includes provisions such as those contained in this Agreement; and

WHEREAS, the Agency was created pursuant to and in accordance with the provisions of the Enabling Act by Chapter 234 of the Laws of 1973 of the State of New York (collectively with the Enabling Act, the **"Act"**) and is empowered under the Act to undertake the Project (as hereinafter defined); and

WHEREAS, PM Research, Inc. (the ***"Company"),*** submitted an application to the Agency on or about January 8, 2018,as thereafter updated(the ***"Application"),*** a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the ***"Project")*** consisting of: (A) (i) the acquisition of a leasehold or other similar interest entered into between the Company and the Agency, the fee owner of an approximate 5 acre parcel of improved real property located at 2475 Tarantine Boulevard, Wellsville, New York (S.B.L. No. 238.-1-47.323) consisting of an approximately 45,000.00 square foot existing building (hereinafter collectively referred to as the ***"Project Facility");*** (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and State and local sales and use taxation(collectively, the ***"Financial Assistance")-,*** and (C) the lease, license or sublease of the Project Facility by the Agency pursuant to an appropriate agreement; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as ***"SEQRA"***), the Agency is required to make a determination with respect to the environmental impact of any "action" (as defined by SEQRA) to be taken by the Agency and the preliminary agreement of the Agency to undertake the Project constitutes such an action; and

WHEREAS, pursuant to SEQRA, the Agency has determined that the Project constitutes a Type II Action, and, therefore no further SEQRA review is required; and

WHEREAS, the Agency conducted a public hearing with respect to the Project and the proposed Financial Assistance on February 22, 2018 pursuant to Section 859-a of the Act, notice of which was published on January 23, 2018 in the Wellsville Daily Reporter, a newspaper of general circulation in the Allegany County, New York and given to the chief executive officers of the affected tax jurisdictions by letters dated May 25, 2018; and

WHEREAS, on May 10, 2018, the Agency adopted a resolution (the "***Inducement Resolution"***) undertaking the Project and appointing the Company as its agent for purposes of completing the Project Facility; and

WHEREAS, in the Application, the Company also requested that the Agency consider a payment in lieu of taxes ***("PILOT")*** agreement; 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 ("***RPTL***"), the Agency is not required to pay real property taxes upon any of the property acquired by it or under its jurisdiction, supervision or control; and

WHEREAS, the Agency has given due consideration to the Application and to representations by the Company that the provision of Financial Assistance: (i) will induce the Company to develop the Project Facility in the Town of Wellsville, (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; and (iii) undertaking the Project will create and/or preserve permanent private sector jobs in the State;

WHEREAS, the Agency has previously adopted a Uniform Tax Exemption Policy (the "***UTEP***") pursuant to Section 874(4) of the Act to provide guidance for the claiming of sales and use tax and mortgage recording tax exemptions, and real property tax abatement through the use of a Payment in Lieu of Taxes ***("PILOT")*** Agreement; and

WHEREAS, the PILOT payments set forth on Schedule "A" annexed hereto and made a part hereof deviate from the Agency's UTEP for non-manufacturing facilities; and

WHEREAS, the Town of Wellsville, (the ***"Town"),*** the Wellsville Central School District(the "***School District"),*** and Allegany County (the ***"County"),*** and together the Town, the School District, and the County, and any other taxing entity having jurisdiction over the Project Facility, the "***Affected Tax Jurisdictions")*** having been requested to comment on the proposed Financial Assistance outlined in the Resolution and referenced in the public hearing notice with respect to the Project Facility; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I

REPRESENTATIONS AND WARRANTIES

Section 1.1 Representations and Covenants by the Agency.

