

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT (the "Agreement"), dated as of March 21, 2019, by and between V&S NEW YORK GALVANIZING LLC, a limited liability company duly organized and validly existing under the laws of the State of Ohio and authorized to do business in the State of New York, with its principal office located at 987 Buckeye Park Road, Columbus, Ohio 43207 (the "Company") and the TIOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a public-benefit corporation duly organized and validly existing under the laws of the State of New York, with an office for the transaction of business located at 56 Main Street, Owego, New York 13827 (the "Agency,") (collectively, the "Parties").

WITNESSETH:

WHEREAS, Title 1 of Article 18-A, as amended, of the General Municipal Law of the State of New York (the "Enabling Act") was duly enacted into law as Chapter 1030 of the 1969 Laws of the State of New York (the "State"); and

WHEREAS, the Enabling Act authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial or industrial facilities, including industrial pollution control facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease any or all of its facilities on such terms and conditions as it deems advisable, to issue its bonds for the purpose of carrying out any of its corporate purposes; and, as security for the payment of the principal and redemption price of, and interest on, any such bonds so issued and any agreements made in connection therewith, to pledge the revenues and receipts from its facilities or from the lease thereof; and

WHEREAS, pursuant to and in accordance with the provisions of the Enabling Act, Chapter 534 of the 1971 Laws of the State of New York, as amended by Chapter 883 of the 1974 Laws of the State of New York, constituting Section 912 of said General Municipal Law (said Chapter and Enabling Act being hereinafter referred to as the "Act") created the Agency, which is empowered under the Act to undertake the providing, financing and leasing of the project described below; and

WHEREAS, the Tioga County Industrial Development Agency (the "Agency") was created as a public benefit corporation pursuant to and for the purposes specified in Title 1 of Article 18-A of the General Municipal Law; and

WHEREAS, the Company has agreed to a lease and leaseback transaction on the real property, more particularly described in Exhibit "A" attached hereto, to facilitate the construction and equipping of a steel galvanizing production facility and office located on the west side of State Route 38 in the Town of Owego, Tioga County, New York (the "Project") and to lease the Project from the Agency; and

WHEREAS, the Agency will lease the Project from the Company pursuant to a certain lease agreement (the "Lease Agreement,") and the Agency will lease the Project back to the Company pursuant to a certain leaseback agreement (the "Leaseback Agreement"); and

WHEREAS, the Agency is exempt from the payment of taxes and assessments imposed upon real property, and the Company has agreed that, notwithstanding such exemption, the Company will nevertheless make payments to the Town of Owego (the "Town"), the Owego Apalachin School District (the "School District") and the County of Tioga (the "County") in lieu of general tax levies on the Project.

NOW, THEREFORE, in consideration of the covenants herein contained, it is mutually agreed as follows:

1. Pursuant to Section 874 of the General Municipal Law and Section 412-a of the Real Property Tax Law, the Parties understand that, upon acquisition of a leasehold interest in the Project by the Agency and the filing of an Equalization and Assessment Form RP-412-a (the "Exemption Form") with respect to the Project, and for so long thereafter as the Agency shall have a leasehold interest in the Project, the Project shall be assessed by the various taxing entities having jurisdiction over the Project, including, without limitation, the Town, the School District and the County, as exempt on their respective assessment rolls prepared subsequent to the acquisition by the Agency of the Project and the filing of the Exemption Form. The Parties hereto understand that the Project shall not be entitled to such exempt status on any tax roll until the first tax year following the tax status date subsequent to the date upon which the Agency acquires a leasehold interest in the Project and an Exemption Form is filed. The Company shall be required to pay all taxes and assessments lawfully levied and/or assessed against the Project, including taxes and assessments levied for the current tax year and all subsequent years until the Project is entitled to exempt status on the tax roll. The Agency will cooperate with the Company to obtain and preserve the tax-exempt status of the Project, including the preparation and filing of the Exemption Form.

2. During each tax year in which the Project shall be tax exempt, the Company agrees to pay to the Town, the School District and the County the PILOT payments as shown on the PILOT Schedule attached hereto as Exhibit "B."

3. The Agency shall bill the Company annually for the total PILOT payments due as set forth in Exhibit "B" attached hereto. For the purposes of this Agreement, the term "Timely Payment" shall be defined as payment made within thirty (30) days after receipt by the Company of a written bill demanding payment.

4. Should the Company use the Project for other than a steel galvanizing production facility and office or allied purposes such as defined in Article 18-A of the General Municipal Law, fail to retain substantially the number of jobs anticipated by the Project, or acquire title during the term of this Agreement to the leased Project from the Agency, this Agreement shall terminate immediately and the Project shall be returned to the non-exempt portion of the tax roll and be subject to taxation thereafter, including any portion of a tax year not otherwise covered by this Agreement.

