



ONONDAGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

333 WEST WASHINGTON STREET, SUITE 130, SYRACUSE, NY 13202
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January 5, 2021

Syracuse Property Partners, LLC
1600 NW 163rd Street
Miami, Florida 33169

Re: Onondaga County Industrial Development Agency
Syracuse Property Partners, LLC

Dear Mr. Chaplin:

Your acknowledgement of and agreement to the items contained in this letter (the "Letter Agreement") is requested per the instructions below after careful review of the items contained herein.

On or about October 12, 2006, the Onondaga County Industrial Development Agency (the "Agency") adopted a resolution whereby the Agency agreed to undertake a project (the "Original Project") for Syracuse Property Partners, LLC (the "Company"), said Original Project consisted of the following: (A)(1) the acquisition of an interest in an approximately 37 acre parcel of land located at 3063 Court Street, in the Town of Salina (the "Town"), County of Onondaga (the "County") and the Lyncourt Union Free School District (the "School District") (tax map no. 067.-01-9.3) (the "Land"); (2) the construction on the Land of an approximately 250,000 square foot warehouse and distribution facility (the "Original Facility") for use by Southern Wine & Spirits of Upstate New York, Inc.; and (3) the acquisition and installation in the Original Facility of certain machinery, warehouse equipment, office furniture and related equipment (collectively, the "Original Equipment") (the Land, the Original Facility and the Original Equipment being collectively referred to as the "Original Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (subject to certain statutory limitations) (collectively, the "Original Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Original Project Facility to the Company.

In connection with the Original Project, the Agency and the Company entered into, *inter alia*, a lease to agency dated as of August 1, 2007, a memorandum of which was recorded in the Onondaga County Clerk's Office (the "Clerk's Office") on September 20, 2007 as in Book 5014 at page 483 (instrument number 1168807), in which the Company leases its interest in the Land and the Original Facility to the Agency (the "Lease to Agency"), a lease agreement dated as of August 1, 2007, a memorandum of which was recorded in the Clerk's Office on September 20, 2007 in Book 5014 page 493 (instrument 1169007), in which the Agency leases its interest in the Original Project Facility to the Company (the "Agency Lease", and collectively, with the Lease to Agency, the "Lease Agreement") and a payment in lieu of tax agreement dated as of June 1, 2008 (the "2008 PILOT") pursuant to which, beginning in the 2009 Town and County tax years and the 2009-2010 School District tax year, the Company agreed to make payments in lieu of taxes with respect to the Original Project Facility in accordance with the schedule attached hereto as Exhibit A.

On or about October 9, 2012, the Agency adopted a resolution whereby the Agency agreed to undertake a project (the "Amended Project", and together, with the Original Project, the "Project") for the Company, said Amended Project consisted of the following: (A)(1) the construction of an approximately 183,000 square foot addition to the Original Facility on the Land (the "Addition" and together, with the Original Facility, the "Facility"); and (2) the acquisition and installation in the Addition of certain machinery, warehouse equipment, office furniture and related equipment (collectively, the "Additional Equipment", and, together with the Original Equipment, the "Equipment") (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (subject to certain statutory limitations) (collectively, the "Additional Financial Assistance" and, together with the Original Financial Assistance, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company.

In connection with the Amended Project, the Agency and the Company entered into, among other agreements, (1) a certain First Amendment to Lease to Agency dated as of November 1, 2013 (the "First Amendment to Lease to Agency"), a memorandum of which was recorded in the Clerk's Office on February 25, 2014 in Book 5271 at Page 660, (2) a First Amendment to Lease Agreement dated as of November 1, 2013 (the "First Amendment to Lease Agreement"), a memorandum of which was recorded in the Clerk's Office on February 25, 2014 in Book 5271 at Page 665, and (3) a payment in lieu of tax agreement dated as of November 1, 2013 (the "2013 PILOT" and, together with the 2008 PILOT, the "PILOT Agreement") pursuant to which, beginning in the 2015 Town and County tax years and the 2015-2016 School District year, the Company agreed to make payments in lieu of taxes in addition to those agreed to in the 2008 PILOT, with respect to the Project Facility, in accordance with the schedule attached hereto as Exhibit B. The Company has made all required payments under the PILOT Agreement.

