

May 18, 2021

VIA ELECTRONIC MAIL
DELIVERY RECEIPT REQUESTED

Joseph Surace, Assessor
City of Rome
198 North Washington Street
Rome NY 13440

Re: *Oneida County Industrial Development Agency
2021 Real Estate Lease and PILOT Amendment
(122 Otis Street Realty Corp./MGS Manufacturing, Inc. Facility)*

Dear Mr. Surace:

Enclosed you will please find Form RP-412-a (Application for Real Property Tax Exemption) in connection with the above-referenced transaction. Attached to the Application is a copy of the First Amended and Restated Payment in Lieu of Tax Agreement.

The enclosed document is intended to amend and supercede the PILOT Agreement that was previously filed with your office, dated August 29, 2019.

Should you have any questions on the enclosed, please do not hesitate to contact our offices. **Kindly return to us a copy of Form RP-412-a once it has been processed by your office.**

Very truly yours,

BOND, SCHOENECK & KING, PLLC



Laura S. Ruberto
Paralegal

Enclosures

cc: Attached Distribution List

Distribution List

Anthony J. Picente, Jr.
Oneida County Executive
800 Park Avenue
Utica, New York 13501

Jacqueline M. Izzo, Mayor
City of Rome
Rome City Hall
198 North Washington Street
Rome, New York 13440

Anthony R. Carvelli
Commissioner of Finance
Oneida County Finance Department
800 Park Avenue
Utica NY 13501

David C. Nolan, City Treasurer
City of Rome
Rome City Hall
198 North Washington Street
Rome, New York 13440

Kathy Pilbeam, Director
Real Property Tax Services
Oneida County
800 Park Avenue
Utica, New York 13501

Paul Hagerty, President
Board of Education
Rome City School District
409 Bell Street
Rome, New York 13440

County of Oneida
Receiver of Taxes
800 Park Avenue
Utica, New York 13501

Peter C. Blake
Superintendent of Schools
Rome City School District
409 Bell Street
Rome, New York 13440

Receiver of Taxes
Rome City School District
Attn.: David Dreidel
409 Bell Street
Rome, New York 13440



**NYS DEPARTMENT OF TAXATION & FINANCE
OFFICE OF REAL PROPERTY TAX SERVICES**

RP-412-a (1/95)

**INDUSTRIAL DEVELOPMENT AGENCIES
APPLICATION FOR REAL PROPERTY TAX EXEMPTION
(Real Property Tax Law, Section 412-a and General Municipal Law, Section 874)**

1. INDUSTRIAL DEVELOPMENT AGENCY (IDA)

Name Oneida County Industrial Development Agency
 Street 584 Phoenix Drive
 City Rome NY 13441
 Telephone no. Day (315) 338-0393
 Evening () _____
 Contact Shawna Papale
 Title Executive Director

2. OCCUPANT (IF OTHER THAN IDA)

(If more than one occupant attach separate listing)

Name 122 Otis Street Realty Corp.
 Street 122 Otis Street
 City Rome NY 13441
 Telephone no. Day () _____
 Evening () _____
 Contact Scott W. Stephan
 Title Vice President/Chief Financial Officer

3. DESCRIPTION OF PARCEL

a. Assessment roll description (tax map no./roll year)
243.000-1-1.7
 b. Street address 122 Otis Street
 c. City, Town or Village Rome

d. School District Rome City School District
 e. County Oneida
 f. Current assessment _____
 g. Deed to IDA (date recorded; liber and page)
Memo of Lease 9/3/2019 #R2019-0001202

4. GENERAL DESCRIPTION OF PROPERTY (if necessary, attach plans or specifications)

a. Brief description (include property use) Acquire and equip a single-story manufacturing facility and a 7,500 sf storage building, all to manufacture products for the wire, cable & fiber optic industries.
 b. Type of construction _____
 c. Square footage 70,264 + 7,500 addition
 d. Total cost See attached
 e. Date construction commenced _____
 f. Projected expiration of exemption (i.e. date when property is no longer possessed, controlled, supervised or under the jurisdiction of IDA)
June 30, 2035

5. SUMMARIZE AGREEMENT (IF ANY) AND METHOD TO BE USED FOR PAYMENTS TO BE MADE TO MUNICIPALITY REGARDLESS OF STATUTORY EXEMPTION

(Attach copy of the agreement or extract of the terms relating to the project).

a. Formula for payment The Company will make fixed PILOT Payments for a period of fifteen years, amended to include incremental payments for the addition beginning in year 3. See First Amended and Restated PILOT Agreement attached hereto.
 b. Projected expiration date of agreement June 30, 2035

c. Municipal corporations to which payments will be made

	Yes	No
County _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Town/City _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Village _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
School District _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>

d. Person or entity responsible for payment

Name 122 Otis Street Realty Corp.
 Title Scott W. Stephan, VP/CFO
 Address 122 Otis Street
Rome NY 13441

e. Is the IDA the owner of the property? Yes No (check one)

If "No" identify owner and explain IDA rights or interest in an attached statement. IDA owns leasehold interest.