The Agency hereby represents and covenants that, as of the date of this Agreement:

a. The Agency is duly organized, validly existing, and in good standing under the laws of the State of New York and has full legal right, power, and authority to execute, deliver, and perform all applicable terms and provisions of this Agreement.

b. The Agency will execute, acknowledge, and deliver all such further leases, deeds, conveyances, mortgages, assignments, estoppel certificates, notices, or assignments, transfers, assurances, and other agreements as either of the Parties may reasonably require from time to time in order to give further effect to this Agreement.

c. All necessary action has been taken to authorize the Agency's execution, delivery, and performance of this Agreement, and this Agreement constitutes the Agency's legal, valid, and binding obligation enforceable against it in accordance with its terms.

d. No governmental approval by or with any government authority is required for the valid execution, delivery, and performance under this Agreement by the Agency except such as have been duly or will be obtained or made.

e. None of the execution or delivery of this Agreement, the performance of the obligations in connection with the transactions contemplated hereby, or the fulfillment of the terms and conditions hereof will (i) conflict with or violate any resolution of the Agency, or the Agency's formation documents, as amended, or of any restriction or any agreement or instrument to which the Agency is a party and by which itis bound; (ii) conflict with, violate, or result in a breach of any applicable law, rule, regulation, or order of any court or other agency or authority of government or ordinance of the State or any political subdivision thereof; or (iii) conflict with, violate, or result in a breach of or constitute a default under or result in the imposition or creation of any mortgage, pledge, lien, security interest, or other encumbrance under this Agreement or under any term or condition of any bond, indenture, or any other agreement or instrument to which it is a party or by which it or any of the Agency's properties or assets are bound.

f. There is no action, suit, or proceeding, at law or in equity, or official investigation before or by any government authority pending or, to its knowledge, threatened against the Agency, wherein an anticipated decision, ruling, or finding would result in a material adverse effect on the Agency's ability to perform its obligations under this Agreement or on the validity or enforceability of this Agreement.

g. The conduct of the Agency's business is in compliance with all applicable governmental approvals with which a failure to comply, in any case or in the aggregate, would result in a material adverse effect on the Agency's ability to perform its obligations under this Agreement or on the validity or enforceability of this Agreement.

Section 1.2 Representations and Covenants by the Company.

The Company hereby represents and covenants that, as of the date of this Agreement:

a. The Company is duly organized, and validly existing New York corporation duly authorized to do business in the State of New York, has requisite authority to own or lease its property and assets and conduct its business as presently conducted or proposed to be conducted under this Agreement, and has full legal right, power, and authority to execute, deliver, and perform all applicable terms and provisions of this Agreement.

b. The Company will execute, acknowledge and deliver all such further leases, deeds, conveyances, mortgages, assignments, estoppel certificates, notices, or assignments, transfers, assurances, and other agreements as either of the Parties may reasonably require from time to time in order to give further effect to this Agreement.

c. All necessary action has been taken to authorize the Company's execution, delivery, and performance of this Agreement and this Agreement constitutes the Company's legal, valid, and binding obligation enforceable against it in accordance with its terms.

d. No governmental approval by or with any government authority is required for the valid execution, delivery, and performance under this Agreement by the Company except such as have been duly or will be obtained or made or such as are required for the operation or maintenance of the Project Facility, and the Company has no reason to believe that any such government approval will not be made or obtained as required for the Company's performance hereunder.

f. None of the execution or delivery of this Agreement, the performance of the obligations in connection with the transactions contemplated hereby, or the fulfillment of the terms and conditions hereof will (i) conflict with or violate any provision of the Company's Certificate of Incorporation, bylaws or other organizational documents or of any restriction or any agreement or instrument to which the Company is a party and by which it is bound; (ii) conflict with, violate, or result in a breach of any applicable law, rule, regulation, or order of any court or other agency or authority of government or ordinance of the State or any political subdivision thereof; or (iii) conflict with, violate, or result in a breach of or constitute a default under or result in the imposition or creation of any mortgage, pledge, lien, security interest, or other encumbrance under this Agreement or under any term or condition of any mortgage, indenture, or any other agreement or instrument to which it is a party or by which it or any of the Company's properties or assets are bound. There is no action, suit, or proceeding, at law or in equity, or official investigation before or by any government authority pending or, to its knowledge, threatened against the Company, wherein an anticipated decision, ruling, or finding would result in a material adverse effect on the Company's ability to perform its obligations under this Agreement or on the validity or enforceability of this Agreement.

g. The conduct of the Company's business is in compliance with all applicable governmental approvals with which a failure to comply, in any case or in the aggregate, would result in a material adverse effect on the Company's ability to perform its obligations under this Agreement or on the validity or enforceability of this Agreement.

ARTICLE II

PAYMENTS IN LIEU OF TAXES

Section 2.1 Term.

