

**AGREEMENT
SALES TAX ALLOCATION
COUNTY OF GENESEE and CITY OF BATAVIA**

THIS AGREEMENT made this 31st day of December, 2007 by and between the COUNTY OF GENESEE, with offices at the Old County Courthouse, 7 Main Street, Batavia, New York 14020 hereinafter referred to as "County", and the CITY OF BATAVIA, with offices at City Centre, Main Street, Batavia, New York 14020 hereinafter referred to as "City".

WITNESSETH:

WHEREAS, the County and the City, together with representatives of the Villages and Towns in the County have hereto reached an agreement in principal regarding the distribution of sales tax revenue in Genesee County; and

WHEREAS, the County, the Towns and the Villages recognize that the best interests of the entire area, all the various municipalities and all the citizens thereof, would be best served if the revenue derived from sales tax allocated to the City was to be stabilized; and

WHEREAS, it is recognized that industrial and commercial growth in Genesee County will in all likelihood take place outside the City, that the current population of the City will in all likelihood decline and that the City's portion of the revenue derived from sales tax should be based neither on taxable sales within its geographic boundaries nor its population; and

WHEREAS, it is clear that the City's ability to serve as a commercial, financial and governmental center of the County is essential for the economic growth of the areas outside the City; and

WHEREAS, a decline in the City's revenue would adversely affect its ability to function effectively as such a center and adversely effect the ability of the areas outside the City to achieve their full potential for economic development; and

WHEREAS, the best interests of the entire Genesee County Community are served by sharing sales tax revenue in a manner which stabilizes the City's sales tax revenue in order to preserve and promote all of Genesee County; and

WHEREAS, the parties hereto wish to enter into an Agreement pursuant to subdivision c of section 1262 of the Tax Law of the State of New York.

NOW, THEREFORE, it is agreed as follows:

FIRST: The County shall, during the term of this Agreement, have the exclusive authority to impose all of the taxes described in Articles 28 and 29 of the Tax Law of the State of New York, pursuant to the provisions of Section 1210(a) and 1224(p) of said law

and at a rate of three percent (3%) and one percent(1%) respectively and shall not set aside any part thereof for County purposes or educational purposes, except as other provided in this Agreement.

SECOND: The City, during the term of this Agreement, shall refrain from imposing any of the taxes described in Article 28 of the Tax Law, effective March 1, 2008.

THIRD: The net proceeds of the tax imposed, collected and received by the County shall be allocated and distributed as follows:

- A. Fifty percent (50%) of such monies shall be set aside for County purposes and shall be available for any legitimate County purposes.
- B. The City shall receive sixteen percent (16%) of such monies.
- C. Thirty four (34%) of such monies shall be paid to each of the towns in proportion to its share of the full taxable value of real property in such towns. Where a village has elected to be paid directly pursuant to section 1262(c) of the Tax Law said village shall be paid that amount proportionate to its share of the total full value of taxable real property in the town.

FOURTH: The implementation of the distributive formula contained in "Third" above is contingent upon agreement by the City not to pre-exempt the sales tax imposed by the County during the term of this Agreement. The City, by resolution has authorized the President of the City Council to confirm its agreement to the distributive formula as set forth herein.

FIFTH: The term of this Agreement shall be ten (10) years commencing March 1, 2008 and ending on the 28th day of February, 2018.

SIXTH: That on or before the first day of July, 2016, the Genesee County Legislature shall cause a committee to be convened consisting of members of the County Legislature, members of the City Council and representatives of the elected officials of the Villages and Towns of Genesee County, which committee shall recommend to the Legislature and the City Council whether or not to amend, modify or extend this Agreement for an additional term.

The Legislature and the City Council thereafter, and prior to December 1, 2016, shall, by resolution, notify the other body that it intends, at the end of the term or any extension, thereof, to terminate, amend or modify this Agreement.

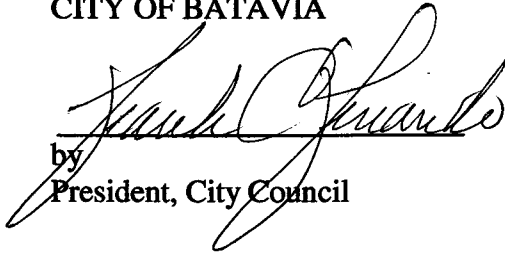
SEVENTH: Within the time frames set forth herein and the statutory notice requirements in Articles 28 and 29 of the Tax Law, this Agreement may be modified, terminated or otherwise amended in the event that both the City Council and the County Legislature, by formal resolution, mutually agree to do so. Neither party may do so unilaterally. Any such modification, termination or amendment must be reduced to writing, executed by such officers of each body as they shall respectively designate and

be approved by the Office of the State Comptroller as set forth above.

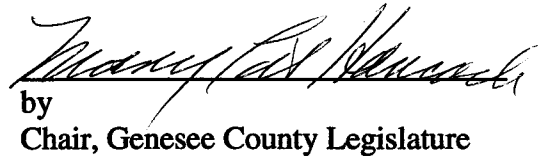
EIGHTH: This Agreement is subject to the approval of the State Comptroller of the State of New York as set forth in section 1262(c) of the Tax Law.

IN WITNESS WHEREOF, the undersigned have set their hands this 31st day of December, 2007.

CITY OF BATAVIA


by
President, City Council

COUNTY OF GENESEE


by
Chair, Genesee County Legislature

STATE OF NEW YORK)

COUNTY OF GENESEE) SS.:

On December 31, 2007, before me personally came

Frank Ferrando to me known, who being by me duly sworn did depose and say that he/she is the Batavia City Council President of the City of Batavia, New York, the municipal corporation described in foregoing, and acknowledged that he/she executed the same by order of such corporation.

Heidi Parker
Notary Public

J.
Heidi Parker, Notary Public
State of NY, County of Genesee
My Commission Expires March 28, 2009.

STATE OF NEW YORK)

COUNTY OF GENESEE) SS.:

On December 31, 2007, before me personally came _____

Mary Pat Hancock to me known, who being by me duly sworn did depose and say that he/she is the Legislative Chair of the Genesee County Legislature, the municipal corporation described in the foregoing, and acknowledged that she executed the same by order of the Legislature of said County; and that she signed her name thereto by like order.

Sarah S. Kingdon
Notary Public

SARAH STARR Kingdon
NOTARY PUBLIC, STATE OF NEW YORK
No. 01ST6054749
QUALIFIED IN GENESEE COUNTY
MY COMMISSION EXPIRES FEB. 12, 2011