

COUNTY OF LEWIS INDUSTRIAL DEVELOPMENT AGENCY

AND

JOHNSON LUMBER COMPANY, LLC

PAYMENT IN LIEU OF TAX AGREEMENT

October 17, 2017

**Affected Tax Jurisdictions:
County of Lewis
Town of Denmark
Carthage Central School District**

PAYMENT IN LIEU OF TAX AGREEMENT

THIS AGREEMENT, dated as of the day of October, 2017, by and between

COUNTY OF LEWIS INDUSTRIAL DEVELOPMENT AGENCY,
a public benefit corporation duly existing under the laws of the State of New York with
offices at 7642 State Street, P.O. Box 106, Lowville, New York 13367
(the "Agency")

and

JOHNSON LUMBER COMPANY, LLC,
a New York limited liability company with an office and place of business at 10972 State
Route 26, PO Box 469, Carthage, New York 13619
(the "Company").

WITNESSETH:

WHEREAS, the Agency was created by Chapter 62 of the Laws of 1973 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") as a body corporate and politic and as a public benefit corporation of the State of New York; and

WHEREAS, the Company requested the Agency's assistance with respect to a certain project (the "Project") involving five parcels of land on State Route 26, Town of Denmark, Lewis County, New York identified on current 2017 tax rolls as tax parcels 084.00-01-19.130, 084.00-01-19.200, 084.00-01-21.100, 084.00-01-26.110, 084.00-01-26.132 (the "Land") and the construction of an approximate 20,000 square foot building to house the Project located upon tax parcels 084.00-01-19.130 and 084.00-01-19.200 (the "Project Land"), along with related structural, utility system and landscaping improvements, and machinery and equipment installations (the "Improvements", and collectively with the Land, the "Facility"); and

WHEREAS, in order to induce the Company to undertake the Project, the Agency has taken title to the Land, will acquire, construct, and install thereon the Improvements, and is leasing the said Facility to the Company for a term commencing October 17, 2017 and ending February 28, 2033 pursuant to the terms and conditions of a Lease Agreement dated October 17, 2017 (the "Lease Agreement"); and

WHEREAS, pursuant to Section 874(1) of the Act, the Agency is exempt from the payment of taxes imposed upon real property and improvements owned by it, other than special ad valorem levies, special assessments and service charges against real property which are or may be imposed for special improvements or special district improvements; and

WHEREAS, the Agency and the Company deem it necessary and proper to enter into an agreement making provisions for payments in lieu of taxes by the Company to the Agency with respect to the Facility for the benefit of the County of Lewis (the "County"), Town of Denmark (the "Town"), and Carthage Central School District (the "School"); and collectively with the County and Town the "Affected Tax Jurisdictions").

NOW, THEREFORE, in consideration of the covenants herein contained, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

Section I - Payment In Lieu Of Ad Valorem Taxes:

1.1 Payment Schedule. For the period of time beginning as of March 1, 2018 and ending on the earlier of (i) February 28, 2033, or (ii) February 28 of the year following the termination of the Company's leasehold interest in the Facility under the Lease Agreement, or (iii) February 28 of the year following termination of this Agreement (such period of time hereinafter referred to as the "Term"), the Company agrees to pay annually to the Agency on or before January 15 of each calendar year during that period (the "Payment Date") a payment in lieu of ad valorem real property taxes on the Facility, computed as provided in Sections 1.2, 1.3 and 1.4 below.

1.2 Payment Amount. The annual payment in lieu of taxes due from the Company to the Agency shall be an escalating percentage (the "Applicable Percentage") of the ad valorem real property taxes which would have been levied against the tax parcel comprising the Project Land but for the exemption deriving from the Agency's ownership of the Facility. The Applicable Percentage, by Payment Date, is indicated on Schedule A hereto. That Applicable Percentage shall be applied to the product of (i) the assessed value of said tax parcel which comprises the Project Land as set out on current tax rolls as of the Payment Date, and (ii) the combined tax rates of the Affected Tax Jurisdictions for each said tax parcel which is within its or their taxing jurisdiction, such rates to be determined as indicated in subparagraph 1.4 below (the "Discounted Facility PILOT Payment").