5. If any default shall be made in the payment referred to in Paragraph 2, supra, the Company hereby agrees to pay the same to the extent above specified:

A. Without requiring any notice of non-payment or of default to the Company, the Agency, or to any other person;

B. Without proof of demand.

6. The Parties understand that the tax exemption extended to the Agency by Section 874 of the General Municipal Law and Section 412-A of the Real Property Tax Law does not entitle the Agency to an exemption from special assessments and special ad valorem levies such as, but without limitation, charges for metered water and sewer rent. The Company hereby agrees to pay all special assessments and special ad valorem levies lawfully levied and/or assessed against the Project.

7. Pursuant to Section 858 (15) of the General Municipal Law, the Agency agrees to give the Town, the School District and the County a copy of this Agreement within fifteen (15) days of the execution and delivery hereof, together with a request that a copy thereof be given to the appropriate officer or officers with respect to each taxing jurisdiction responsible for preparing the tax rolls for said jurisdiction, together with a request that said officer or officers submit to the Agency and the appropriate receiver of taxes periodic statements specifying the amount and due date or dates of the payments due to each hereunder. Such periodic statements to be submitted to the Company at approximately the times that tax bills are mailed by such jurisdictions.

8. The Company agrees to pay the amounts due hereunder to each particular taxing jurisdiction in any calendar year to the appropriate receiver of taxes within the period that such taxing entity allows the payment of taxes levied in such calendar year without penalty. The Company shall be entitled to receive receipts for such payments.

9. Pursuant to Section 874(5) of the General Municipal Law, if the Company shall fail to make any payment required by this Agreement when due, the Company shall pay the same, together with a late-payment penalty equal to five (5%) percent of the amount due. If the Company shall remain in default beyond the first month after such payment is due, the Company shall thereafter pay a late-payment penalty of one (1%) percent per month for each month, or part thereof, that the payment due thereunder is delinquent beyond the first month plus interest thereon, to the extent permitted by law, at the greater of (a) one (1%) percent per month, or (b)

the rate per annum which would have been payable if such amount were delinquent taxes, until so paid in full.

10. Pursuant to Section 874(6) of the General Municipal Law, if the Company defaults in performing any of its obligations, covenants or agreements under this Agreement and the Agency or any taxing jurisdiction employs attorneys or incurs other expenses for the collection of any amounts payable hereunder, or for the enforcement or performance or observation of any obligation, covenant or agreement on the part of the Company herein contained, the Company agrees that it will, on demand therefor, pay to the Agency or such taxing jurisdiction, as the case may be, not only the amounts adjudicated due hereunder, together with the late-payment penalty and interest due thereon, but also reasonable fees and disbursements of such attorneys and all other expenses, costs and disbursements so incurred whether or not an action is commenced.

11. Notwithstanding the foregoing, the Agency reserves the right to terminate, modify, or recapture any benefits provided to the Company pursuant to this PILOT Agreement as well as any other benefit provided to the Company in accordance with the policy of the Agency set forth in Exhibit "C" attached hereto.

12. No remedy herein conferred upon or reserved to the Agency or any taxing jurisdiction is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now and hereafter existing at law or in equity or by statute. No delay or admission in exercising any such right or power accruing upon a default hereunder shall impair any such right or power or be construed as a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

13. All notices, demands or communications required to be given under this Agreement shall be forwarded simultaneously by certified mail or Federal Express, or other similar overnight delivery service, to the respective addresses of the Parties hereinafter set forth or to such other place(s) as any of the Parties hereto may, from time to time, designate by written notice to the other.

If to the Agency: Tioga County Industrial Development Agency
56 Main Street
Owego, New York 13827
Attn: Chairman

With a Copy to: Joseph B. Meagher, Esq.
Thomas, Collison & Meagher
1201 Monroe Street
P.O. Box 329
Endicott, New York 13761-0329

If to the Company: V&S New York Galvanizing LLC
987 Buckeye Park Road
Columbus, Ohio 43207

Attn: Brian B. Miller, President

With a Copy to: Nicklaus J. Reis, Esq.
Vorys, Sater, Seymour and Pease LLP
52 East Gay Street
Columbus, Ohio 43215

14. The Town, the County, the School District, the Agency and the Company as used herein shall include their successors and assigns. The terms of this Agreement shall inure to the benefit of, and shall be binding upon, any future owners of the Project and the Company's successors and assigns.