Telephone _____

6. Is the property receiving or has the property ever received any other exemption from real property taxation? (check one) Yes No

If yes, list the statutory exemption reference and assessment roll year on which granted: exemption GML §874 assessment roll year 2019

7. A copy of this application, including all attachments, has been mailed or delivered on 5/18/2021 (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

CERTIFICATION

I, Mary Faith Messenger, Treasurer of
 Name Title
Oneida County Industrial Development Agency hereby certify that the information
 Organization

on this application and accompanying papers constitutes a true statement of facts.

May 18, 2021
Date


Signature

FOR USE BY ASSESSOR

1. Date application filed _____

2. Applicable taxable status date _____

3a. Agreement (or extract) date _____

3b. Projected exemption expiration (year) _____

4. Assessed valuation of parcel in first year of exemption \$ _____

5. Special assessments and special as valorem levies for which the parcel is liable:

Date

Assessor's signature

Exhibit A

Application for Real Property Tax Exemption
(Form RP-412-a)
Oneida County Industrial Development Agency
(M.G.S. Manufacturing Inc. 2021 Facility Expansion)

4(d). Total Cost of Existing Facility:

Acquisition of Existing Bldg	2,250,000
Fixtures	65,000
Machinery and equipment	290,000
Legal fees	50,000
Total:	\$2,655,000.00

Total Cost of Addition:

Construction of Building	675,000
Fixtures	30,000
Machinery and equipment	75,000
Legal fees	15,000
Total:	\$795,000.00

122 OTIS STREET REALTY CORP.

and

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

FIRST AMENDED AND RESTATED
PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Oneida County Industrial Development Agency
Lease and PILOT Amendment
(M.G.S. Manufacturing Inc. 2021 Facility Expansion)

Oneida County, City of Rome, Rome City School District

Tax Account Nos.: 243.000-1-1.7

FIRST AMENDED AND RESTATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS FIRST AMENDED AND RESTATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT, dated as of May 1, 2021, is by and between **122 OTIS STREET REALTY CORP.**, a New York corporation with an address of 122 Otis Street, Rome, New York 13441 (the "Company") and **ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, an industrial development agency and a public benefit corporation of the State of New York having its principal office at 584 Phoenix Drive, Rome, New York 13441 (the "Agency").

W I T N E S S E T H:

WHEREAS, the Agency is authorized and empowered by the provisions of Title 1 of Article 18-A of the General Municipal Law, Chapter 99 of the Consolidated Laws of New York, as amended, (the "Enabling Act"), and Chapter 372 of the Laws of 1970 of the State of New York, as amended, constituting Section 901 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of, among others, industrial facilities for the purpose of promoting, attracting and developing economically sound commerce and industry in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, the Company and the Agency entered into a transaction where the Agency provides financial assistance in connection with a project consisting of the acquisition of a 70,269± square foot, single-story building (the "Existing Improvements") situated on a 9.516± acre parcel of land located at 122 Otis Street, City of Rome, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Existing Equipment"), all for the purpose of manufacturing products for the wire, cable and fiber optic industries (the Land, the Existing Improvements and the Existing Equipment is referred to collectively as the "Existing Facility" and the acquisition and equipping of the Existing Facility is referred to as the "2019 Project"); and

WHEREAS, the Company leases the Existing Facility to the Agency pursuant to a Lease Agreement dated as of August 29, 2019 (the "Lease Agreement"); and

WHEREAS, the Agency leases the Existing Facility back to the Company pursuant to a Leaseback Agreement dated as of August 29, 2019 (the "Leaseback Agreement"); and

WHEREAS, the Company subleases the Existing Facility to M.G.S. Manufacturing, Inc. (the "Sublessee") pursuant to the terms of a Sublease Agreement dated August 29, 2019 (the "Sublease Agreement"); and