The annual payment in lieu of taxes shall also include the ENTIRE ad valorem real property taxes which would have been levied against three tax parcels comprising the Company's existing facility, i.e. Tax Parcels No. 084.00-01-21.100 and No. 084.00-01-26.110 and No. 084.00-01-26.132 (the "Existing Facility"), but for the exemption deriving from the Agency's ownership of the Existing Facility (the "Non-discounted Existing Facility PILOT Payment"). Title to the Existing Facility shall be conveyed to the Agency because M&T Bank, the entity financing the Project, is securing its loan to the Company with a mortgage on the Existing Facility property and the Facility property. Because title to the mortgaged property will be in the name of the Agency, the loan will be exempt from mortgage tax (See G.M.L §874 and N.Y. Compt. Op. No. 82-188). It is the intention of the parties that the Company shall pay the entire ad valorem real property taxes which would have been levied against the Existing Facility. The total of the Discounted Facility Payment and the Non-discounted Existing Facility Payment shall be the Total PILOT Payment due.

1.3 Allocation. The Agency shall remit to the Affected Tax Jurisdictions each Total PILOT Payment within thirty (30) days of its receipt from the Company and shall allocate said payments among the Affected Tax Jurisdictions in the same proportion as ad valorem taxes would have been allocated but for the Facility's exemption therefrom.

1.4 Tax Rates. For purposes of calculating the amount of a particular annual Total PILOT Payment and the allocation of that Total PILOT Payment among the Affected Tax

Jurisdictions, the Agency shall use the tax rate of each Affected Tax Jurisdiction for the fiscal year which includes the Payment Date. (That is, as an example, a payment due on January 15, 2019 will be determined by reference to, and allocated in proportion to, the 2018-19 tax rate of the School, and the 2019 tax rates of the County and the Town.)

1.5 Valuation of the Facility. The Company shall have the right to challenge or contest by legal proceedings any increase in the assessed valuation of the Facility, except and unless (i) that increase is proportionate to an increase in the equalization rate for the Town, or (ii) that increase is a result of the Company's future addition, installation or erection of Facility improvements which constitute taxable real property and the increase in assessed value is, in the Company's judgment, proportionate to the increase in the value of the Facility.

Notwithstanding the Company's institution of legal proceedings challenging the assessed valuation of the Facility, the Company shall be responsible to make timely payment to the Agency of the Total PILOT Payment, determined as provided in subparagraphs 1.1, 1.2, 1.3 and 1.4 above. If the outcome of such legal proceeding is to reduce the assessed value of the Facility, the Company shall promptly notify the Agency and the Agency shall recompute the Total PILOT Payments for the applicable Payment Dates, using the reduced assessed valuation. Any excess payment made by the Company shall be refunded to it by the respective Affected Tax Jurisdictions which received those excess payments or, in the Agency's sole discretion, such excess payment shall be applied as a credit against the next succeeding Total PILOT Payments to come due.

1.6 Period of Benefits. The tax benefits provided for herein shall be deemed to include the 2018-19 School tax years through the 2032-33 school tax year, inclusive, and the 2019 County and Town tax years through the 2033 County and Town tax years, inclusive. In no event shall the Company be entitled to receive tax benefits relative to the Facility for more than the periods provided for herein, unless the period is extended by amendment to this Agreement executed by both parties after any applicable public hearings. The Company agrees that the exemptions provided for herein supersede and are in substitution for the exemptions provided by Section 485-b, or any other provision or section, of the New York Real Property Tax Law. It is hereby agreed and understood that the Affected Tax Jurisdictions can rely upon and enforce the above waiver to the same extent as if they were signatories hereto.

1.7 Company's Obligation. In exchange for the financial benefits provided to the Company by this Agreement, the Company represents that the Company will create at least five (5) full time equivalent jobs as a result of the financial assistance by the fifth year of this Agreement, and retain those jobs throughout the remaining term of this Agreement. Pursuant to General Municipal Law §859-a(6), the Company shall provide annually a certified statement and documentation: (i) enumerating the full time equivalent jobs created as a result of the financial assistance, by category, including full time equivalent contractors or employees of independent contractors that work at the project location, and (ii) providing a list of the salary and fringe benefit averages or ranges for categories of jobs created and subsequently retained.

Section II - Special District Charges, Special Assessments and Other Charges.

2.1 This Agreement shall not affect the Company's liability for, or exempt the Company from the payment of, special district charges, special assessments, special ad valorem levies

(specifically including but not limited to fire district charges), and municipal water charges and sewer charges imposed on the Facility.

Section III - Termination.