15. This Agreement shall remain in effect until termination or expiration of the Leaseback Agreement from the Agency to the Company.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be duly executed the date set forth hereinabove.

TIOGA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Ralph E. Kelsey, Chairman

V&S NEW YORK GALVANIZING LLC

By: 
Brian B. Miller, President

STATE OF NEW YORK:

: ss:

COUNTY OF BROOME:

On March 21, 2019, before me, the undersigned, personally appeared RALPH E. KELSEY 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

JOSEPH B. MEAGHER
Notary Public, State of New York
Broome County 02ME4974837
Commission Expires Nov. 26, 2022

STATE OF OHIO

:

: ss.:

COUNTY OF FRANKLIN:

On this 19th day of March, 2019, before me, the undersigned, personally appeared BRIAN B. MILLER, 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.



NICKLAUS J. REIS, Attorney At Law
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date
Sec. 147.03 R.C.

Notary Public

EXHIBIT "A"

PARCEL 1

ALL THAT TRACT OR PARCEL OF LAND, situate in Town of Owego, State of New York bounded and described as follows:

BEGINNING at a point at the northeast corner of lands of the Town of Owego as recorded in book 314 of deeds at page 1104 in the westerly boundary of the TCIDA (Railroad property).

THENCE, along the westerly boundary of the TCIDA, S 33°39'23" W, 193.61 feet to a ¾" rebar set with a cap.

THENCE southerly, along the westerly boundary of the TCIDA, following a curve to the left, passing through an existing rebar at 118.41, having a Radius of 5,795.65 feet, a Length of 417.88 feet, and a Chord of S 31°35'29" W, 417.79 feet to an existing rebar.

THENCE, N 80°17'22" W, passing through an existing ¾" rebar at 56.71 feet, a ¾" rebar set with a cap at an additional 400.07 feet, a ¾" rebar set with a cap at an additional 61.97 feet, a ¾" rebar set with a cap at an additional 924.09 feet, a total distance of 1,710.26 feet to a point in the center of the Owego Creek.

THENCE, northerly, along the centerline of the Owego Creek, 636 feet to a point which lies N 13°47'56" E, 635.32 feet from the last described point.

THENCE, S 79°14'57" E, passing through a ¾" rebar set with a cap at 184.08 feet a total distance of 977.61 feet to a ¾" rebar set with a cap.

THENCE, N 30°54'48" E, 48.89 feet to a ¾" rebar set with a cap.

THENCE, N 44°54'11" E, 224.14 feet to a ¾" rebar set with a cap.

THENCE, N 31°42'53" E, 134.54 feet to a ¾" rebar set with a cap.

THENCE, N 41°04'04" E, 147.27 feet to a ¾" rebar set with a cap.

THENCE, N 67°11'55" E, 156.73 feet to a ¾" rebar set with a cap.

THENCE, S 56°06'10" E, 97.59 feet to a ¾" rebar set with a cap.

THENCE, S 49°37'27" E, 226.31 feet to a ¾" rebar set with a cap.

THENCE, S 29°59'00" E, 134.90 feet to a ¾" rebar set with a cap.

THENCE, S 60°31'01" E, 146.99 feet to a ¾" rebar set with a cap.

THENCE, N 34°00'08" E, 27.93 feet to a ¾" rebar set with a cap.

THENCE, N 79°43'39" E, 56.50 feet to a ¾" rebar set with a cap.

EXHIBIT "A" (Continued)

THENCE, S 68°59'23" E, 92.44 feet to a nail set in a 10" Ash tree in the westerly boundary of the TCIDA.

THENCE, S 33°39'23" W, 363.85 feet along the westerly boundary of the TCIDA to the Point of Beginning.

CONTAINING 34.298 acres of land as shown on a map for the Town of Owego by Williams & Edsall Land Surveyors, PC dated June 12, 2018.

PARCEL 2

Also, ALL THAT TRACT OR PARCEL OF LAND situate in Town of Owego, State of New York bounded and described as follows:

BEGINNING, at a 3/4" rebar set with a cap in the westerly boundary of the TCIDA and the northerly line of Corporate Drive as now respected which lies N 80°17'22" W, 1,333.88 feet from the intersection of the north line of Corporate Drive and the west boundary of NYS Route 38.

THENCE, N 24°25'13" E, 258.47 feet along the westerly boundary of the TCIDA to an existing rebar in the north line of lands of Tioga County.

THENCE, along the north line of lands of Tioga County, N 80°17'22" W, passing through a 3/4" rebar set with a cap at 400.07 feet, a total distance of 462.04 feet to a 3/4" rebar set with a cap.

