AUTHORIZING RESOLUTION

A meeting of Jefferson County Industrial Development Agency (the "**Agency**") was convened in public session at the offices of the Agency at 800 Starbuck Avenue, in the City of Watertown, Jefferson County, New York on June 2, 2016 at 8:30 a.m., local time.

The meeting was called to order by the Chairperson and, upon being called, the following members of the Agency were:

PRESENT: David Converse, Donald DiMonda, W. Edward Walldroff, Jeremiah Maxon, Robert E. Aliasso, Jr., John Jennings

ABSENT: Michelle Pfaff

FOLLOWING PERSONS WERE ALSO PRESENT: Donald Alexander, David Zembiec, Lyle Eaton, Joy Nuffer, Richard Duvall, Francis Tom Iorizzo, and Brian Molongoski from the Watertown Daily Times

The following resolution was offered by Mr. DiMonda, seconded by Mr. Aliasso, to wit;

Resolution No.: 06.02.2016.01

RESOLUTION OF THE JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD THE LEASE-LEASEBACK TRANSACTION WITH ROTH INDUSTRIES, INC., HAVING AN ADDRESS OF 268 BELLEW AVENUE SOUTH, WATERTOWN, NEW YORK, FOR THE PURPOSE OF CONSTRUCTION OF A 26,000 SQUARE FOOT BUILDING ADDITION AND THE EQUIPPING THEREOF WITH CERTAIN MACHINERY AND EQUIPMENT TO CONSTITUTE A WAREHOUSE AND MANUFACTURING FACILITY.

WHEREAS, Jefferson County Industrial Development Agency (the "**Agency**') is authorized and empowered by the provisions of Chapter 1030 of Laws of 1969 of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "**Enabling Act**") and Chapter 77 of the 1974 Laws of New York, as amended, constituting Section 902 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "**Act**") to promote, develop, encourage and assist in the acquiring, constructing, renovating, improving, maintaining, equipping and furnishing of commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and

industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, pursuant to an application, including a cost benefits analysis (the "**Application**"), submitted to the Agency by Roth Industries, Inc. (the "**Company**"), wherein the Agency has been requested to consider undertaking a project (the "**Project**"), consisting of the following:

(A) (1) The acquisition of an interest in that certain property and located at 268 Bellew Avenue South, in the City of Watertown, County of Jefferson, New York (the "**Land**"), as more particularly described in the PILOT Agreement, and

(2) The construction on the Land of a new 26,000 square foot addition to the existing building and the equipping thereof with certain machinery and equipment to constitute a warehouse and manufacturing facility (the "**Project**") (the Land and the Project being collectively referred to as the "**Project Facility**"); and

(B) The granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes, mortgage recording taxes and real property taxes (collectively, the "**Financial Assistance**"); and

(C) The lease or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, pursuant to a preliminary Inducement Resolution adopted by the members of the Agency on May 5, 2016, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project (the "**Public Hearing**") to be mailed on May 11, 2016 to the chief executive officer of the County, City and School District in which the Project is to be located, (B) caused notice of the Public Hearing to be published on May 12, 2016 in the Watertown Daily Times, a newspaper of general circulation available to residents of the County of Jefferson, (C) conducted the Public Hearing on May 25, 2016 at 9:30 o'clock a.m., local time at the offices of the Agency, located at 800 Starbuck Avenue, Watertown, New York, (D) prepared a report of the Public Hearing which fairly summarized the views presented at said Public Hearing and distributed same to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), the members of the Agency adopted a resolution on May 5, 2016 (the "SEQR Resolution") in which the Agency determined (A) that the Project constitutes an "Unlisted Action", (B) therefore that the coordinated review procedures outlined in the Regulations are strictly optional, (C) that the Project will not have a "significant effect on the environment" pursuant to SEQRA and, therefore that no environmental impact statement need be prepared with respect to the Project, and (D) that a negative declaration would be prepared with respect to the Project; and