3.1 The Company may unilaterally terminate this Agreement at any time on 60 days advance notice to the Agency. Except as otherwise provided herein, the Agency may not unilaterally terminate this Agreement. Neither termination of this Agreement nor the expiration of the Term shall affect the liability of the parties hereunder for, or the continuing application of this Agreement to, acts, omissions or obligations occurring or arising on or before, or as a consequence of, such termination or expiration.

3.2 Upon expiration of the Term of this Agreement and for so long thereafter as the Lease Agreement remains in effect, if at all, the Facility shall be classified as fully taxable, and the Company shall be liable for the timely payment of any and all real property taxes and assessment levied against the Facility by the Affected Tax Jurisdictions for fiscal years of such Affected Tax Jurisdictions beginning after the expiration of the Term.

3.3 Not more than 30 days after the expiration of the Term of this Agreement, the Company agrees to pay to each Affected Tax Jurisdiction:

a. An amount equal to the product of (a) the difference between (i) taxes and assessments which would have been levied against the Facility by that particular Affected Tax Jurisdiction for the fiscal year in which the Term expires if the Facility had been classified as fully taxable, and (ii) the portion of the Total PILOT Payment realized, if any, by that particular Affected Tax Jurisdiction for its current fiscal year, and (b) a percentage which is the ratio of (i) the number of days left in that current fiscal year as of the date the Term expires, and (ii) 365 days; and, in addition

b. If the Term expires before the Company has made the Total PILOT Payment encompassing the current fiscal year of any Affected Tax Jurisdiction, an amount equal to the product of (a) the portion of that Total PILOT Payment which would have been due that Affected Tax Jurisdiction for its current fiscal year, and (b) a percentage which is the ratio of (i) the number of days elapsed in that current fiscal year as of the date the Term expires, and (ii) 365 days.

Section IV - Assessment Challenges.

4.1 Subject to the limitations contained in Section 1.5 above, the Company shall have all of the rights and remedies of a taxpayer as if and to the same extent as if the Company were the owner of the Facility, with respect to any proposed assessment or change in assessment with respect to the Facility by any of the Affected Tax Jurisdictions and likewise shall be entitled to protest before and be heard by the appropriate assessors or Board of Assessment Review, and shall be entitled to take any and all appropriate appeals or initiate any proceedings to review the validity or amount of any assessment or the validity or amount of any tax equivalent provided for herein.

4.2 Subject to the limitations contained in Section 1.5 above, the Company shall have all of the rights and remedies of a taxpayer with respect to any tax, service charge, special benefit, ad valorem levy, assessment, or special assessment or service charge in lieu of which the Company is obligated to make a payment pursuant to this Agreement, as if and to the same extent as if the Company were the owner of the Facility.

Section V - Changes in Law.

5.1 To the extent the Facility is declared to be subject to taxation or assessment by an amendment to the Act, other legislative change, or by final judgment of a Court of competent jurisdiction, the obligations of the Company hereunder shall, to such extent, be null and void.

Section VI - Default.

6.1 The following shall constitute "Events of Default" hereunder:

a. The failure by the Company to make the payments described in Section I within thirty (30) days of the Payment Date (the "Delinquency Date"); or

b. Any other breach by the Company of its duties, obligations or responsibilities under this Agreement or under the Lease Agreement which is not remedied within 15 days after written notice to that effect issued by the Agency, including specifically the obligations set forth in Paragraph 1.7 above.

6.2 If payments pursuant to Section I herein are not made by the Delinquency Date, or if any other payment required to be made hereunder is not made by the last day of any applicable cure period within which said payment can be made without penalty, the Company shall pay penalties and interest as follows. With respect to payments to be made pursuant to Section I herein, if said payment is not received by the Delinquency Date defined in Section 6.1 herein, Company shall pay, in addition to said payment, a late charge equal to six percent (6%) of the amount due plus interest on said payment equal to one percent (1%) per month or fraction thereof until said amount is paid in full. With respect to all other payments due hereunder, if said payment is not paid within any applicable cure period, the Company shall pay, in addition to said payment, the greater of the applicable penalties and interest or penalties and interest which would have been incurred had payments made hereunder been tax payments to the Affected Tax Jurisdictions.

