

ONONDAGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AND

OLD THOMPSON ROAD, LLC

PAYMENT IN LIEU OF TAX AGREEMENT

Street Address:

6655 Old Thompson Road
Town of Dewitt
Onondaga County, New York

Tax Map Numbers:

022.-05-03.1
022.-05-14.1

Affected Tax Jurisdictions:

Onondaga County
Town of Dewitt
East-Syracuse Minoa Central School District

Dated as of December 1, 2017

PAYMENT IN LIEU OF TAX AGREEMENT

THIS PAYMENT IN LIEU OF TAX AGREEMENT, dated as of December 1, 2017 (the "Agreement"), is by and between the **ONONDAGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York with offices at 333 W. Washington Street, Suite 130, Syracuse, New York 13202 (the "Agency") and **OLD THOMPSON ROAD, LLC**, a New York limited liability company having its principal offices at 6800 Townline Road, Syracuse, New York 13211 (the "Company").

WITNESSETH:

WHEREAS, the Agency was created by Chapter 435 of the Laws of 1970 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 Agency is issuing its: (i) Tax-Exempt Revenue Bonds (Old Thompson Road, LLC Project), Series 2017A (the "Series 2017A Bonds") in the aggregate principal amount of \$7,000,000, and (ii) Tax-Exempt Revenue Bonds (Old Thompson Road, LLC Project), Series 2017B in the aggregate principal amount of \$3,000,000 (the "Series 2017B Bonds"; and, together with the Series 2017A Bonds, the "Bonds") for the purpose of providing funds for the acquisition, construction and equipping of a certain project (the "Project") for the benefit of the Company consisting of: (A)(i) the acquisition by the Agency of title to or a leasehold interest in approximately twenty-six (26) acres of vacant land located at 6655 Old Thompson Road, Town of Dewitt, Onondaga County, New York, such land being more particularly described as tax map numbers 022.-05-14.1 and 022.-05-03.1 (the "Land"); (ii) the construction on the Land of (a) an approximately 130,000 square-foot building, consisting of approximately 30,000 square feet of office space and approximately 100,000 square feet to house streamlined manufacturing space, (b) associated parking, and (c) related site-work improvements including, but not limited to, land grading and storm water management facilities, all in furtherance of the Company's production of stainless steel processing equipment (collectively, the "Improvements"); (iii) the acquisition in and around the Improvements and of certain items of equipment and other tangible personal property and equipment (the "Equipment"; and, collectively with the Land and the Improvements, the "Facility"); and (B) the paying of all or a portion of the costs incidental to the issuance of the Series 2017 Bonds, capitalized interest on the Series 2017 Bonds and any reserve funds as may be necessary to secure the Series 2017 Bonds; and

WHEREAS, in order to induce the Company to acquire, renovate, construct and equip the Facility, the Agency is willing to take a leasehold interest in the Land, the Improvements, and the Equipment constituting the Facility and lease said Land, the Improvements and the Equipment constituting the Facility back to the Company pursuant to the terms and conditions of a certain Leaseback Agreement, dated as of December 1, 2017 (the "Leaseback 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 or under its jurisdiction, control or supervision, 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 for the benefit of Onondaga County (the "County"), Town of Dewitt (the "Town") and the East Syracuse Minoa Central School District (the "School District"; and, collectively with the County and the 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 1 - Payment in Lieu of Ad Valorem Taxes:

Section 1.1 A. Subject to the completion and filing by the Agency by the taxable status date (**March 1, 2018**) (the "Taxable Status Date") of New York State Form RP-412-a "Application For Real Property Tax Exemption" (the "Exemption Application") under Section 412-a of the New York State Real Property Tax Law and Section 874 of the Act and the approval of the Exemption Application by the appropriate assessors or Board of Assessment Review, the Facility shall be exempt from Real Estate Taxes (as defined below) commencing with the (i) the 2019 County and Town tax year, and (ii) the 2018-2019 School District tax year. For purposes of the foregoing "Real Estate Taxes" means all general levy real estate taxes levied against the Facility by the County, Town and School District. The Company shall provide to the Agency with the information necessary for the completion and filing of the Exemption Application and shall provide such additional information and take such actions as are required by the appropriate assessors or Board of Assessment Review to process and approve the Exemption Application. Notwithstanding anything contained herein or in the Leaseback Agreement to the contrary, in the event the exemption from Real Estate Taxes is denied for any reason, the Company shall pay (and hereby agrees to pay) all Real Estate Taxes levied upon the Facility as they become due. After giving written notice to the Agency, the Company may in good faith contest the denial of the Exemption Application, provided that (i) the overall operating efficiency of the Facility is not impaired and the Facility continues to qualify as a "project" under the Act; (ii) neither the Facility nor any part of or interest in it would be in any danger of being sold, forfeited or lost; or (iii) neither the Company nor the Agency, as a result of such contest, shall be in any danger of any civil or criminal liability. The Company hereby waives any claim or cause of action against the Agency, and releases the Agency from any liability to the Company, arising from the denial of an exemption from Real Estate Taxes except to the extent that such denial results solely from the failure of the Agency to file the Exemption Application with the appropriate assessors or Board of Assessment Review by the Taxable Status Date.

B. Payee. Agreement to Make Payments. As long as the Facility is owned by the Agency or leased to the Agency by the Company, the Company agrees to pay annually to the Affected Tax Jurisdictions as a payment in lieu of taxes within the period that each Affected Tax Jurisdiction allows payment of taxes levied in such fiscal year without penalty (collectively, the "Payment Date"), an amount equal to the Total PILOT Payment, as described in Schedule A attached hereto. The Company shall make all such Total PILOT Payment in the amounts and on

the dates specified above, whether or not any such Total PILOT Payment is billed by the Agency, the Affected Tax Jurisdictions, or any other party.

The parties agree and acknowledge that payments made hereunder are to obtain revenues for public purposes, and to provide a revenue source that the Affected Tax Jurisdictions would otherwise lose because the Land is not on the tax rolls.

1.2 Allocation. The Agency shall remit to the Affected Tax Jurisdictions amounts received hereunder, *if any*, within thirty (30) days of receipt of said payment 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 Agency's involvement, unless the Affected Tax Jurisdictions have consented in writing to an alternative allocation.

1.3 Tax Rates. For purposes of determining the allocation of the Total PILOT Payment among the Affected Tax Jurisdictions, the Agency shall use the last tax rate utilized for levy of taxes by each such jurisdiction. For County, Town and special district purposes, the tax rates used to determine the allocation of the Total PILOT Payment shall be the tax rates relating to the calendar year which includes the PILOT payment due date. For School District purposes, the tax rates used to determine the PILOT payment shall be the rate relating to School District year which includes the PILOT payment due date.

1.4 Valuation of Future Additions to the Facility. If there shall be a future addition to the Facility constructed or added in any manner after the date of this Agreement, the Company shall notify the Agency of such future addition ("Future Addition"). The notice to the Agency shall contain a copy of the application for a building permit, plans and specifications, and any other relevant information that the Agency may thereafter request. Upon the earlier of substantial completion, or the issuance of a certificate of occupancy for any such Future Addition to the Facility, the Company shall become liable for payment of an increase in the Total PILOT Payment (the "Increased PILOT Payment"). The Agency shall notify the Company of any proposed increase in the Total PILOT Payment related to such Future Addition. If the Company shall disagree with the determination of assessed value for any Future Additions made by the Agency, then and in that event that valuation shall be fixed by a court of competent jurisdiction. Notwithstanding any disagreement between the Company and the Agency, the Company shall pay the Increased PILOT Payment until a different Total PILOT Payment shall be established. If a lesser Total PILOT Payment is determined in any proceeding or by subsequent agreement of the parties, the Total PILOT Payment shall be re-computed and any excess payment shall be refunded to the Company or, in the Agency's sole discretion, such excess payment shall be applied as a credit against the next succeeding PILOT payment(s).