WHEREAS, in order to consummate the Project and the granting of the Financial Assistance described in the notice of the Public Hearing, the Agency proposes to enter into the following documents with the Company (hereinafter collectively referred to as the "**Agency Documents**"):

(A) A lease to the Agency (and a memorandum thereof) (the "**Underlying Lease**") by and between the Company, as landlord, and the Agency, as tenant pursuant to which the Company will lease to the Agency the Project Facility;

(B) A lease agreement (and a memorandum thereof) (the "**Lease Agreement**") by and between the Agency and the Company, pursuant to which, among other things, the Company agrees to undertake the Project as agent of the Agency and the Company further agrees to lease the Project Facility from the Agency and to pay all legal fees and expenses incurred by the Agency with respect to the Project;

(C) A payment in lieu of tax agreement (the "**Payment in Lieu of Tax Agreement**" or the "**PILOT**") by and between the Agency and the Company, pursuant to which the Company will agree to make certain payments in lieu of taxes with respect to the Project Facility; and

(D) Various certificates relating to the Project (the "**Closing Documents**"); and

WHEREAS, the Agency has given due consideration to the Application and to the representations by the Company that the granting by the Agency of the Financial Assistance with respect to the Project will be in an inducement to the Company to undertake the Project in Jefferson County, New York; and

WHEREAS, the Company and the Agency have agreed on a certain Payment in Lieu of Taxes Agreement and Distribution Schedule to the Taxing Jurisdictions of such payments in lieu of taxes in substantially the form and affect and appears at **Exhibit "A"** to this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1 The Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) The Project constitutes a "project", as such term is defined in the Act; and

(C) The acquisition of the Project Facility and the lease of the Project Facility to the Company will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of Jefferson County, New York and the State of New York and improve their standard of living; and

(D) It is desirable and in the public interest for the Agency to grant to the Company the relief provided by the Payment In Lieu of Taxes Agreement, and to enter into the Agency Documents upon the satisfaction of all conditions thereto.

Section 2 In consequence of the foregoing, the Agency hereby determines that the granting of the financial assistance by the Agency with respect to the Project, through the granting of various tax exemptions described herein, and set forth on the exhibits attached hereto, will promote the job opportunities, health, general prosperity and economic welfare of the inhabitants of Jefferson County, New York and the State of New York, and improve their standard of living, and thereby serve the public purposes of the Act.

Section 3 In consequence of the foregoing, and subject to the satisfactions of any conditions as imposed herein or as may be required by the Act, the Agency hereby determines to:

(A) Proceed with the Project;

(B) Acquire the Project Facility;

(C) Accept an Underlying Lease of the Project on terms to be determined by the Agency;

(D) Lease the Project Facility to the Company pursuant to a Lease Agreement on terms to be determined by the Agency;

(E) Enter into the Payment in Lieu of Tax Agreement in the form and substance as attached hereto; and

(F) Execute and deliver the other Agency Documents upon terms and conditions satisfactory to the Chief Executive Officer; and

(G) Execute and deliver the Closing Documents upon terms and conditions satisfactory to the Chief Executive Officer; and

(H) Grant the Financial Assistance with respect to the Project.

Section 4 The Agency is hereby authorized to acquire a leasehold interest in the Project Facility pursuant to an Underlying Lease and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 5 The Agency is hereby authorized to lease the Project Facility back to the Company pursuant to the Lease Agreement and to do all things necessary or appropriate to renovate, construct and equip the Project pursuant to the terms of the Lease Agreement.

Section 6 (A) The Chief Executive Officer of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agency Documents and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in substantially the forms thereof presented to this meeting, with such changes, variations, omissions and insertions thereto as the Chief Executive Officer shall approve, the execution thereof by the Chief Executive Officer to constitute conclusive evidence of such approval.

(B) The Chief Executive Officer of the Agency is hereby further authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 7 The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 8 The Agency hereby determines and finds that the Project is a manufacturing project, therefore, pursuant to the Agency's Uniform Tax Exempt Policy, the consent of the Affected Taxing Jurisdictions is not required.