This Agreement shall commence on June 1, 2018 and expire on January 31, 2038. The PILOT payments shall be made commencing with a payment due the 31st day of January 2023, and continuing annually through the payment due on the 31st day of January, 2038. At the expiration of this PILOT Agreement, the assessment of and the levying and collection of taxes related to the Project Facility, shall be made pursuant to the then current law.

Section 2.2 Tax Exempt Status of Project.

Pursuant to Section 874 of the Act and Section 412-a of the RPTL, upon the Agency's acquisition of the leasehold interest in the Project Facility, and continuing for the period during which the Agency maintains jurisdiction, supervision, or control over the Project Facility by maintaining such leasehold interest, the Project Facility shall be assessed as exempt upon the assessment rolls of the Affected Tax Jurisdictions. Immediately following execution and delivery of this Agreement, the Agency shall file form RP 412-a with the Town's assessor and any other assessor charged with preparing the assessment rolls for the Affected Tax Jurisdictions.

Section 2.3 Special Assessments and Special Ad Valorem Taxes.

The real property tax exemption afforded the Agency by Section 874(1) of the Act and Section 412-a of the RPTL does not extend to special assessments and special ad valorem taxes (the ***"Special District Taxes").*** The Company shall pay all special assessment and special ad valorem levies lawfully levied and/or assessed against the Project Facility for any special improvement districts or special districts.

Section 2.4 Payments in Lieu of Taxes.

a. The Company shall make annual PILOT Payments in a sum equal the PILOT Payments set forth on Schedule "A".

b. At least thirty (30) days prior to the due date for an applicable tax year the Agency shall present an invoice to the Company stating the amount of the PILOT payment and the date when due. PILOT payments shall be paid by the Company directly to the Agency which, in turn, shall disburse the proportionate payments to each respective Affected Tax Jurisdiction in compliance with any agreements in effect between the Agency and such Affected Tax Jurisdictions.

Section 2.5 Credits for Real Property Tax Payments.

a. Any real property tax payments made by the Company to the Agency during a tax year to which this Agreement applies will be used as a credit against the payments due under this Agreement for the PILOT payment due in that tax year. If any such payment exceeds the amount due under this Agreement, then any such excess shall be carried over and applied as a credit to amounts due under this Agreement in the subsequent year or years. Should the Company, under any subsequently adopted State or local law, pay in any tax year to the Agency any amounts in the nature of general ad valorem taxes, general assessments, service charges, or other general governmental charges of a similar nature levied and/or assessed upon the Project Facility or the interest therein of the Company or the occupancy thereof by the Company (but not including(i) sales and use taxes, and (ii) special assessments of any nature, special ad valorem charges of any nature, or governmental charges in the nature of utility charges, including, but not limited to, lighting, water, solid waste,

sewage treatment, or sewer or other rents, rates, and charges), then the Company's obligation hereunder to make PILOT payments in such tax year shall be reduced by the amounts which the Company shall have so paid or be obligated to pay to the Agency in such year. If the Company desires to claim a credit against any particular PILOT payment due hereunder, the Company shall give the governing body of the Agency and the Agency prior written notice of its intention to claim any credit pursuant to the provisions of this Section, such notice to be given by the Company at least ten (10) days prior to the final date on which such PILOT payment is due pursuant to the provisions of Section 2.4.

b. In the event all or substantially all of the Project Facility is declared to be subject to taxation for real property taxes or assessments (other than Special District Taxes) by an amendment to the Act, other legislative charge, or by a final judgment or a court of competent jurisdiction, the obligations hereunder shall be null and void.

Section 2.6 Late Payments.

a. PILOT payments not made to the Agency prior to the date due shall be subject to the same interest and penalties as unpaid real property taxes. Subject to an authorizing resolution by the Agency, the officer collecting payment in lieu of taxes for the Agency hereunder shall be entitled to present to the County a statement to the effect that PILOT payments, if any, remain unpaid. The County shall be entitled, upon receipt of such statement, to levy against the Project Facility for any unpaid PILOT payments set forth in such statement, together with all applicable interest and penalties, and collect and enforce such levy in the same manner and to the same extent as provided by law for the collection of real property taxes, notwithstanding the fact that the Project Facility is otherwise wholly exempt from taxation.

b. Notwithstanding the provisions contained in Section 2.7 (a), the Agency reserves the right to pursue any late payments by the Company in accordance with laws of the State of New York, including but limited to the commencement of a legal action to enforce the terms of this Agreement.