1.5 Period of Benefits Period of Benefits. The tax benefits provided for herein should be deemed to include (i) the 2018-19 School District tax year through the 2027-28 School District tax year, and (ii) the 2019 County and Town tax year through the 2028 County and Town tax year. This Agreement shall expire on **December 31, 2028**; *provided, however*, the Company shall pay (i) the 2028-29 School District tax bill and (ii) the 2029 County and Town tax bill in the amounts as if the Agency were not in title on the tax status date with respect to said tax years. 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 it will not seek any tax exemption for the Facility while this Agreement is in effect, which could provide benefits for more than the periods provided for herein and specifically agrees that the exemptions provided for herein, to the extent actually received (based on the number of lease years elapsed), supersede and are in substitution of the exemptions provided by Section 485-b of the New York Real Property Tax Law ("RPTL"). 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.

Section 2 - Special District Charges, Special Assessments and other Charges. Special district charges, special assessments, and special ad valorem levies (specifically including but not limited to fire district charges), and pure water charges and sewer charges are to be paid in full in accordance with normal billing practices.

Section 3 - Transfer of Facility. In the event that the Facility is transferred from the Agency to the Company, and the Company is ineligible for a continued tax exemption under some other tax incentive program, or the exemption results in a payment to the Affected Tax Jurisdictions in excess of the payment described in Section 1 herein, or this Agreement terminates and the property is not timely transferred back to the Company, the Company agrees to pay no later than the next tax lien date (plus any applicable grace period), to each of the Affected Tax Jurisdictions, an amount equal to the taxes and assessments which would have been levied on the Facility if the Facility had been classified as fully taxable as of the date of transfer or loss of eligibility of all or a portion of the exemption described herein or date of termination.

Section 4 - Assessment Challenges.

4.1 During the term of this Agreement, the Company shall not have 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 not be entitled to protest before and be heard by the appropriate assessors or Board of Assessment Review, and shall not 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 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.

4.3 The Company shall (i) cause the appropriate real estate tax assessment office and tax levy officers to assess the Facility and apply tax rates to the respective assessments as if the Facility were owned by the Company, (ii) file any accounts or tax returns required by the appropriate real estate tax assessment office and tax levy officers.

Section 5 - Changes in Law. 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 6 - Events of Default.

6.1 The following shall constitute "Events of Default" hereunder. The failure by the Company to: (i) make the payments described in Section 1 hereof within thirty (30) days of the Payment Date (the "Delinquency Date"); (ii) make any other payments described herein on or before the last day of any applicable cure period within which said payment can be made without penalty; or (iii) the occurrence and continuance of any event of default under the Leaseback Agreement after any applicable cure periods. 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, 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. The Agency and the Company hereby acknowledge the right of the Affected Tax Jurisdictions to recover directly from the Company any amounts so in default pursuant to Section 874(6) of the General Municipal Law and the Company shall immediately notify the Agency of any action brought, or other measure taken, by any Affected Tax Jurisdiction to recover any such amount.

6.2 If payments pursuant to Section 1 and Section 2 herein are not made by the Delinquency Dates, 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 1 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, (i) a late payment penalty equal to five percent (5%) of the amount due and (ii) for each month, or any part thereof, that any such payment is delinquent beyond the first month, interest on the total amount due plus the late payment penalty, in an amount equal to one percent (1%) per month; and, 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.

Section 7 – Recapture. In the event that (a) the Facility is sold or closed other than a sale to a qualified transferee or (b) the number of jobs at the Facility is reduced below seventy-five percent (75%) of the number employed at the time of application or below seventy-five percent (75%) of the employment projections provided by the Company to the Agency and no substantial future economic benefit is likely to accrue to the community (each, a "Recapture Event"), the Company shall pay to the Agency, based on the formula set forth below, a portion of the Aggregate Tax Savings which the Company realized as a result of the Agency undertaking the

Project. For purposes of this Section, "Aggregate Tax Savings" shall mean the amount by which the real property taxes which the Company would have paid if the Project Facility were owned by the Company and not deemed owned or under the jurisdiction or control or supervision of the Agency exceeds the payments in lieu of taxes actually paid by the Company. Notwithstanding anything to the contrary herein, the term "Recapture Event" shall not include reductions in employment that are the result of condemnation, damage or destruction of the Facility that the Company elects not to repair and replace in accordance with the Leaseback Agreement.

