

**PILOT DEVIATION APPROVAL RESOLUTION
VERMONT GREEN LINE DEVCO, LLC PROJECT**

A special meeting of County of Clinton Industrial Development Agency (the "Agency") was convened in public session in the offices of the Agency located at 190 Banker Road, Suite 500 in the Town of Plattsburgh, Clinton County, New York on January 20, 2016 at 12:00 o'clock p.m., local time.

The meeting was called to order by the (Vice) Chairperson of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

David Hoover	Vice Chairperson
Michael E. Zurlo	Secretary
Keith Defayette	Treasurer
Mark Leta	Member
John VanNatten	Member

ABSENT:

Trent Trahan	Chairperson
Kim Murray	Assistant Secretary

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Roseanne Murphy	Executive Director
Barbara Shute	Recording Secretary
George W. Cregg, Jr., Esq.	Agency Counsel

The following resolution was offered by M. Zurlo, seconded by J. VanNatten, to wit:

Resolution No. 01-16-08

RESOLUTION AUTHORIZING A DEVIATION FROM THE AGENCY'S UNIFORM TAX EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED PAYMENT IN LIEU OF TAX AGREEMENT TO BE ENTERED INTO BY THE AGENCY IN CONNECTION WITH THE PROPOSED VERMONT GREEN LINE DEVCO, LLC PROJECT.

WHEREAS, County of Clinton Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 225 of the 1971 Laws of New York, as amended, constituting Section 895-f 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 manufacturing, warehousing, research, commercial and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry 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

1-20-16

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more “projects” (as defined in the Act), or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Vermont Green Line Devco, LLC, a Delaware limited liability company (the “Company”), submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in an approximately 5 acre portion of an approximately 262 acre parcel of land located at 82 Jersey Swamp Road (Tax Map # 179.-4-1.1) in the Town of Beekmantown, Clinton County, New York (the “Land”), (2) the construction on the Land of an approximately 37,500 square foot converter station (the “Facility”), (3) the installation of approximately nine miles of transmission cable through various public roads and waterways located in the Town of Beekmantown, Clinton County, New York (collectively, the “Cable”) and (4) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”) (the Land, the Facility, the Cable and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to constitute an high-voltage-direct-current electricity line to transmit wind and hydro power and other directly and indirectly related activities; (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 (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on December 14, 2015 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Executive Director of the Agency (A) caused notice of public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the Financial Assistance being contemplated by the Agency with respect to the Project, to be mailed on December 22, 2015 to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located, (B) caused notice of the public hearing to be posted on December 22, 2015 on a bulletin board located at the Town Hall of the Town of Beekmantown, Clinton County, New York as well as on the Agency’s website, (C) caused notice of the Public Hearing to be published on December 26, 2015 in the Press Republican, a newspaper of general circulation available to the residents of Town of Beekmantown, Clinton County, New York, (D) conducted the Public Hearing on January 7, 2016 at 10:00 a.m., local time at the Town of Beekmantown Offices located at 571 Spellman Road in the Town of Beekmantown, Clinton County, New York, and (E) prepared a report of the Public Hearing (the “Hearing Report”) which fairly summarized the views presented at said Public Hearing and distributed same to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on December 14, 2015 (the “Preliminary SEQR Resolution”), the Agency (A) determined (1) to obtain an environmental assessment form relating to the Project (an “EAF”) from the Company, to review the EAF with counsel to the Agency, and prepare proceedings to allow the Agency to comply with the requirements of SEQRA that apply to the Project,

and (2) that, the Agency wished to investigate the advisability of undertaking a coordinated review with respect to the Project and (B) authorized the Executive Director of the Agency to contact all other “involved agencies” for the purpose of ascertaining whether such “involved agencies” were interested in undertaking a coordinated review of the Project and, if so, designating a “lead agency” with respect to the Project (as such quoted terms are defined in SEQRA) and to report to the Agency at its next meeting on the status of the foregoing; and

WHEREAS, further pursuant to SEQRA, by resolution adopted by the members of the Agency on January 20, 2016 (the “Final SEQR Resolution”), the Agency determined that the Project constituted a “Type II action” (as such quoted term is defined under SEQRA), and therefore that no further action with respect to the Project was required under SEQRA; and