6.3 Upon the occurrence of any Event of Default hereunder, in addition to any other right or remedy the Agency and/or the Affected Tax Jurisdictions may have at law or in equity, the Agency and/or Affected Tax Jurisdictions may:

a. Immediately and without further notice to the Company (but with notice to the Agency with respect to actions maintained by the Affected Tax Jurisdictions) pursue any action in the courts to enforce payment or to otherwise recover directly from the Company any amounts so in default,

b. Recapture all or part of the benefits realized to date by the Company as a result of this Agreement, such benefits being an amount equal to the difference between (i) the real property taxes that would have been payable if the Facility had not been entitled to exemption therefrom by virtue of its ownership by the Agency, and (ii) amounts actually paid by the Company under this Agreement in lieu of such taxes. If the Event of Default is the failure to create five (5) full time equivalent jobs as required in Paragraph 1.7, then the recapture shall be pro-rated based upon the number of full time equivalent jobs actually created. (For example, if one full time equivalent job is created, the recapture shall be 80% of the tax benefit, or if two full time equivalent jobs are created, the recapture shall be 60% of the tax benefit, etc.)

c. Cancel prospectively this Agreement and the resulting benefits to the Company, and withdraw or revoke the Facility's exemption from ad valorem real property taxes.

Section VII - Assignment.

7.1 No portion of any interest in this Agreement may be assigned by the Company, nor shall any person other than the Company be entitled to succeed to or otherwise obtain any benefits of the Company hereunder, without the prior written consent of the Agency, which shall not be unreasonably withheld or delayed.

Section VIII - Miscellaneous.

8.1 This Agreement may be executed in any number of counterparts each of which shall be deemed an original but which together shall constitute a single instrument.

8.2 All notices, claims and other communications hereunder shall be in writing and shall be deemed to be duly given if personally delivered or mailed first class, postage prepaid, as follows:

To the Agency: County of Lewis Industrial Development Agency
7642 State Street, PO Box 106
Lowville, New York 13367
Attn.: Executive Director

To the Company: Ronald J. Johnson and/or Robert P. Johnson
Johnson Lumber Company, LLC
10972 State Route 26, PO Box 469
Carthage, New York 13619

or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section. All notices shall be deemed given when mailed or personally delivered in the manner provided in this Section.

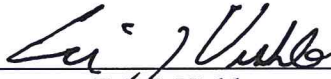
8.3 This Agreement shall be governed by, and all matters in connection herewith shall be construed and enforced in accordance with, the laws of the State of New York applicable to agreements executed and to be wholly performed therein and the parties hereto hereby agree to submit to the personal jurisdiction of the federal or state courts located in Lewis County, New York.

8.4 Notwithstanding any other term or condition contained herein, all obligations of the Agency hereunder shall constitute the sole and special obligation the Agency. No claim or right of recourse of the Company in respect to this Agreement may be brought or asserted, directly or indirectly, against any past, present or future member, officer, agent, servant, or employee of the Agency, or of any successor or political subdivision, all such liability of such members, officer, agents, servants and employees being, to the extent permitted by law, expressly waived and released by the Company as part of the consideration for the Agency's execution of and entry into this Agreement.

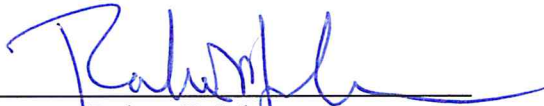

SIGNATURES ARE ON NEXT PAGE.

IN WITNESS WHEREOF, the Agency and the Company have executed this Lease as of the date first hereinabove set forth.

COUNTY OF LEWIS INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Name: Eric J. Virkler
Title: Executive Director

JOHNSON LUMBER COMPANY, LLC

By: 
Name: Robert P. Johnson
Its: One of two Members
By: 
Name: Ronald J. Johnson
Its: One of two Members

STATE OF NEW YORK)
COUNTY OF LEWIS)

On this 16th day of October, 2017, before me, the undersigned, personally appeared ERIC J. VIRKLER personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.


Notary Public

KEVIN M. McARDLE
Notary Public, State of New York
No. 4817358
Qualified in Lewis County
My Commission Expires April 30, 2018

STATE OF NEW YORK)
COUNTY OF LEWIS)

On this 17th day of October, 2017 before me, the undersigned, personally appeared ROBERT P. JOHNSON and RONALD J. JOHNSON personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

TIMOTHY A. FARLEY
Notary Public, State of New York
Qualified in Jefferson County
Commisison Expires Feb. 22, 2018

SCHEDULE A

<u>Payment Due Date</u>	<u>Applicable Percentage</u>
2018	25%
2019	25%
2020	25%
2021	25%
2022	25%
2023	50%
2024	50%
2025	50%
2026	50%
2027	50%
2028	75%
2029	75%
2030	75%
2031	75%
2032	75%