Section 9 This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

David Converse	VOTING YEA
Donald DiMonda	VOTING YEA
Michelle Pfaff	VOTING Absent
W. Edward Walldroff	VOTING YEA
John Jennings	VOTING YEA
Jeremiah Maxon	VOTING YEA
Robert E. Aliasso, Jr.	VOTING YEA

The foregoing Resolution was thereupon declared and duly adopted.

EXHIBIT "A" to AUTHORIZING RESOLUTION

PAYMENT IN LIEU OF TAXES AGREEMENT

THIS AGREEMENT, by and between **ROTH INDUSTRIES, INC.,** a Delaware corporation having an address of 268 Bellew Avenue South, Watertown, New York 13601 ("**Company**") and **JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, an Industrial Development Agency and a Public Benefit Corporation of the State of New York having an address of 800 Starbuck Avenue, Watertown, New York 13601 ("**Agency**"),

W I T N E S S E T H:

WHEREAS, the Agency was created by Chapter 369 of the Laws of 1971 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**"); and

WHEREAS, the Agency by Resolution dated June 2, 2016, has agreed to undertake a project to construct a new 26,000 square foot addition to the existing building together with the acquisition of certain machinery and equipment all of which to constitute a warehouse and manufacturing facility on certain land owned by the Company at 268 Bellew Avenue South, Watertown, New York (Tax Map Parcel No. _____) (the "**Land**"), in the City of Watertown, Jefferson County, New York, as more particularly described in Schedule "A" attached hereto (the Project and the Land are hereinafter referred to as the "**Project Facility**"); and

WHEREAS, the Company is or will be the fee title owner of the Project Facility; and

WHEREAS, the Company will execute and deliver to the Agency, a certain lease agreement to the Agency (the "**Underlying Lease**") pursuant to which the Company leases to the Agency the Project Facility; and

WHEREAS, the Agency will immediately thereafter lease the Project Facility to the Company pursuant to a Lease Agreement executed and entered into of even date herewith (the "**Lease Agreement**") by and between Agency and the Company; and

WHEREAS, pursuant to the terms of the Lease Agreement (1) the Company will agree to cause the Project to be undertaken and completed, and (2) the Agency will agree to undertake and complete the Project; and

WHEREAS, pursuant to section 874(1) of the Act, and Section 412(a) of the Real Property Tax Law of the State of New York, the Agency is exempt from the payment of taxes and assessments imposed upon real property and improvements owned by it other than special ad valorem levies, special assessments and service charges against real

property located in Jefferson County which are or may be imposed for special improvements or special district improvements; and

WHEREAS, the Taxing Jurisdictions, which are, collectively, the City of Watertown ("**City**"), Jefferson County ("**County**") and the Watertown City School District ("**School**"), have the following taxable years: the County January 1 to December 31, the City and the School July 1 to June 30; and

WHEREAS, the Agency and the Company deem it necessary and proper to enter into this agreement making provision for payments in lieu of taxes by the Company to the Agency, for the benefit of the respective Taxing Jurisdictions within which the Project Facility is or is to be located;

NOW, THEREFORE, in consideration of the covenants herein contained, it is mutually agreed as follows:

1. (a) For the purpose of payments to be made pursuant to this Agreement, the Completion Date for the Project shall be the earlier of twelve (12) months from the date the building permit was issued for any part of the Project, or the issuance of a Certificate of Occupancy. The Company shall notify each Taxing Jurisdiction and the Agency within 30 days after the Completion Date for the Project.

   (b) Commencing with the tax year beginning on the next Taxable Status Date following the Completion Date and for the period set forth below or until the earlier termination of the Lease Agreement, the Company agrees to pay in lieu of all real estate, tangible personal property, inventory and/or other similar taxes and assessments (in addition to paying all special ad valorem levies, special assessments and service charges which are or may be imposed for special improvements or special district improvements) which would be levied upon the Project Facility during such tax years as if the Project Facility were owned by the Company and not by the Agency, the amounts determined according to the following formula:

PILOT = AV x ATR x PR

WHERE

PILOT	=	Amount of payment in lieu of taxes due to the Taxing Jurisdictions for the applicable tax year.
AV	=	Assessed Value of the Project Facility.
ATR	=	Actual Tax Rate for the respective Taxing Jurisdictions for the applicable year.