WHEREAS, NBT Bank, National Association (the "Bank") financed a portion of the costs of the 2019 Project by extending to the Company a loan in the principal sum of \$1,800,000.00 secured by (a) a Fee and Leasehold Mortgage and Security Agreement dated August 29, 2019 (the "Mortgage") from the Agency and the Company to the Bank; (b) a Collateral Assignment of Leases and Rents dated August 29, 2019 (the "Assignment") from the Company to the Bank and (c) a Commercial Security Agreement dated August 29, 2019 (the "Security Agreement") from the Agency and the Company to the Bank; and

WHEREAS, the Company now proposes to undertake a certain project consisting of construction of a 7,500± square foot storage building (the "Addition" and together with the Existing Improvements, the "Improvements") and acquisition and installation of equipment in the Improvements (the "2021 Equipment" and together with the Existing Equipment, the "Equipment"), all for the purpose of expanding the Sublessee's manufacturing capacity (the Addition and the 2021 Equipment are referred to collectively as the "2021 Facility" and the construction and equipping of the Improvements is referred to as the "2021 Project"); and

WHEREAS, the Agency has agreed to acquire a leasehold interest in the 2021 Facility in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Existing Facility has been exempt from real property taxes, general property taxes, general school district taxes, general assessments, service charges or other governmental charges of a similar nature levied and/or assessed upon the Facility or the interest therein of the Company or the occupancy thereof by the Company (the "Exempt Taxes"), because the Agency has a leasehold interest in Existing Facility; and

WHEREAS, the Agency and the Company entered into a PILOT Agreement dated as of August 29, 2019 (the "PILOT Agreement") with respect to the Existing Facility; and

WHEREAS, the Agency and the Company will enter into a First Amendment to Leaseback Agreement (the "First Leaseback Amendment") to add and include the 2021 Facility (the Existing Facility and the 2021 Facility collectively referred to as the "Facility"); and

WHEREAS, the 2021 Facility will be exempt from Exempt Taxes, because the Agency will acquire a leasehold interest in the 2021 Facility, and the 2021 Facility will be used for a purpose within the meaning of the applicable Constitutional and statutory provisions, including the Enabling Act, provided, however, such exemption does not extend to special assessments or ad valorem levies; and

WHEREAS, the Company understands that it, as lessee of the Facility leased by the Agency, will, in fact, have Exempt Taxes to pay under the provisions of the Leaseback Agreement from the first date of the Exemption Term (as that date is determined by the parties and described herein) through the term of the Leaseback Agreement (the "Exemption Term"); and

WHEREAS, each year of the Exemption Term is more particularly set forth on Schedule B attached hereto (each year being referred to as an "Exemption Year"); and

WHEREAS, the Agency and the Company deem it necessary and proper to enter into this agreement amending the provision for payments-in-lieu-of-taxes and such assessments by the Company to the City of Rome, or any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be, wholly or partially located, Oneida County, Rome City School District and appropriate special districts (hereinafter each a "Taxing Authority" and collectively the "Taxing Authorities" more particularly set forth on Schedule A attached hereto and made a part hereof) in which any part of the Facility is or is to be located; and

WHEREAS, all defined terms herein as indicated by the capitalization of the first letter thereof and not otherwise defined herein shall have the meanings ascribed to such terms as set forth in the Leaseback Agreement.

NOW, THEREFORE, to provide for certain payments to the Taxing Authorities, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. The Company shall pay to each Taxing Authority:
 - (a) all taxes or Service Fee Payments that are due with respect to the Facility prior to the Exemption Term, no later than the last day during which such payments may be made without penalty; and
 - (b) all special assessments and ad valorem taxes coming due and payable during the term of the Leaseback Agreement for which the Facility is not exempt, no later than the last day during which such payments may be made without penalty.

2. (a) The Company shall pay an aggregate amount in lieu of the Exempt Taxes (the "PILOT Payments") during each Exemption Year as follows:

- i. Year 1 \$42,161.40
- ii. Year 2 \$48,196.71
- iii. Year 3 \$52,291.63
- iv. Year 4 \$53,337.47
- v. Year 5 \$54,404.21
- vi. Year 6 \$58,828.32
- vii. Year 7 \$60,004.88
- viii. Year 8 \$61,204.98
- ix. Year 9 \$62,429.08
- x. Year 10 \$63,677.66
- xi. Year 11 \$65,364.55
- xii. Year 12 \$66,671.83
- xiii. Year 13 \$68,005.28
- xiv. Year 14 \$69,365.38
- xv. Year 15 \$70,752.69
- xvi. One hundred percent (100%) of Exempt Taxes after Exemption Year 15.

Such PILOT Payments shall be billed by the Taxing Authorities to the Company in the same proportion as taxes would have been billed but for the Agency's involvement, unless the Taxing Authorities have consented in writing to a specific allocation (For the purposes of preparing a PILOT bill, each Taxing Authority shall use the tax rate for the prior Exemption Year).

