

**AGREEMENT**

**THIS AGREEMENT IS ENTERED INTO BETWEEN THE CITY OF POUGHKEEPSIE**, having its principal offices at 62 Civic Center Plaza, Poughkeepsie, New York 12601 (“City”) and **BOARD OF EDUCATION OF THE POUGHKEEPSIE CITY SCHOOL DISTRICT**, having its administrative offices at 11 College Avenue, Poughkeepsie, New York 12603 (“District”), (collectively the “Parties”).

**WHEREAS**, the District is entitled to receive payments, known as payments in lieu of taxes (“PILOT”), pertaining to certain development projects in the City; and

**WHEREAS**, the City is designated to collect these payments, a portion of which require a distribution to the District; and

**WHEREAS**, pursuant to §1332 of the Real Property Tax Law (“RPTL”), the City’s tax enforcement officer is responsible for the collection of unpaid and overdue city school taxes (“Delinquent Taxes”); and

**WHEREAS**, upon receipt of a statement of unpaid taxes from the District, in the form required by RPTL §1332 (the “Statement”), the City’s tax enforcement officer is required to pay over to the District, at least once a month, all monies realized from the collection of such Delinquent Taxes and, further, within two years from the date the District delivers the Statement of unpaid taxes to the City, the City is required to make the District whole for such school taxes that remain unpaid; and

**WHEREAS**, the parties have agreed to a payment schedule for outstanding PILOT payments and Delinquent Taxes owed to the District by the City;

**NOW, THEREFORE, THE PARTIES HERETO**, upon the exchange of consideration and promises set forth below, agree to the following:

**PILOT Agreements**

1. With respect to the 2014 assessment year, the City will remit to the District, the District's share of all payments received under any PILOT agreements which provide for a distribution to the District as follows: one half of all payments received by the City shall be paid to the District on or before October 17, 2014, the remaining half of all payments received and remaining with the City shall be paid to the District by October 31, 2014, and any subsequent payments received by the City shall be paid to the District by December 31, 2014.

2. Along with each of the payments indicated above and for those payments in which the District is to receive a distribution, the City will provide to the District a) the amount of the each PILOT owed by the payor under the terms of the PILOT agreement, b) the total amount of the each PILOT collected by the City, c) the amount of each PILOT received by the City owed to the District and d) the date the City received payment of each PILOT.

3. Commencing with assessment year 2015, the City will remit to the District by June 30<sup>th</sup> of each assessment year, the District's portion of all PILOTs received by City to which the District is to receive a distribution, along with the information provided in Paragraph "2" above. PILOT payments received by the City after June 30<sup>th</sup> shall be remitted within thirty (30) days of receipt.

**Delinquent Taxes**

4. The parties agree that as of the date of execution of this Agreement, the City owes the District \$1,101,577.23 in Delinquent Taxes.

5. One half of the amount stated at Paragraph "4" will be paid to the District by October 31, 2014 and the remainder by December 31, 2014.

6. Any obligation of the City, in accordance with RPTL §1332, to pay the District Delinquent Taxes, not otherwise included in Paragraph "4" above, shall be paid to the District on or before December 31, 2014.

7. Commencing on January 1, 2015, the City will remit Delinquent Taxes in accordance with the RPTL §1332.

8. This agreement shall not be binding on either party unless fully executed.

9. The parties acknowledge that they have reached this Agreement in order to avoid the cost and uncertainty of litigation and as such any statutes of limitation applicable to a potential cause of action that is a subject of this Agreement shall be extended so as to commence no earlier than the date of this agreement.

10. The terms of this Agreement are subject to the approval of the Board of Education and shall be null and void if not approved by the Board.

11. The parties hereby agree that this Agreement represents the full, final and complete resolution of this matter.

SO AGREED THIS 29<sup>th</sup> DAY OF OCTOBER, 2014.

THE DISTRICT

BY: Ralph Coates  
Ralph Coates  
President of the Board of Education

THE CITY

John Tkazyik  
John Tkazyik  
Mayor