Due to an error in assessment, and despite the existence of the PILOT Agreement and payment of the payments due under the PILOT Agreement by the Company, the Project Facility was assessed a tax payment to the School District for the 2018-2019 School District tax year in an amount that was \$536,571.57 in excess of the amount agreed to in the PILOT Agreement (the "Excess Tax") and which, upon discovery of the error and pursuant to New York Real Property Tax Law Section 1330, the County paid the School District.

In an attempt to correct the error resulting from the Excess Tax and refund the County for funds provided to the School District in the amount of the Excess Tax, and considering the overall financial impact to the County and the School District, on May 12, 2020, the Agency, at the request of the impacted taxing jurisdictions, approved amendments to the Lease Agreement and the PILOT Agreement which amendments extend the Lease Agreement and the PILOT Agreement for a period of four (4) additional years (the "PILOT Extension") and adjust the allocation of PILOT payments between the County and the School District such that the County receives a greater allocation of payment beginning in the County and Town tax year of 2020 and the School District tax year of 2020-2021, which adjusted allocation refunds the Excess Tax payment to the County and reduces the payment to the School District in an amount equal to the Excess Tax as shown in Exhibit C hereto (the "Alternate Allocation"). Both the County and the School District have approved the PILOT Extension and the Alternate Allocation pursuant to resolutions passed on March 5, 2019 and April 14, 2020, respectively.

Accordingly, the Company agrees that it shall make annual payments in lieu of property taxes in the amounts equal to those shown in Exhibit C. The Agency agrees that it shall give the assessor a copy of this Letter Agreement along with New York State Form RP-412a duly executed by the Agency. The Agency will also deliver a copy of this Letter Agreement to the Town, the County and the School District, within 15 days after signing of this Agreement, as required by General Municipal Law Section 858(15). The payments due hereunder shall be paid by the Company to the Agency for distribution to the County, Town and School District as set forth in Exhibit C.

The PILOT Extension and the Alternate Allocation do not provide the Company with any additional financial assistance (within the meaning of Section 854(14) of the Act), including any additional potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes.

In connection with the PILOT Extension, Section 3.2(A) of the Lease to Agency is hereby amended and restated in its entirety to read as follows:

“(A) The term of this Lease to Agency (the “Lease Term”) shall terminate at the earlier of (i) February 29, 2028; (ii) the date upon which this Lease to Agency expires or terminates pursuant to any other provision hereof; or (iii) on such date requested by the Company.”

Also, Section 5.2(B) of the Agency Lease is hereby amended and restated in its entirety to read as follows:

“(B) The leasehold estate created hereby shall terminate at the earlier of (i) February 29, 2028; (ii) the date upon which this Lease Agreement expires or terminates pursuant to any other provision hereof, or (iii) on such earlier date as may be permitted by Section 11.2 hereof.”

The parties agree to execute and record memoranda of the foregoing amendments to the Lease to Agency and Lease Agreement in the County Clerk’s Office.

The parties have discovered an administrative error in which an incorrect document was attached to the cover page of the memorandum of the First Amendment to Lease to Agency and to the cover page of the memorandum of the First Amendment to Lease Agreement. As such, the parties agree that the memorandum of the First Amendment to Lease to Agency and the memorandum of the First Amendment to Lease Agreement shall hereby be discharged and terminated and replaced entirely by the memoranda to be filed pursuant to the agreements made herein.

All of the covenants, agreements and provisions of this Letter Agreement shall be deemed to be and construed as part of the Lease Agreement, as previously amended, and the PILOT Agreement and vice versa to the same extent as if fully set forth verbatim therein and herein. In the event of any variation or inconsistency between any covenant, agreement or provision contained in this Letter Agreement and any covenant, agreement or provision contained in the Lease Agreement, as previously amended, or the PILOT Agreement, the covenant, agreement or provision contained herein shall govern.

Except as amended by this Letter Agreement, the Lease Agreement and the PILOT Agreement shall remain in full force and effect and the terms and conditions thereof are hereby confirmed.

We hereby respectfully request that you sign the enclosed confirmation to evidence the Company's confirmation of and agreement with the PILOT Extension and the Alternate Allocation.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. M. Petrovich', with a long horizontal stroke extending to the right.