PR = Payment Ratio as set forth in Table I for the applicable tax year.

TABLE I

Year 1 – 5 25% of all Real Estate Taxes;
Years 6 – 10 50% of all Real Estate Taxes;
Years 11 – 15 75% of all Real Estate Taxes;
Thereafter; 100% of all Real Estate Taxes;

(c) The Company shall pay, or cause to be paid the amounts set forth in Paragraph 1(b) hereof within the grace period, without penalty, applicable to taxes, assessments, special ad valorem levies, special service charges or similar tax equivalents, as the case may be, on similar property subject to taxation by the Taxing Jurisdictions during such respective tax years, subject to any late payment penalties pursuant to §874 of the Act if not made within the grace period. Any failure on the part of the Company to timely make any payments pursuant to this Agreement within ten (10) days following written notice from the Agency shall be an event of default (**"Event of Default"**) under this Agreement and under the Lease Agreement. Upon such Event of Default, the Agency shall have any and/or all of the Remedies on Default set forth in the Lease Agreement. Further, upon such Event of Default, the Payments In Lieu of Tax due under this Agreement shall, upon thirty (30) days written notice from the Agency to the Company, immediately bear a Payment Ratio of 100% as such term is defined in the PILOT in Paragraph 1(b) of this Agreement until such Event of Default shall be cured by the Company.

(d) The assessed value of the Project Facility shall be the value as finally determined on the Assessment Roll of the Taxing Jurisdiction for the applicable year.

(e) Prior to the Completion Date as defined in Paragraph 1(a) above of the Project, the Company shall pay to the Agency on the Project an amount equal to the real estate taxes and assessments on the Land for the Project as if the Land were owned by the Company and not by the Agency. The Company shall pay or cause such amounts to be paid within the grace period without penalty, applicable to taxes, assessments, special ad valorem levies, special service charges or similar tax equivalents, as the case may be, on similar property subject to taxation by the Taxing Jurisdictions during such respective tax years, subject to any late payment penalties pursuant to Section 874 of the Act if not made within the grace period.

2. This Agreement shall terminate, unless it is terminated sooner pursuant to the Lease Agreement or any other provisions of this Agreement, on a date which will be 180 months from the initial Taxable Status Date ("**Termination Date**") at which time the parties agree that the Lease and Underlying Lease for the Project Facility shall terminate. In the

event of an early termination either pursuant to this Paragraph or any other termination pursuant to this Agreement, both the Lease and the Underlying Lease shall terminate.

3. In the event that the Project Facility is transferred from the Agency to the Company, the Project Facility shall be immediately subject to taxation pursuant to Sections 302 and 520 of the New York Real Property Tax Law, as amended. However, in no event shall the Company be required to pay both a PILOT payment pursuant to the Agreement and real property taxes for a concurrent tax year or portion thereof. Therefore, should the Project Facility be conveyed to the Company and thus become taxable pursuant to New York RPTL Section 520, any payments payable under this Agreement as Payments required in Lieu of Taxes shall be reduced by the amount of any taxes which are required to be paid under RPTL Section 520 for any such concurrent tax year or portion thereof, and should such Payment-in-Lieu-of-Taxes already have been made, the Taxing Jurisdictions shall refund any such amounts owing to Company.

4. To the extent the Project Facility or any part thereof is declared to be subject to taxation or assessments by an amendment to the Act, other legislative change, or by a final judgment of a court of competent jurisdiction, the obligations of the Company hereunder shall, to such extent, be null and void.