THENCE, through lands of Tioga County, S 24°25'13" W, 258.47 feet to a 3/4" rebar set with a cap in the north line of Corporate Drive as respected.

THENCE, S 80°17'22" E, 192.65 feet along the north line of Corporate Drive as respected to an existing rebar in the southerly boundary of lands of Upstate Shredding, LLC as recorded in book 637 of deeds at page 235.

THENCE The following five course along Upstate Shredding LLC:

1. N 69°18'23" W, 92.28 feet to a point,,
2. N 39°49'11' W, 38.11 feet to an existing rebar,
3. N 24°25'13" E, 163.02 feet to an existing rebar,
4. S 80°17'22" E, 263.12 feet to an existing rebar,
5. S 09°42'38" W, 200.00 feet to a 3/4" rebar set with cap in the north line of Corporate Drive as respected.

THENCE, S 80°17'22" E, 142.38 feet along the north line of Corporate Drive as respected to the Point of Beginning.

CONTAINING 1.285 acres of land as shown as Parcel 2 on a map for Tioga County Industrial Development Agency by Williams & Edsall Land Surveyors, P.C. dated June 12, 2018.

EXHIBIT "B"

(SEE ATTACHED PILOT SCHEDULE)

PROPOSED PAYMENT-IN-LIEU-OF-TAX

The following is a standard PILOT applied for by TBD HD, LLC.

Year	Estimated Real Property Tax*	Estimated PILOT payment amount	Real Property Tax Abatement
1	\$164,316.32	0	\$164,316.32
2	\$167,602.65	\$16,760.26	\$150,842.39
3	\$170,954.70	\$34,190.94	\$136,763.76
4	\$174,373.79	\$52,312.14	\$122,061.65
5	\$177,861.27	\$71,144.51	\$106,716.76
6	\$181,418.49	\$90,709.25	\$90,709.24
7	\$185,046.86	\$111,028.12	\$74,018.74
8	\$188,747.80	\$132,123.46	\$56,624.34
9	\$192,522.76	\$154,018.21	\$38,504.55
10	\$196,373.21	\$176,735.89	\$19,637.32
Total	\$1,799,217.85	\$839,022.77	\$960,195.07

EXHIBIT "C"

(SEE ATTACHED AGENCY POLICY FOR
TERMINATION, MODIFICATION AND/OR RECAPTURE OF AGENCY BENEFITS)

**TIOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
POLICY FOR TERMINATION, MODIFICATION
AND/OR RECAPTURE OF AGENCY BENEFITS**

The goal of this Policy is to establish and provide a procedure as required by Section 875 of the New York State General Municipal Law for the termination, modification and/or recapture of Tioga County Industrial Development Agency (the "Agency") benefits provided to an applicant in order to induce such applicant to undertake a project in Tioga County. For purposes of this policy, Agency benefits shall include and any or all of the following:

- (i) exemptions from New York State and local sales and use tax;
- (ii) an exemption from the New York State mortgage recording tax; and/or
- (iii) an abatement from real property taxes provided through a payment-in-lieu-of-tax ("PILOT") Agreement.

The Agency reserves the right to terminate, modify, or recapture Agency benefits if :

- (i) an applicant or its sub-agency (if any) authorized to make purchases for the benefit of the project is not entitled to the sales and use tax exemption benefits;
- (ii) sales and use tax exemption benefits are in excess of the amounts authorized by the Agency to be taken by the applicant or its sub-agents;
- (iii) sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the project;
- (iv) the applicant has made material, false, or misleading statements in its application for financial assistance;
- (v) the applicant has committed a material violation of the terms and conditions of a Project Agreement; and/or
- (vi) there is a material shortfall in job creation and retention projections as set forth in its application.

Upon the occurrence of any of the above conditions, the Agency Board may, upon

recommendation of the Chairman, terminate, modify and/or recapture the Agency benefits provided to a specific project. Prior to undertaking such action, the Agency shall give written notice of its intention to terminate, modify and/or recapture Agency benefits to the applicant specifying the reasons why the Agency is considering such action. The applicant shall have twenty (20) days to respond to the Agency, either in writing or in person, providing such information and documentation as it deems appropriate for the Board to consider prior to making its decision. All such recaptured Agency benefits shall be redistributed to the appropriately affected taxing jurisdictions unless agreed to otherwise by such jurisdictions.

Notwithstanding the foregoing, the Agency retains the right to terminate Agency benefits as otherwise provided in project transaction documents including, but not limited to, failure of the applicant to make timely PILOT payments, to provide required reports, or to cooperate with Agency personnel in providing data regarding project progress.