(b) Anything herein to the contrary, notwithstanding, this Agreement shall terminate on the date on which the Leaseback Agreement shall terminate and the Agency shall terminate its interest in the Facility pursuant to the Leaseback

Agreement. The benefits under this Agreement are subject to the terms and conditions of a certain Job Creation and Recapture Agreement by and among the Agency, the Company and the Sublessee dated as of August 29, 2019.

(c) Anything herein to the contrary, notwithstanding, upon the failure of the Company in making any payment when due hereunder and upon failure to cure such default within thirty (30) days of receipt of notice as herein provided, the Company shall henceforth pay as PILOT Payments one hundred (100%) percent of the Exempt Taxes together with interest at the rate of nine (9%) percent per annum on any delinquent PILOT Payments together with expenses of collection, including but not limited to, payment of attorneys' fees; provided, however, nothing herein contained shall be deemed to limit any other rights and remedies the Agency may have hereunder or under any other Transaction Document.

3. The Company will make PILOT Payments to each Taxing Authority hereunder for each Exemption Year by making the required payment to such Taxing Authority no later than the last day during which such Exempt Taxes could otherwise be made without penalty as if the Agency did not own a leasehold interest in the Facility.

4. The PILOT Payments to be made by the Company pursuant to this Agreement are intended to be in lieu of all Exempt Taxes that would have to be paid on the Facility leased to the Company by the Leaseback Agreement if the Agency did not own a leasehold interest in the Facility.

5. If by reason of a change in the Constitution or laws of the State of New York, or an interpretation of the Constitution or the laws of the State of New York by the Court of Appeals (or such lower court from which the time to appeal has expired) of the State of New York, or for any other reason, the Company is required to pay any tax which the payments specified herein are intended to be in lieu of, the Company may deduct the aggregate of any such payments made by it from the amount herein agreed to be paid in lieu of such taxes and need only pay the difference. Furthermore, inasmuch as the PILOT Payments herein agreed to be made by the Company are intended to be in lieu of all Exempt Taxes, it is agreed that said payments shall not, as to any Exemption Year, be in an amount greater than would be payable for such year for such Exempt Taxes, in the aggregate, by a private corporation on account of its ownership of the Facility.

6. This Agreement shall be binding upon the successors and assigns of the parties.

7. It is the intent of the parties that the Company will have all the rights and remedies of a taxpayer with respect to any real property or other tax, service charge, special benefit, ad valorem levy, assessment or special assessment or service charge because of which, or in lieu of which, the Company is obligated to make a payment

hereunder, as if and to the same extent as if the Agency did not own a leasehold interest in the Facility. It is the further intent of the parties that the Company will have all of the rights and remedies of a taxpayer as if and to the same extent as if the Agency did not own a leasehold interest in the Facility with respect to any proposed assessment or change in assessment concerning the property, or any portion thereof, whether through an assessor, board of assessment review, court of law, or otherwise and likewise will be entitled to protest before and be heard by such assessor, board of assessment review, court of law or otherwise and will 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 taxes that would have been payable but for the provisions hereof. In the event, however, that a court of competent jurisdiction shall enter an order or judgment determining or declaring that, by reason of the Agency's ownership of the Facility, the Company does not have the right to bring a proceeding to review such assessment under the Real Property Tax Law or any other law, then the Company shall have the right to contest such assessment in the name and as the agent of the Agency, and the Agency agrees to cooperate with the Company in all respects in any such proceeding at the sole cost and expense of the Company. Notwithstanding anything herein to the contrary, for so long as this Agreement is in effect, the Company hereby unconditionally and irrevocably waives its right, if any, to apply for and/or receive the benefit of any other real property tax exemption with respect to the Facility, including, without limitation, any real property tax exemption that may be available under Section 485-b and Section 485-e of the Real Property Tax Law.

8. All amounts payable by the Company hereunder will be paid to the respective Taxing Authority and will be payable in such lawful money of the United States of America as at the time of payment is legal tender for the payment of public and private debts, including a check payable in such money.

9. (a) If any term or provision hereof should be for any reason held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction, such term or provision will be deemed separate and independent and the remainder hereof will remain in full force and effect and will not be invalidated, impaired or otherwise affected by such holding or adjudication.

(b) This Agreement may not be effectively amended, changed, modified, altered or terminated except by an instrument in writing executed by the parties hereto.