5. Any notice required to be given under this Agreement shall be deemed to have been duly given when delivered and, if delivered by mail, postage prepaid, return receipt requested, addressed to the respective parties hereto at their respective addresses specified below or such other addresses as either party may specify in writing to the other:

If to the Agency: Jefferson County Industrial Development Agency
800 Starbuck Avenue, Suite 800
Watertown, New York 13601
Attn: Donald C. Alexander

With a copy to: Menter, Rudin & Trivelpiece, P.C.
120 Washington Street, Suite 500
Watertown, New York 13601
Attn: Joseph W. Russell, Esq.

If to the Company: Roth Industries, Inc.
Attn: Joseph Brown
P.O. Box 245
1 General Motors Drive
Syracuse, New York 13211

With a copy to: Robert Germain, Esq.
Germain & Germain
314 East Fayette St.
Syracuse, New York 13202

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

7. This Agreement shall be binding upon and inure to the benefit of the parties, their respective successors and assigns.

8. This Agreement may only be assigned by the Company in accordance with Section 8.4 of the Lease Agreement.

9. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original for all purposes and all of which shall constitute collectively a single agreement. In making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement on the date set forth before the signature of its respective representative.

Date: _____, 2016

ROTH INDUSTRIES, INC.

By:_____
Joseph A. Brown

Date: _____, 2016

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By:_____
Donald C. Alexander, CEO

SCHEDULE "A"
(Legal Description of Land)

Roth Industries
268 Bellew Ave S
9-43-101.007

Void

PILOT = AV x ATR x PR

WHERE

PILOT = Amount of payment in lieu of taxes due to the Taxing Jurisdictions for the applicable tax year.

AV = Assessed Value of the Project Facility.

ATR = Actual Tax Rate for the respective Taxing Jurisdictions for the applicable year.

PR = Payment Ratio as set forth in Table I for the applicable tax year.

TABLE I

TAX YEARS	PAYMENT RATIO
1 through 5	0.25
6 through 10	0.50
11 through 15	0.75
and thereafter	1.00

-25%

(b) Special district and/or special improvement charges, unless otherwise exempt, if any, are to be paid in full in accordance with normal billing practices.

(c) The Company shall pay, or cause to be paid the amounts set forth in Paragraph 1(a) hereof within the grace period, without penalty, applicable to taxes, assessments, special ad valorem levies, special service charges or similar tax equivalents, as the case may be, on similar property subject to taxation by the Taxing Jurisdictions during such respective tax years, subject to any late payment penalties pursuant to §874 of the Act if not made within the grace period. Any failure on the part of the Company to timely make any payments pursuant to this Agreement within ten (10) days following written notice from the Agency shall be an event of default ("Event of Default") under this Agreement and under the Installment Sale Agreement. Upon such Event of Default, the Agency shall have any and/or all of the Remedies on Default set forth in the Installment Sale Agreement. Further, upon such Event of Default, the Payments in Lieu of Tax due under this Agreement shall, upon thirty (30) days written notice from the Agency to the Company, immediately bear a Payment Ratio of 1 as such term is defined in the PILOT in Paragraph 1(a) of this Agreement until such Event of Default shall be cured by the Company.

Current assess. 814,500

(d) The assessed value of the Project Facility shall be the value as finally determined on the Assessment Roll of the Taxing Jurisdiction for the applicable year.

2. In the event that the Project Facility is transferred from the Agency to the Company, the Facility shall be immediately subject to taxation pursuant to Sections 302 and 520 of the

PAYMENT IN LIEU OF TAXES AGREEMENT

THIS AGREEMENT, by and among **Roth Industries**, Inc. a Rhode Island corporation duly organized and existing under the laws of the State of Delaware ("Company") and **JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, an Industrial Development Agency and a Public Benefit Corporation of the State of New York ("Agency").