Robert M. Petrovich
Executive Director

Enclosure

EXHIBIT A
2008 PILOT SCHEDULE

	Year	Lyncourt School District	Town of Salina	Onondaga County	TOTAL
1	2009	\$204,708.39	\$32,640.54	\$21,320.06	\$258,668.99
2	2010	\$226,998.69	\$36,194.71	\$23,641.56	\$286,834.96
3	2011	\$250,442.17	\$39,932.74	\$26,083.16	\$316,458.07
4	2012	\$275,087.95	\$43,862.49	\$28,649.98	\$347,600.43
5	2013	\$300,987.09	\$47,992.08	\$31,347.34	\$380,326.51
6	2014	\$328,192.60	\$52,329.97	\$34,180.75	\$414,703.32
7	2015	\$356,759.55	\$56,884.94	\$37,155.95	\$450,800.44
8	2016	\$386,745.14	\$61,666.11	\$40,278.91	\$488,690.15
9	2017	\$418,208.78	\$66,682.96	\$43,555.80	\$528,447.53
10	2018	\$451,212.17	\$71,945.31	\$46,993.05	\$570,150.53
	TOTAL	\$3,199,342.53	\$510,131.85	\$333,206.56	\$4,042,680.93

EXHIBIT B
2013 PILOT SCHEDULE

Year	Lyncourt School District	Town of Salina	Onondaga County	Total.
2014	\$0.00	\$0.00	\$0.00	\$0.00
2015	27,396.15	3,905.98	4,767.74	36,069.87
2016	55,888.15	7,968.21	9,726.19	73,582.54
2017	85,508.87	12,191.36	14,881.07	112,581.29
2018	116,292.06	16,580.25	20,238.25	153,110.56
2019	148,272.37	21,139.82	25,803.77	195,215.96
2020	181,485.39	25,875.13	31,583.81	238,944.34
2021	215,967.61	30,791.41	37,584.74	284,343.76
2022	251,756.53	35,893.99	43,813.07	331,463.58
2023	288,890.62	41,188.35	50,275.50	380,354.46
TOTAL	\$1,371,457.74	\$195,534.50	\$238,674.13	\$1,805,666.37

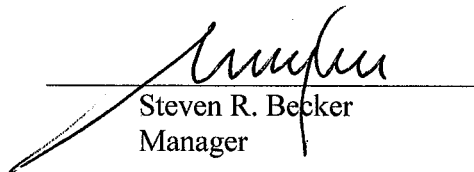
EXHIBIT C
Alternate Allocation

Syracuse Property Partners, LLC. Amended PILOT Schedule				PILOT Value		
Combined Original and Addition 8 year PILOT				Year 1	\$ 18,000,000.00	
Total PILOT Payments by Municipality				Year 2-8	\$ 17,400,000.00	
Schedule below incorporates PILOT modification approved by Onondaga County Legislature on March 5, 2019						
Year	Year	School Year	Lyncourt School District	Town of Salina	Onondaga County	Total
1	2020	19-20	\$ 508,659.34	\$ 81,685.15	\$ 90,824.41	\$ 681,068.90
2	2021	20-21	\$ 461,852.43	\$ 84,164.86	\$ 162,107.67	\$ 707,924.96
3	2022	21-22	\$ 503,865.05	\$ 90,334.01	\$ 169,316.46	\$ 763,516.42
4	2023	22-23	\$ 547,551.31	\$ 96,718.09	\$ 176,778.95	\$ 821,048.35
5	2024	23-24	\$ 663,562.34	\$ 106,197.31	\$ 173,041.06	\$ 842,800.71
6	2025	24-25	\$ 576,343.59	\$ 108,321.26	\$ 174,991.00	\$ 859,656.73
7	2026	25-26	\$ 589,380.46	\$ 110,487.68	\$ 176,091.72	\$ 876,849.86
8	2027	26-27	\$ 602,078.07	\$ 112,697.44	\$ 179,011.35	\$ 894,386.86
	Total		\$ 4,353,692.60	\$ 790,608.70	\$ 1,303,053.50	\$ 6,447,262.79

**CONFIRMATION OF SYRACUSE PROPERTY PARTNERS, LLC TO THE EXTENSION
AND AMENDMENT OF A PAYMENT IN LIEU OF TAX AGREEMENT**

I hereby consent to the action described in that certain letter sent by the Onondaga County Industrial Development Agency (the "Agency") to Syracuse Property Partners, LLC (the "Company") dated January 5, 2021 with respect to the extension and amendment of a lease agreement and a payment in lieu of tax agreement between the Agency and the Company.

January 13, 2021



Steven R. Becker
Manager