Section 2.7 Default.

In the event that any PILOT payment is not received by an Agency within two (2) months after the date when due, this Agreement and the benefit of its underlying exemption may be terminated, subject to the Agency's review. The Company shall be subject to any action at law or in equity that the Agency or Affected Tax Jurisdictions deem appropriate to collect amounts due hereunder. In the event of the termination of this Agreement, the Project Facility will be classified as taxable by the City, and the Company shall thenceforward be responsible for payment of property taxes pursuant to then current law.

Section 2.8 Damage or Destruction.

In the event that all or substantially all of the Project Facility shall be damaged or destroyed, then the PILOT payments due under this Agreement with respect to such property shall not exceed such amount as would result from taxes levied on the damaged or destroyed property.

Section 2.9 Partial Release.

If all or any portion of the Project Facility is sold or transferred and (at the Company's option) released from this Agreement, such that the Project Facility or such portion thereof shall cease to be exempt from taxation pursuant to Section 874(1) of the Act and Section 412-a of the RPTL, then the PILOT payments due hereunder shall be reduced by the amount due from the portion of the Project Facility which was sold or transferred.

Section 2.10 Termination.

In the event the Company chooses to relinquish the benefit of the exemption conferred by the Agency, it may do so (effective on any February 28 prior to expiration) by providing at least 30 days' prior written notice, in accordance with Article IV herein, to the Agency of its intent to terminate this Agreement, in which event the Project Facility shall become subject to tax for the tax years following the termination's effective date.

Section 2.11 Payments After Expiration of Term.

At the expiration or earlier termination of the term of this Agreement, the assessment, levy, and collection of taxes related to the Project Facility shall be made pursuant to then current law.

ARTICLE III

LIMITED OBLIGATION OF THE PARTIES

Section 3.1 No Recourse.

All obligations of the Parties contained in this Agreement shall be deemed to be the corporate obligations of the respective Parties and not obligations of any member, officer, agent, servant, employee, or affiliate of the Parties. No recourse upon any obligation contained in this Agreement, or otherwise based on or in respect of this Agreement, shall be had against any past, present, or future member, officer, agent, servant, employee, or affiliate of the Parties.

Section 3.2 Further Limitation.

Notwithstanding any provision of this Agreement to the contrary, the Agency shall not be obligated to take any action pursuant to any provision hereof unless the Agency shall have been requested to do so in writing by the Company.

ARTICLE IV

NOTICES

All notices, demands, requests, consents, or other communications provided for or permitted to be given pursuant to this Agreement shall be in writing and shall be mailed, telecopied, or delivered to the Parties at the respective address set forth below:

a. If to the Agency: Allegany County Industrial Development Agency
Crossroads Center
6087 Route 19N, Suite 100
Belmont, New York 14813
Attn: Craig Clark, Executive Director

with a copy to:
Hodgson Russ LLP
Guaranty Building
140 Pearl Street
Buffalo, New York 14202-4040
Attention: Daniel A. Spitzer, Esq.

If to the Company:

P. M. Research, Inc.
4110 Niles Hill Road
Wellsville, New York 14895

with a copy to:

Lippes Mathias Wexler Friedman, LLP
50 Fountain Plaza, Suite 1700
Buffalo, NY 14202-2216
Att: Jennifer C. Persico. Esq.

All such notices, demands, requests, consents, or other communications shall be deemed to have been duly given when transmitted by telecopy or personally delivered or, in the case of a mailed notice, upon receipt, in each case addressed as aforesaid. Each of the Parties may from time to time change its address for notices by written notice of such change to the other Parties given in accordance with this Section.

ARTICLE V

ASSIGNMENTS

The Company may not sell, transfer, assign, pledge, mortgage, hypothecate, or otherwise dispose of and encumber all or any of its rights, title, and interests in, to, and under this Agreement, except as otherwise provided in the Agency Agreement dated as of May 10\, 2018.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the conflict of laws principles thereof. All disputes arising out of or in connection with this Agreement shall be decided in the first instance by the New York State Supreme Court, Allegany County, to the exclusion of all other courts, except that the Parties shall have all appeal rights allowed by State law. The entities executing this Agreement hereby submit to the jurisdiction of the New York State Supreme Court, Allegany County, for purposes of all such suits.