SCHEDULE A

LEGAL DESCRIPTION - PAGE ONE

Parcel 1

ALL THAT TRACT OR PARCEL OF LAND situate on the East side of New York State Route No. 26, in the Town of Denmark, County of Lewis, State of New York and being further described as follows:

BEGINNING at a point in the pavement centerline of New York State Route 26 at the intersection of the northwest corner of a 50 acre parcel of land that is described with other land in a Deed to Russell and Kathryn Maurer dated June 14, 1979 in Book 402 of Deeds at page 207, and the southwest corner of a 0.60 acre parcel of land (No. 2) that was conveyed with other land to Robert P. and Ronald J. Johnson by Deed dated July 16, 1985 in Book 458 of Deeds at page 254;

THENCE from said point of beginning, North 66 degrees 59 minutes 13 seconds East along the apparent former occupation line as attested to by Russell Maurer which divides the above referenced 50 acre parcel of land to the South from the above referenced 0.60 acre and also a 2.5 acre parcel of land owned by Johnson to the North a total distance of 609.00 feet to a point at the southeasterly corner of Johnson and passing on line at 49.9 feet a 5/8 inch iron rod found and at 490.41 feet a 1 1/2 inch iron pipe found (bent);

THENCE South 13 degrees 41 minutes 43 seconds East a distance of 458.51 feet to a 24 inch tree;

THENCE South 75 degrees 48 minutes West a total distance of 587.00 feet to a point in the aforementioned pavement centerline of New York State Route 26 and passing on line at 544.48 feet a 5/8 inch iron rod found;

THENCE North 15 degrees 53 minutes 22 second West along the pavement centerline thereof, a distance of 365.35 feet to the point of beginning.

SCHEDULE A

LEGAL DESCRIPTION CONTINUED - PAGE TWO

Parcel 2

ALL THAT CERTAIN PIECE OR PARCEL OF LAND situate in the Town of Denmark, County of Lewis and State of New York, being a part of Great Lot Number 54 in Township Number 5, and being a portion of the 50 acre parcel of land conveyed to Duwayne R. Maurer and Darlene Davoy by Russell H. Maurer and Kathryn Maurer by Deed dated April 21, 2003 and recorded in the Lewis County Clerk's Office on March 29, 2004 as Instrument No. 2004-00948, and said parcel being bounded and described as follows:

BEGINNING at a 1/2" rebar set in a 30" maple stump to mark the southeast corner of the 5.626 acre parcel of land conveyed to Reginald Farney by Russell H. Maurer and Kathryn P. Maurer, by Deed dated December 4, 1996 and recorded in the Lewis County Clerk's Office on December 17, 1996 in Book 602 of Deeds at page 349;

THENCE from said point of beginning S. 16 deg. 41 min. 05 sec. E. along the southerly extension of the easterly boundary of the 5.626 acre parcel, a distance of 141.49' to a set 1/2" rebar;

THENCE S. 63 deg. 41 min. 07 sec. W. 553.63' to a set 1/2" rebar;

THENCE continuing S. 63 deg. 41 min. 07 sec. W. a distance of 33.29' to a point in the centerline of the present surface of New York State Route 26;

THENCE N. 18 deg. 43 min. 06 sec. W. along the centerline of the present surface of New York State Route 26, a distance of 234.65' to the southwest corner of the said 5.626 acre parcel;

THENCE N. 72 deg. 48 min. 38 sec. E. along the South boundary of the 5.626 acre parcel, a distance of 42.52' to a found 2 foot tall 5/8" iron pin set in concrete;

THENCE continuing N. 72 deg. 48 min. 38 sec. E. along the south boundary of the 5.626 acre parcel, a distance of 544.48' to the point of beginning.

SCHEDULE A

LEGAL DESCRIPTION CONTINUED - PAGE THREE

Parcel 3

ALSO ALL THAT CERTAIN PIECE OR PARCEL OF LAND situate in the Town of Denmark, County of Lewis and State of New York, being a part of Great Lot Number 54 of Township Number 5, and being a portion of the 50 acre parcel of land conveyed to Duwayne R. Maurer and Darlene Davoy by Russell H. Maurer and Kathryn Maurer by Deed dated April 21, 2003 and recorded in the Lewis County Clerk's Office on March 29, 2004 as Instrument No. 2004-00948 and said parcel being bounded and described as follows:

BEGINNING at a 1/2" rebar set in a 30" maple stump to mark the southeast corner of the 5.626 acre parcel of land conveyed to Reginald Farnley by Russell H. Maurer and Kathryn P. Maurer by Deed dated December 4, 1996 and recorded in the Lewis County Clerk's Office on December 17, 1996 in Book 602 of Deeds at page 349;

THENCE from said point of beginning N. 16 deg. 41 min. 05 sec. W. along the easterly boundary of the 5.626 acre parcel, a distance of 458.51' to the northeast corner of the 5.626 acre parcel, said corner also being the southwest corner of the 23.509 acre parcel of land conveyed to Robert P. Johnson and Ronald J. Johnson by Gregory M. Maurer and Katherine A. Essenlohr by Deed dated October 28, 1998 and recorded in the Lewis County Clerk's Office on November 12, 1998 in Book 631 of Deeds at page 347;

THENCE N. 63 deg. 04 min. 28 sec. E. along the South boundary of the 23.509 acre parcel, a distance of 1142.02' to a 3/8" drill hole set in a 2 foot boulder at the East end of a stone row to mark the southeast corner of the 23.509 acre parcel, said corner being on the westerly boundary of lands of County Of Lewis IDA, Con Rail Railroad;

THENCE S. 32 deg. 45 min. 00 sec. E. along the westerly boundary of the Con Rail Railroad, a distance of 453.55' to a set 1/2" rebar;

THENCE S. 63 deg. 04 min. 28 sec. W. 1269.56' to the point of beginning.

SCHEDULE A

LEGAL DESCRIPTION CONTINUED – PAGE FOUR

PARCEL 4

ALL THAT TRACT OR PARCEL OF LAND, situate in the Town of Denmark, County of Lewis, State of New York, also being a part of Great Lot Number 54 of Township Number 5 of the Black River Tract and being further described as follows:

BEGINNING at an iron pin set at the northeasterly corner of that parcel of land conveyed by Robert Paul Johnson and Ronald J. Johnson to Robert P. Johnson and Pamela Lynn Staub Johnson by deed dated January 20, 1987 and recorded in the Lewis County Clerk's Office in Liber 479 of Deeds at page 88;

THENCE N. 58 deg. 50' 09" E. a distance of 898.35 feet to an iron pin set at the westerly railroad margin of Con Rail Railroad;

THENCE S. 36 deg. 56' 56" E. along the same westerly railroad margin a distance of 1009.11 feet to an iron pin set;

THENCE S. 58 deg. 52' 32" W. a distance of 1142.41 feet to an iron pin set;

THENCE N. 23 deg. 05' 16" W. a distance of 1013.23 feet to the point of beginning.

EXCEPTING AND RESERVING the premises conveyed by Robert P. Johnson, et al. to Johnson Lumber Company, LLC f/k/a Johnson Lumber Acquisitions by virtue of Warranty Deed with Lien Covenant dated September 13, 2017 and recorded September 15, 2017 under Instrument No. 2017-005224.

ALSO EXCEPTING AND RESERVING the premises conveyed by Robert P. Johnson, et al. to Robert P. Johnson & Pamela Lynn Staub Johnson by virtue of Warranty Deed with Lien Covenant dated September 13, 2017 and recorded September 15, 2017 under Instrument No. 2017-005225.

SCHEDULE A

LEGAL DESCRIPTION CONTINUED - PAGE FIVE

PARCEL 5

ALL that tract or parcel of land situate in the Town of Denmark, County of Lewis and State of New York, and being a part of Great Lot Number 54, Township Number 5 of the Black River Tract and being further described as follows:

BEGINNING at the centerline of New York State Route 26, being the intersection of the northerly line of a parcel of land conveyed by Reginal Farney to Johnson Lumber Company, LLC, by warranty deed recorded in the Lewis County Clerk's Office as Instrument No. 2017-003497 on June 19, 2017, and the centerline of New York State Route 26;

THENCE N.34°17'09"W., a distance of 587.22 feet along the centerline of New York State Route 26;
THENCE N.55°37'36"E., passing through a 1/2" iron rod found at 32.33 and continuing a total distance of 689.83 feet to a capped iron rod set;

THENCE S.34°22'24"E., passing through capped iron rods set at 52.70 and 478.01 feet respectively, and continuing a total distance of 543.28'

THENCE S.52.15'21"W., passing through a capped iron rod set at 88.51 feet and continuing a total distance of 642.67 feet to a 5/8" iron rod found;

THENCE S.48°29'56"W., a distance of 49.55 feet to the point of beginning.