WITNESSETH:

WHEREAS, the Agency was created by Chapter 369 of the Laws of 1971 of the State of New York pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York (collectively, the "Act"); and

WHEREAS, the Agency has agreed to (1) acquire a parcel of land containing approximately 9 acres located at 268 Bellew Avenue in the City of Watertown, Jefferson County New York (the "Land") together with an existing building located thereon containing approximately 20,000 square feet (the "Existing Facility"), (2) the construction on the Land of a new addition to the Existing Facility containing approximately 10,000 square feet of space (the "Addition") (the Existing Facility and the Addition hereinafter collectively referred to as the "Facility") and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment be hereinafter collectively referred to as the "Project Facility") and

WHEREAS, the Agency has agreed to sell the Project Facility to the Company pursuant to an Installment Sale Agreement executed and entered into of even date herewith (the " **Installment Sale Agreement**") by and between Agency and the Company; and

WHEREAS, pursuant to Section 874 (1) of the Act, and Section 412(a) of the Real Property Tax Law of the State of New York, the Agency is exempt from the payment of taxes and assessments imposed upon real property and improvements owned by it other than special ad valorem levies, special assessments and service charges against real property located in Jefferson County which are or may be imposed for special improvements or special district improvements; and

WHEREAS, Agency and the Company deem it necessary and proper to enter into this agreement for the benefit of the Taxing Jurisdictions (as hereinafter defined) making provision for payments in lieu of taxes by the Company to the Agency, for the benefit of the respective Taxing Jurisdictions within which the Facility is or is to be located ("Taxing Jurisdictions" means, individually and collectively, Jefferson County, City of Watertown and Watertown City School District);

NOW, THEREFORE, in consideration of the covenants herein contained, it is mutually agreed as follows:

1. (a) Commencing with the tax year beginning on the next taxable status date and for the periods set forth below or until the earlier termination of the Installment Sale Agreement, the Company agrees to pay in lieu of all real estate, tangible personal property, inventory and/or other similar taxes and assessments (in addition to paying all special ad valorem levies, special assessments and service charges which are or may be imposed for special improvements or special district improvements) which would be levied upon the Project Facility during such tax years if the Facility were owned by the Company and not by the Agency, the amounts determined according to the following formula:

07/13/2006 07:51 3157857737 CITY ASSESSOR PAGE 02/11

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement on the date set forth before the signature of its respective representative.

Dated:

Roth Industries, Inc.

By: [redacted]
Jochen Drewniok, President

New York Real Property Tax Law, as amended. However, in no event shall Company be required to pay both a PILOT and real property, tangible personal property, inventory and/or similar taxes for a concurrent tax year or portion thereof. Therefore, should the Facility be conveyed to the Company and thus become taxable pursuant to New York RPTL §520, the Taxing Jurisdictions agree that any payments payable under this Agreement as Payments in Lieu of Taxes shall be reduced by the amount of any taxes which are required to be paid under RPTL §520 for any such concurrent tax year or portion thereof, and should such Payment-In-Lieu-of-Taxes already have been made, the Taxing Jurisdictions shall refund any such amounts owing to Company.

3. To the extent the Project Facility or any part thereof is declared to be subject to taxation or assessments by an amendment to the Act, other legislative change, or by a final judgment of a court of competent jurisdiction, the obligations of the Company hereunder shall, to such extent, be null and void.

4. Any notice required to be given under this Agreement shall be deemed to have been duly given when delivered and, if delivered by mail, postage prepaid, return receipt requested, addressed to the respective parties hereto at their respective addresses specified below or such other addresses as either party may specify in writing to the other:

Agency:	Jefferson County Industrial Development Agency Attention: Executive Director 800 Starbuck Avenue, Suite 800 Watertown, New York 13601
The Company:	Roth Industries, Inc. Attention: Jochen Drewniok President 77 Circuit Drive, North Kingstown, RI 02852-7435

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

6. This Agreement shall be binding upon and inure to the benefit of the parties, their respective successors and assigns.

7. The Company agrees to hold the Agency harmless from and against any liability arising from or any expense incurred under this Agreement, including any expense of the Agency in enforcing the terms and provisions hereof, except for any claims or liabilities arising out of the acts or omissions of the Agency.

8. This Agreement may not be assigned by the Company without the consent of the Agency which consent shall not be unreasonably withheld.

9. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original for all purposes and all of which shall constitute collectively a single agreement. In making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

07/13/2006 07:51 3157857737 CITY ASSESSOR PAGE 03/11

STATE OF NEW YORK)
)SS:
COUNTY OF JEFFERSON)

On the 15 day of December in the year 2005 before me, the undersigned, a notary public in and for said state, personally appeared JAMES P. FAYLE personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

[redacted]
Notary Public
LISA J. BROWN
NOTARY PUBLIC, State of New York
No. [redacted]
Qualified in Clinton County
Commission Expires Nov. 25, 2006

STATE OF ~~RHODE ISLAND~~ New York)
)SS:
COUNTY OF Albany)

On the 21st day of December in the year 2005 before me, the undersigned, a notary public in and for said state, personally appeared JOCHEN ORBANIOK, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

[redacted]
Notary Public

PAMELLA WEISBERG
Notary Public, State of New York
No. [redacted]
Qualified in Rensselaer County
Commission Expires October 31, 2006

07/13/2006 07:51 3157857737 CITY ASSESSOR PAGE 04/11

LEGAL DESCRIPTION PARCEL I:

ALL THAT TRACT OR PARCEL OF LAND situate in the City of Watertown, County of Jefferson, State of New York and being more particularly described as follows:

BEGINNING at a ¾" iron pipe found in the southwesterly street margin of Bellew Avenue South, said iron pipe also being the southeast corner of the parcel of land conveyed by Jefferson County Industrial Development Agency to Alteri Bakery, Inc. by deed recorded in the Jefferson County Clerk's Office in Liber 1706 at Page 257, on November 24, 1999;

THENCE S. 29°–22'–53" E., along the southwesterly street margin of Bellew Avenue South, a distance of 411.54 feet to a point;

THENCE generally southerly, along the southwesterly street margin of Bellew Avenue South and along a curve to the right at a radius of 539.96 feet, a distance of 215.05 feet to a point, said point being situate a direct tie of S. 17°–58'–17" E., 213.64 feet from the last mentioned point;

THENCE S. 47°–55'–14" W., along the cutback line between the southwesterly street margin of Bellew Avenue South and the northerly street margin of Rail Drive a distance of 26.62 feet to a point;

THENCE N. 87°–04'–46" W., along the northerly street margin of Rail Drive, a distance of 422.04 feet to a point;

THENCE N. 00°–01'–56" E., a distance of 230.32 feet to a point;

THENCE N. 22°–24'–44" W., a distance of 289.55 feet to a point in the southerly boundary line of the aforementioned Alteri Bakeri, Inc. parcel;

THENCE N. 78°–01'–38" E., a distance of 290.00 feet to the POINT OF BEGINNING.

CONTAINING 4.565 total acres of land, more or less.

ASSESSMENT DEPT. RECEIVED JAN 19 2006

Parcel II

Scheduled "A"

All that tract or parcel of land, situate in the City of Watertown, County of Jefferson and State of New York and being more particularly described as follows:

BEGINNING, at a ½" iron pipe found in the northeasterly street margin of Roundhouse Drive, said pipe being located a direct tie of S 08 degrees 31' 33" E 366.79 feet from the intersection of the northeasterly street margin of Roundhouse Drive with the cutback line connecting with the southeasterly street margin of Waterman Drive.

Thence N 72 degrees 37' 41" E a distance of 278.87 feet to a 5/8" rebar with cap found; thence N 69 degrees 15' 15" E a distance of 201.91 feet to a 5/8" rebar with cap found; thence S 22 degrees 24' 44" E a distance of 289.55 feet to a point; thence S 00 degrees 01' 56" W a distance of 230.32 feet to a point in the northerly street margin of Rail Drive;

Thence N 87 degrees 04' 46" W along the northerly street margin of Rail Drive a distance of 363.14 feet to a point at the intersection of the cutback line connecting Rail Drive with the northeasterly street margin of Roundhouse Drive.