WHEREAS, in connection with the Project, the Company has requested that the Agency deviate from its uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility; and

WHEREAS, the Company has indicated that (A) the Proposed Deviation is necessary to enable the Company to make a competitive response to a Request for Proposals dated November 12, 2015 (the “Request for Proposals”) promulgated by certain state agencies and electric distribution companies in Connecticut, Massachusetts and Rhode Island and (B) if the Company’s proposal is not selected as one of the winning responses to the Request for Proposals, the Project will not be built; and

WHEREAS, pursuant to Section 874(4) of the Act, prior to taking final action on such request for a deviation from the Agency’s uniform tax exemption policy, the Agency must give the chief executive officers of the County and each city, town, village and school district in which the Project Facility is located (collectively, the “Affected Tax Jurisdictions”) written notice of the proposed deviation from the Agency’s uniform tax exemption policy and the reasons therefor prior to the meeting of the Agency at which the members of the Agency shall consider whether to approve such proposed deviation; and

WHEREAS, on December 14, 2015, the members of the Agency adopted a resolution (the “Resolution Authorizing Pilot Deviation Notice Letter”) which authorized the Executive Director to notify the Affected Tax Jurisdictions of the proposed deviation from the Agency’s uniform tax exemption policy in connection with the Project, which proposed deviation is outlined in the letter dated January 4, 2016 (the “Pilot Deviation Notice Letter”), a copy of which Pilot Deviation Notice Letter is attached hereto as Exhibit A; and

WHEREAS, by the Pilot Deviation Notice Letter the Executive Director notified the chief executive officers of the Affected Tax Jurisdictions of a proposed deviation from the Agency’s uniform tax exemption policy with respect to the Project (the “Proposed Deviation”) and further notified said chief executive officers that the members of the Agency would consider whether to approve such proposed deviation at this meeting;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF COUNTY OF CLINTON INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The Agency hereby finds and determines as follows:

(A) The Agency has considered any and all responses from the Affected Tax Jurisdictions to the Pilot Deviation Notice Letter.

(B) The Agency has reviewed and responded to all written comments received from any Affected Tax Jurisdiction with respect to the Proposed Deviation.

(C) The Agency has given all representatives from an Affected Tax Jurisdictions in attendance at this meeting the opportunity to address the members of the Agency regarding the Proposed Deviation.

Section 2. Based upon (A) the findings and determinations in Section 1 above, (B) any comments received at the Public Hearing, (C) input received at this meeting from the Affected Tax Jurisdictions with respect to the Proposed Deviation, (D) the Agency’s knowledge of the Project, (E) the recommendations of Agency staff, and (F) such further investigation of the Project and the effect of the Proposed Deviation as the Agency has deemed appropriate, the Agency hereby (1) determines to deviate from the Agency’s uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility for the reasons set forth in the Pilot Deviation Notice Letter, and (2) approves a deviation from the Agency’s uniform tax exemption policy with respect to the Project, the terms of such deviation to be as described in the Pilot Deviation Notice Letter, but amended as required to conform to the revised terms and other criteria discussed with the Affected Tax Jurisdictions, a copy of which revised terms and other criteria are attached hereto as Exhibit B.

Section 3. Upon preparation by counsel to the Agency of a payment in lieu of tax agreement with respect to the Project Facility reflecting the terms of this resolution (the “Payment in Lieu of Tax Agreement”) and approval of same by the Chairperson (or Vice Chairperson) of the Agency, the Chairperson (or Vice Chairperson) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Payment in Lieu of Tax Agreement, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in such form as is approved by the Chairperson (or Vice Chairperson), the execution thereof by the Chairperson (or Vice Chairperson) to constitute conclusive evidence of such approval.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Payment in Lieu of Tax Agreement, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Payment in Lieu of Tax Agreement binding upon the Agency.