Date of Recapture Event	Percentage of Aggregate Tax Savings Recaptured
Year 1	75%
Year 2	60%
Year 3	40%
Year 4	20%
Year 5	0%

Section 8 - Assignment. 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 9 - Miscellaneous.

9.1 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.

9.2 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: Onondaga County Industrial Development Agency
333 W. Washington Street, Suite 130
Syracuse, New York 13202
Attn: Executive Director

With copies to: Harris Beach PLLC
99 Garnsey Road
Pittsford, New York 14534
Attn: Christopher A. Andreucci, Esq.

To the Company: Old Thompson Road, LLC
6800 Townline Road
Syracuse, New York 13211
Attn: Controller

With copies to: Crisafulli Gorman, PC
Seven Pines Office Park, Building 3
8104 Cazenovia Road
Manlius, New York 13104
Attn: Douglas J. Gorman, Esq.

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.

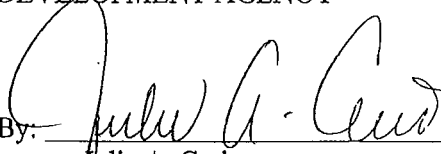
9.3 This Agreement shall be governed by, and all matters in connection herewith shall be construed and enforced in accordance with, the laws of the State of New York applicable to agreements executed and to be wholly performed therein and the parties hereto hereby agree to submit to the personal jurisdiction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

9.4 Notwithstanding any other term or condition contained herein, all obligations of the Agency hereunder shall constitute a special obligation payable solely from the revenues and other monies, if any, derived from the Facility and paid to the Agency by the Company. Neither any member, officer, employee, agent (other than the Company) or servant of the Agency nor any person executing this Agreement on its behalf shall be liable personally under this Agreement. No recourse shall be had for the payment of the principal or interest on amounts due hereunder or for any claim based upon or in respect of any modification of or supplement hereto against any past, present or future member, officer, agent (other than the Company), servant, or employee, as such, of the Agency, or of any successor or political subdivision, either directly or through the Agency or any such successor, all such liability of such members, officer, agents (other than the Company), servants and employees being, to the extent permitted by law, expressly waived and released by the acceptance hereof and as part of the consideration for the execution of this Agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this PILOT Agreement as of the day and year first above written.

ONONDAGA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Julie A. Cerio
Executive Director

OLD THOMPSON ROAD, LLC

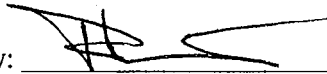
By: _____
Robert Feldmeier
Manager

IN WITNESS WHEREOF, the parties hereto have executed this PILOT Agreement as of the day and year first above written.

ONONDAGA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
Julie A. Cerio
Executive Director

OLD THOMPSON ROAD, LLC

By:  _____
Robert Feldmeier
Manager

SCHEDULE A

to
Payment In Lieu Of Tax Agreement dated as of December 1, 2017
by and between the Onondaga County Industrial Development Agency
and
Old Thompson Road, LLC

The amount to be distributed to the Affected Tax Jurisdictions pursuant to the terms of this Payment In Lieu Of Tax Agreement is as follows:

PILOT Year	School Tax Year	County and Town Tax Year	County PILOT Payment	Town PILOT Payment	School PILOT Payment	Total PILOT Payment
1	2018-19	2019	\$6,232.00	\$5,716.00	\$29,769.00	\$41,716.59
2	2019-20	2020	\$9,144.00	\$8,386.00	\$43,675.00	\$61,204.53
3	2020-21	2021	\$12,169.00	\$11,161.00	\$58,126.00	\$81,455.31
4	2021-22	2022	\$15,312.00	\$14,043.00	\$73,137.00	\$102,491.63
5	2022-23	2023	\$18,575.00	\$17,036.00	\$88,725.00	\$124,336.82
6	2023-24	2024	\$21,963.00	\$20,143.00	\$104,908.00	\$147,014.82
7	2024-25	2025	\$25,479.00	\$23,368.00	\$121,703.00	\$170,550.21
8	2025-26	2026	\$29,127.00	\$26,714.00	\$139,127.00	\$194,968.20
9	2026-27	2027	\$32,911.00	\$30,184.00	\$157,200.00	\$220,294.70
10	2027-28	2028	\$36,834.00	\$33,782.00	\$175,940.00	\$246,556.27

