

City of Kingston



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April 3, 2013

346 Washington Avenue LLC
325 Albany Avenue
Kingston, New York 12401

Attn: Joseph Deegan

Re: 346 Washington Avenue

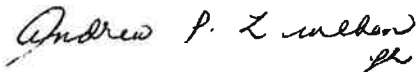
Dear Joe:

Enclosed please find a corrected bill for the Payment In Lieu of Taxes (PILOT) due pursuant to the agreement between 346 Washington Avenue, LLC and the Ulster County Industrial Development Agency for the general tax years 2009 through 2013. Due to an error of the City of Kingston's previous assessor, the previously issued bills did not correctly reflect the amount due under PILOT.

Specifically, the PILOT agreement provides that the exemption provided applies only to the increased value of the asset, i.e. the building improvements. Article 2, Section 2.02(C)(6) of the PILOT agreement provides that "...the real property tax abatement provided by Section 2.02(C)(2) hereof is expressly limited to increases in the assessed value of the real property and improvements comprising the Project Facility, namely the Land, Equipment and the Facility." The previously issued bills applied the exemption to the entire value of the property.

Should you wish to discuss this matter further, please contact me at your convenience.

Very truly yours,


Andrew P. Zweben