(c) All notices, certificates or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, or by a commercial overnight courier that guarantees next day delivery

and provides a receipt, to the Agency, the Company and the Bank, as the case may be, addressed as follows:

To the Agency: Oneida County Industrial Development Agency
584 Phoenix Drive
Rome, New York 13441-4105
Attn.: Executive Director

With a Copy To: Bond, Schoeneck & King, PLLC
501 Main Street
Utica, New York 13501
Attn.: Linda E. Romano, Esq.

To the Company: 122 Otis Street Realty Corp.
P.O. Box 4259
122 Otis Street
Rome, New York 13442 (13441 street address)
Attn.: Scott W. Stephan

With a Copy To: McMahon and Grow, LLC
301 N. Washington Street
Rome, New York 13440
Attn.: David C. Grow, Esq.

To the Bank: NBT Bank, National Association
270 Genesee Street
Utica, New York 13501
Attn.: Mary Ann Hallak-Serwatka, Vice President

With a Copy to: Kowalczyk & Deery, LLP
185 Genesee Street, 12th Floor
Utica, New York 13501
Attn.: Andrew S. Kowalczyk III Esq.

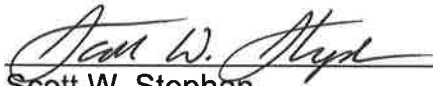
provided, that the Agency, the Company and the Bank may, by notice given hereunder to the others, designate any further or different addresses to which subsequent notices, certificates or other communications to them shall be sent.

(d) This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

[signature page follows]

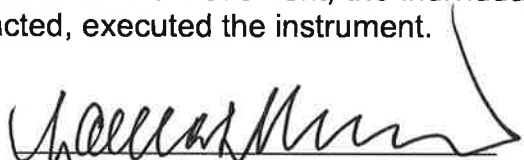
IN WITNESS WHEREOF, the parties have executed this **FIRST AMENDED AND RESTATED PILOT AGREEMENT** as of the date first above written.

122 OTIS STREET REALTY CORP.

By: 
Scott W. Stephan
Vice President/Chief Financial Officer

STATE OF NEW YORK)
 : ss.:
COUNTY OF ONEIDA)

On the 18th day of May 2021 before me, the undersigned a notary public in and for said state, personally appeared **Scott W. Stephan**, 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



SECOND SIGNATURE PAGE OF
FIRST AMENDED AND RESTATED PILOT AGREEMENT

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Mary Faith Messenger
Treasurer

STATE OF NEW YORK)
 : ss.:
COUNTY OF ONEIDA)

On the 18th day of May 2021 before me, the undersigned a notary public in and for said state, personally appeared **Mary Faith Messenger**, 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 she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.




Notary Public

SCHEDULE A

COUNTY OF ONEIDA

Receiver of Taxes
800 Park Avenue
Utica, New York 13501

CITY OF ROME

Receiver of Taxes
Rome City Hall
198 North Washington Street
Rome, New York 13440
Attn.: City Treasurer

ROME CITY SCHOOL DISTRICT

409 Bell Street
Rome, New York 13440
Attn.: David Dreidel, District Treasurer

SCHEDULE B

EXEMPTION YEARS

Exemption Year	County/City Taxes	School Taxes
Year One	01/01/2020 – 12/31/2020	07/01/2020 – 06/30/2021
Year Two	01/01/2021 – 12/31/2021	07/01/2021 – 06/30/2022
Year Three	01/01/2022 – 12/31/2022	07/01/2022 – 06/30/2023
Year Four	01/01/2023 – 12/31/2023	07/01/2023 – 06/30/2024
Year Five	01/01/2024 – 12/31/2024	07/01/2024 – 06/30/2025
Year Six	01/01/2025 – 12/31/2025	07/01/2025 – 06/30/2026
Year Seven	01/01/2026 – 12/31/2026	07/01/2026 – 06/30/2027
Year Eight	01/01/2027 – 12/31/2027	07/01/2027 – 06/30/2028
Year Nine	01/01/2028 – 12/31/2028	07/01/2028 – 06/30/2029
Year Ten	01/01/2029 – 12/31/2029	07/01/2029 – 06/30/2030
Year Eleven	01/01/2030 – 12/31/2030	07/01/2030 – 06/30/2031
Year Twelve	01/01/2031 – 12/31/2031	07/01/2031 – 06/30/2032
Year Thirteen	01/01/2032 – 12/31/2032	07/01/2032 – 06/30/2033
Year Fourteen	01/01/2033 – 12/31/2033	07/01/2033 – 06/30/2034
Year Fifteen	01/01/2034 – 12/31/2034	07/01/2034 – 06/30/2035