Exhibit A

Property Description

ALL THAT TRACT OR PARCEL OF LAND, situate in the Town of Dewitt, County of Onondaga and State of New York, being part of Lots 20 & 21 in said Town and being more particularly described as follows:

Beginning at a point in the westerly line of Old Thompson Road South 03°-22'-40" East a distance of 390.00 feet measured along said westerly line from the southerly line of Brooklawn Parkway, said point also being the northeasterly corner of Phase 2 Section B Brooklawn Corporate Center, filed in the Onondaga County Clerk's Office as Map № 6013, said point further being the southeasterly corner of Lot 2A Section A Brooklawn Corporate Center, filed in the Onondaga County Clerk's Office as Map № 5961,

running thence North 86°-37'-20" East along the prolongation easterly of the northerly line of said Phase 2 a distance of 24.75 feet to a point in the centerline of Old Thompson Road,

thence South 03°-22'-40" East along the centerline of Old Thompson Road a distance of 180.00 feet to its intersection with the prolongation easterly of the southerly line of said Phase 2,

thence South 86°-37'-20" West along the prolongation easterly of and along the southerly line of said Phase 2 a distance of 444.75 feet to the southwesterly corner of said Phase 2, said corner also being the northwesterly corner of Phase 1 Section B Brooklawn Corporate Center, filed in the Onondaga County Clerk's Office as Map № 6013,

thence South 03°-22'-40" East along the westerly line of said Phase 1 a distance of 214.17 (209.99 record) feet to a point in the northerly line of the New York State Thruway,

thence South 87°-02'-15" West along the northerly line of the New York State Thruway a distance of 1146.92 feet to an angle point in said northerly line,

thence North 86°-41'-17" West along the northerly line of the New York State Thruway a distance of 543.80 feet to an angle point therein,

thence North 84°-14'-31" West along the northerly line of the New York State Thruway a distance of 91.43 feet to a point,

thence North 47°-50'-54" East a distance of 836.10 feet to a point,

thence North 46°-48'-26" East a distance of 398.21 feet to a point,

thence North 15°-49'-41" East a distance of 97.93 feet to a point in the prolongation westerly of the southerly line of a parcel of land conveyed to Industrial Fabricating Corporation and recorded in the Onondaga County Clerk's Office in Book of Deeds 3600 at Page 287,

thence North 86°-37'-20" East along the prolongation westerly of and along the southerly line of said parcel of land conveyed to Industrial Fabricating Corporation a distance of 427.33 feet to the northwesterly corner of Lot 1 Section A Brooklawn Corporate Center, filed in the Onondaga County Clerk's Office as Map № 5385,

thence South 03°-22'-40" East along the westerly line of said Lot 1 a distance of 440.00 feet to the southwesterly corner of said Lot 1 Section A Brooklawn Corporate Center,

thence North 86°-37'-20" East along the southerly line of said Lot 1 a distance of 155.00 feet to a point of curve,

thence easterly and northerly along the southerly line of said Lot 1 on a curve to the left with a radius of 277.49 feet a distance of 198.57 feet to a point of tangent in the northerly line of Brooklawn Parkway,

thence South 45°-37'-20" West along the northerly line of Brooklawn Parkway a distance of 76.24 feet to a point of curve,

thence southerly and easterly along the line of Brooklawn Parkway on a curve to the left with a radius of 45.00' an arc length of 186.79 feet to a point of reverse curve,

thence along the line of Brooklawn Parkway on a curve to the right with a radius of 20.00 feet an arc length of 21.14 feet to the northwesterly corner of Lot 2B Section A Brooklawn Corporate Center, filed in the Onondaga County Clerk's Office as Map № 5691,

thence South 03°-22'-44" East along the westerly line of said Lot 2B a distance of 132.47 feet to the southwesterly corner thereof,

thence North 86°-37'-20" East along the southerly line of said Lot 2B and along the southerly line of said Lot 2A a distance of 420.00 feet to a point in the westerly line of Old Thompson Road and the point of beginning.

Containing 25.717± acres of land inclusive of the highway.

Subject to easements and restrictions of record.