Section 6.2 Severability.

In the event that any of the provisions of this Agreement are held to be unenforceable or invalid by any court or regulatory authority of competent jurisdiction, the validity and enforceability of the remaining provisions shall not be affected so long as the Parties renegotiate the unenforceable or invalid provision(s) in order to accomplish the goal and intent of this Agreement.

Section 6.3 Amendment.

This Agreement may not be amended except by an instrument in writing signed by the Parties hereto.

Section 6.4 Binding Effect.

This Agreement shall inure to the benefit of and shall be binding upon each of Parties and, as permitted by this Agreement, by their respective successors and permitted assigns.

Section 6.5 Execution in Counterpart.

This Agreement may be executed by the Parties hereto in several counterparts, and each such counterpart shall be deemed to be an original and all of which constitute together but one and the same agreement.

Section 6.6 Table of Contents and Section Headings Not Controlling.

The Table of Contents and the section headings in this Agreement have been prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this Agreement.

Section 6.7 Effective Date.

This Agreement shall be effective as of June 1, 2018.

Section 6.8 Form of Payments.

The amounts payable under this Agreement shall be payable 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 6.9 Right to Contest Assessments.

a. In the event that, during the term hereof, an assessment shall be placed on the Project Facility by the Town, the Company will have the rights of an owner of taxable property to challenge any such assessment, including seeking judicial review of an assessment pursuant to Article 7 of the RPTL. Conversely, the Agency shall be under no obligation to challenge any such assessment on behalf of the Company.

b. In no event shall the Company be entitled to delay, extend, refuse, or modify its obligation to pay the PILOT payment then due under this Agreement while the Company challenges the assessment.

Section 6.10 Change in Identification Numbers.

The change, amendment, increase, or decrease of the tax identification or parcel numbers currently used by the Town to identify or classify all or any part of the Project Facility shall not cause this Agreement to change.

Section 6.11 Compliance with Uniform Tax Exempt Policy

The Company acknowledges the existence of the UTEP adopted by the Agency and that this Agreement conforms thereto. Company agrees to be bound by and comply with all other relevant provisions of the UTEP.

Section 6.12 Payment of Administrative Fee

The Company acknowledges that it is required to pay an administrative fee to the Agency at the time of signing this Agreement in the amount of $500, plus its counsel's legal fees.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the day and year first above written.

ALLEGANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By:_____
Name: Craig Clark
Its: Executive Director

P.M. RESEARCH, INC.

By: _____
Name: MATTHEW VOSSLER
Its: PRESIDENT

SCHEDULE"A"

PILOT SCHEDULE

Year	PILOT Payment
1	$0
2	$0
3	$0
4	$0
5	$0
6	$8,101
7	$12,151
8	$16,201
9	$20,251
10	$24,301
11	$28,355
12	$32,405
13	$36,456
14	$40,506
15	$40,506
16	$40,506
17	$40,506
18	$40,506
19	$40,506
20	$40,506
Total	$461,763

SCHEDULE "B"

Legal Description of the Land

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Wellsville, County of Allegany, State of New York and being a part of Great Lot Number 54, Township 2, Range 2 of the Morris Reserve, described as follows according to a survey conducted by James Ball, LLS on January 12, 1998:

COMMENCING at a point where a continuation of the existing northern boundary of the Dornow Road intersects the center line of Tarantine Road, being the point or place of beginning; thence S 89° 57' 22" W, along the northern boundary of lands now or formerly owned by Wasserloos by deed recorded in the Allegany County Clerk's Office in Liber 575 of Deeds at page 859, a distance of 710.00 feet, passing over a ½" rebar with cap set January 12, 1998; to a point and corner; thence N 00° 34' 45" W a distance of 400.00 feet to a point and corner; thence N 89° 57' 22" E, a distance of 710.00 feet to the center line of Tarantine Road; thence along the center line of Tarantine Road, S 00° 34' 45" E, a distance of 400.00 feet to the point or place of beginning.