

Background

The District received notification from Chemung County Real Property Tax Services on January 18, 2011 indicating that Appleridge was issued a PILOT bill in September 2011 in the amount of \$42,136.90 based on the terms of the PILOT agreement. However, the Real Property office was recently informed that the new owners of Appleridge, ValStone Asset Management LLC, were not entitled to a PILOT agreement and therefore, should have been billed for the total amount of taxes due. Below is the breakdown of what is owed to the District:

| | |
|--------------------------------|--------------|
| Assessment: | \$7,300,000 |
| Tax Rate: | 17.635142 |
| Total Due: | \$128,736.54 |
| Amount Paid in September 2011: | \$42,136.90 |
| Current Amount Due: | \$86,599.64 |

The payment of \$86,599.64 was received on February 23, 2011, however, this payment was not reflected into our original tax levy as of August 17, 2010 because at that time the PILOT agreement was in place and the property was considered wholly exempt.

January 18, 2011

Chemung County
Real Property Tax Services
210 Lake Street
Elmira, New York 14902
(607) 737-2989

TS Appleridge, LLC
C/O ValStone Asset Management LLC
260 E Brown Street Suite 250
Birmingham, AL 48009

Dear Sir;

The previous owner of Appleridge had a PILOT agreement with Chemung County IDA. My office was recently informed that you purchased this property on August 3, 2010 and that the property was no longer entitled to the PILOT agreement as of that date.

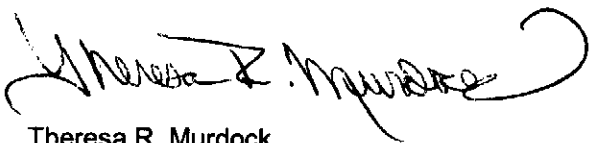
A PILOT bill was sent September 1 for the Horseheads Central School District. The amount of \$42,136.90 was based upon the reduced PILOT as agreed upon. However, because your company is not entitled to this PILOT agreement, you should have received a bill for the total amount due the School District.

Therefore, attached is a revised School tax bill for the full amount of taxes due minus the amount of the payment received on September 15, 2010. If this payment is not received, it will be levied on the 2011-2012 School Tax bill as an omitted tax.

In the future, you will not be billed from my office but will receive a regular tax bill from each taxing entity.

Should you have any questions regarding this matter, you may direct them to this office. Your prompt attention to this matter will be most appreciated.

Very Truly Yours,



Theresa R. Murdock
Director, Real Property Tax Services
Chemung County

Enclosure

REVISED NOTICE

Date : 18-Jan-11

Payment In Lieu of Tax

| | | | | |
|-------------------|-------------------------------------|----------------|---|-----------------------|
| Taxing District | : Town of Horseheads | Assessed Value | : | \$7,300,000.00 |
| Tax Map # | : 48.16-1-1.8 | Land | : | \$550,000.00 |
| | | Building | : | \$6,750,000.00 |
| Date of Agreement | : Ended August 3, 2010 | | | |
| Facility address | : 3005 Watkins Road, Horseheads, NY | | | |

| District | Tax Rate | Tax Amount | % of Total | Total Due |
|---|-------------|--------------|---------------------------|---------------|
| Horseheads Central School District 2010-2011 | 17.635142 | \$128,736.54 | 100% | \$ 128,736.54 |
| Horseheads Central School District Amount Paid on September 15, 2010 | \$17.635142 | \$128,736.54 | specified to agreement | \$42,136.90 |

Please pay this amount >>>>> \$86,599.64

Payment is due within thirty (30) days of receipt
of this notice

Make check payable to and mail to :

Horseheads Central School District
1 Raider Lane
Horseheads, New York 14845

attn: Ms. Hilarie Dyer

Bill is revised for payment of the difference in the total amount of school taxes due minus amount paid on September 15, 2010. Failure to make this payment will result in the \$86,599.64 to be added on the September 1, 2011 School Tax bill as an omitted tax.

Horseheads School District PILOT

xc: Ms. Cindy Brand, Assessor, Town of Horseheads
✓ Mr. Ralph Marino, Horseheads Central School District
Ms. Hilarie Dyer, Horseheads Central School District
Mr. George Miner, CCIDA

2129



168 MILLER STREET
HORSEHEADS, NEW YORK 14845



2/23/2011

PAY TO THE ORDER OF: Horseheads Central School District

\$ **86,599.64

Eighty-Six Thousand Five Hundred Ninety-Nine and 64/100***** DOLLARS

Horseheads Central School District
Attn: Mr Michael F Stuart, Business Manag
1 Raider Lane
Horseheads, NY 14845

[Handwritten Signature]
AUTHORIZED SIGNATURE

MEMO

School Tac Payment

⑈002129⑈ ⑆02200046⑆ 8891572276⑈

APPLERIDGE

Horseheads Central School District

School Taxes

2/23/2011

86,599.64

2129

RECEIVED
H.C.S.D.
FEB 23 2011
BUSINESS
OFFICE

Open Account

School Tac Payment

86,599.64

Security features. Details on back.