Thence N 42 degrees 04' 46" W along the cutback line connecting the northerly street margin of Rail Drive with the northeasterly street margin of Roundhouse Drive a distance of 39.99 feet to point in the northeasterly street margin of Roundhouse Drive;

Thence generally northwesterly along the northeasterly street margin of Roundhouse Drive and along a curve to the left at a radius of 283.00 feet, a distance of 97.07 feet to a point, said point being situate a direct tie of N 24 degrees 24' 19" W., 174.20 feet from the last mentioned point;

Thence N 42 degrees 19' 48" W along the northeasterly street margin of Roundhouse Drive a distance of 91.12 feet to a point;

Thence generally northwesterly along the northeasterly street margin of Roundhouse Drive and being along a curve to the right at a radius of 217.00 feet a distance of 81.51 feet to the POINT OF BEGINNING said point being situate a direct tie of N 31 degrees 34' 11" W., 81.03 feet from the last mentioned point.

CONTAINING 4.298 acres of land, more or less.

SUBJECT TO a Sewer and Drainage Easement along the northerly property line of the above described 4.298 acre ± parcel and a Drainage Easement along the easterly property line of said parcel, as shown on a map titled "Subdivision Final Plat of a Portion of the Land of City of Watertown, City Center Industrial Park (CCIP), Bellew Avenue South, and Waterman Drive, City of Watertown, County of Jefferson, State of New York," dated November 15, 2000, prepared by GYMO, Architecture, Engineering & Land Surveying, P.C., Watertown, New York.

EXCEPTING AND RESERVING UNTO PARTY OF THE FIRST PART, City of Watertown, its successors and assigns forever, the right to construct, maintain, operate and replace a sanitary sewer over, upon in across, on and under the lands of the party of the second part; including the construction and permanent existence of an open drainage swale area along the northerly and easterly property lines of lands of the party of the second part, situate in the City of Watertown, County of Jefferson and State of New York, the conditions of which are more specifically hereinafter described as follows:

1. Party of the second part, its distributees, successors and assigns, shall not erect or build any structure over or upon the above described SEWER AND DRAINAGE EASEMENTS.

2. Party of the second part, shall not itself, nor shall its distributees, successors and assigns alter the landscaping within the hereinbefore described SEWER AND DRAINAGE EASEMENTS and it is also prohibited from planting trees, or shrubs etc. within the same area, so as not to impede the natural drainage flow within the swale area.

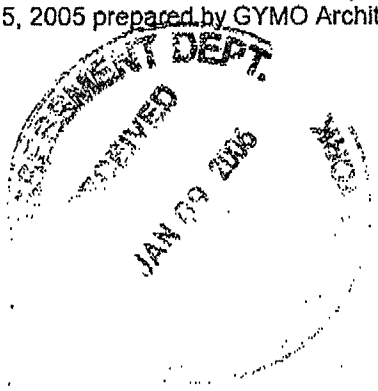
07/13/2006 07:51 3157857737 CITY ASSESSOR PAGE 06/11

3. Party of the second part, its distributees, successors and assigns shall perpetually maintain said easement area by routine maintenance, (such as but not limited to mowing, weedwhacking, etc.). Also included as routine maintenance shall be not to allow any build up of any material that could possible impede the natural flow and drainage within said easement area; as determined by the City Engineer or his duly appointed representative.

SUBJECT TO any other rights or restrictions of record that may exist.

SUBJECT TO covenants and restrictions described in an Instrument titled City Center Industrial Park Declaration of Covenants and Restrictions dated January 8, 2004 and recorded in the Jefferson County Clerk's office under file number 2004-00000298.

IT BEING the intent to describe a portion of the parcel of land conveyed by The Owasco River Railway, Inc. to City of Watertown by deed recorded in the Jefferson County Clerk's office in Liber 1012 at Page 254, on February 7, 1986. Said parcel being a portion of City of Watertown Assessment No. 9-43-101 as shown on a map titled "Survey Map of a 4.298 Acre +/- Portion of the Land of - City of Watertown, County of Jefferson, State of New York," dated November 15, 2005 prepared by GYMO Architecture, Engineering & Land Surveying, P.C., Watertown New York.



07/13/2006 07:51 3157857737 CITY ASSESSOR PAGE 07/11