Section 5. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Trent Trahan	VOTING	EXCUSED
David Hoover	VOTING	YES
Michael E. Zurlo	VOTING	YES
Keith Defayette	VOTING	YES
Kim Murray	VOTING	EXCUSED
Mark Leta	VOTING	ABSTAIN
John VanNatten	VOTING	YES

The foregoing Resolution was thereupon declared duly adopted.

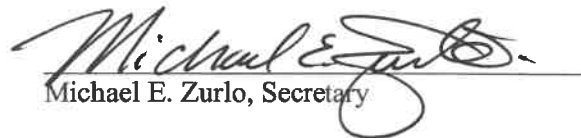
STATE OF NEW YORK)
) SS.:
COUNTY OF CLINTON)

I, the undersigned Secretary of County of Clinton Industrial Development Agency (the “Agency”), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on January 20, 2016 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the “Open Meetings Law”), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 20th day of January, 2016.


Michael E. Zurlo, Secretary

(SEAL)

EXHIBIT A
PILOT DEVIATION LETTER

COUNTY OF CLINTON INDUSTRIAL DEVELOPMENT AGENCY

190 Banker Road
Suite 500
Plattsburgh, New York 12901
TEL: 518-563-3100
FAX: 518-562-2232

January 4, 2016

Samuel R. Dyer, Chairperson, Clinton County
Legislature
Clinton County Government Center
137 Margaret Street, Suite 208
Plattsburgh, New York 12901

Michael E. Zurlo, County Administrator
Clinton County Government Center
137 Margaret Street
Plattsburgh, New York 12901

Dan Mannix, Superintendent
Beekmantown Central School District
37 Eagle Way
West Chazy, New York 12992

Andrew Brockway, School Board President
Beekmantown Central School District
37 Eagle Way
West Chazy, New York 12992

Dennis J. Relation, Supervisor
Town of Beekmantown
571 Spellman Road
Beekmantown, New York 12901

RE: Proposed Deviation from Uniform Tax Exemption Policy by
County of Clinton Industrial Development Agency
in connection with the Vermont Green Line Devco, LLC Project

Dear Ladies and Gentlemen:

This letter is delivered to you pursuant to Section 874(4)(c) of the General Municipal Law.

Vermont Green Line Devco, LLC, a Delaware limited liability company (the "Company"), has submitted an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in an approximately 5 acre portion of an approximately 262 acre parcel of land located at 82 Jersey Swamp Road (Tax Map # 179.-4-1.1) in the Town of Beekmantown, Clinton County, New York (the "Land"), (2) the construction on the Land of an approximately 37,500 square foot converter station (the "Facility"), (3) the installation of approximately nine miles of transmission cable through various public roads and waterways located in the Town of Beekmantown, Clinton County, New York (collectively, the "Cable") and (4) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment") (the Land, the Facility, the Cable and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to constitute an high-voltage-direct-current electricity line to transmit wind and hydro power and other directly and indirectly

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 Dan Mannix, Superintendent
 Andrew Brockway, School Board President
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related activities; (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 (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

In connection with the Request, the Company has made a request to the Agency (the “Pilot Request”) that the Agency enter into a payment in lieu of tax agreement (the “Proposed Pilot Agreement”) which terms would deviate from the Agency’s Uniform Tax Exemption Policy (the “Policy”). Capitalized terms not otherwise defined herein are defined in the Policy.

The Proposed Pilot Agreement would not provide any abatements for any special assessments levied on the Project Facility. The Proposed Pilot Agreement would be for a term of 20 years, with the Company making the payments in each year as a Pilot Payment to each Affected Tax Jurisdiction as follows:

Year	Exemption	PILOT Payment	Full Tax (est.)	Tax Incentive – abated taxes
2018	100%	\$-0-	\$-0-	\$
2019	100%	\$-0-	\$-0-	\$
2020	75%	\$1,195,192	\$4,780,768	\$3,585,576
2021	70%	1,462,915	4,876,383	3,413,468
2022	65%	1,740,869	4,973,911	3,233,042
2023	60%	2,029,356	5,073,390	3,044,034
2024	55%	2,328,685	5,174,955	2,846,170
2025	50%	2,639,177	5,278,354	2,639,177
2026	45%	2,961,156	5,383,920	2,422,764
2027	40%	3,294,959	5,491,598	2,196,639
2028	35%	3,640,930	5,601,431	1,960,501
2029	30%	3,999,422	5,713,460	1,714,038
2030	25%	4,370,797	5,827,729	1,456,932
2031	20%	4,755,427	5,944,284	1,188,857
2032	15%	5,153,694	6,063,169	909,475
2033	10%	5,565,989	6,184,432	618,717
2034	5%	5,992,715	6,308,121	315,406
2035	0%	6,434,284	6,434,284	0
2036		\$57,565,567	\$89,110,189	\$31,544,796

The Policy provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: the Company would have the benefit of a 50% abatement in real property taxes on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law (collectively with the Facility, the “Improvements”) in year one of the payment in lieu of tax agreement with a five percent per year increase over the term of the ten year payment in lieu of tax agreement.

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The purpose of this letter is to inform you of such Pilot Request and that the Agency is considering whether to grant the Pilot Request and to approve a Proposed Pilot Agreement conforming to the terms of the Pilot Request. The Agency expects to consider whether to approve the terms of the Proposed Pilot Agreement at its meeting scheduled for January 11, 2016 at 12:00 p.m., local time at the offices of the Agency located in the offices of the Issuer located at 190 Banker Road, Suite 500 in the Town of Plattsburgh, Clinton County, New York (the "Meeting") (the "Meeting"). This letter is forwarded to you for purposes of complying with Section 874 of the General Municipal Law of the State of New York, which requires notice prior to the Agency taking final action with respect to the Proposed Pilot Agreement (if said Proposed Pilot Agreement may deviate from the provisions of the Agency's Uniform Tax Exemption Policy).

The Agency considered the following factors in considering the proposed deviation:

1. **The nature of the Project:** High voltage direct current electricity transmission line to transmit wind and hydro power.
2. **The present use of the property:** Vacant.
3. **The economic condition of the area at the time of the request of the Company and the economic multiplying effect that the Project will have on the area:** The local economy, with regard to energy, is not capable of expansion due to a lack of transmission capability. This Project will permit the development of additional generation within the County which would likely include a proposed 300 MW wind farm as a separate project.
4. **The extent to which the Project will create or retain permanent, private sector jobs and the number of jobs to be created or retained and the salary range of such jobs:** Creation of approximately 1-2 full time jobs each with a salary of approximately \$100,000/year.
5. **The estimated value of new tax exemptions to be provided:** Real property tax exemption benefit of approximately \$32,000,000, sales tax exemption benefit of approximately \$9,000,000 and mortgage recording tax exemption benefit of approximately \$2,000,000.
6. **The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions:** Provides a revenue source not available without the Project and the catalyst for additional wind farm development.
7. **The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity:** Increased PILOT revenues will control tax increases.
8. **The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement:** \$176,000,000.

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9. **The effect of the Proposed Pilot Agreement on the environment:** None.

10. **Project Timing:** The Company must submit its response to the request for proposal on or before January 28, 2016. If the Company is chosen, the Project will begin in July 2017, with an estimated completion date in late 2019 or early 2020.

11. **The extent to which the Proposed Pilot Agreement will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency medical or fire services:** The Proposed PILOT Agreement will not require provision of additional services.


12. **Anticipated tax revenues:** \$84 million over the life of the twenty year PILOT.

13. **The extent to which the Proposed Pilot Agreement will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the Project Facility is located:** The Proposed PILOT Agreement will encompass the project lands, much of which are vacant.

The Agency will consider the Proposed Pilot Agreement (and the proposed deviation from the Agency's Uniform Tax Exemption Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Agency's Uniform Tax Exemption Policy. In accordance with Section 874(4)(c) of the General Municipal Law, prior to taking final action at the Meeting, the Agency will review and respond to any written comments received from any affected tax jurisdiction with respect to the proposed deviation. The Agency will also allow any representative of any affected tax jurisdiction present at the Meeting to address the Agency regarding the proposed deviation.

If you have any questions or comments regarding the foregoing, please do not hesitate to contact me at the above telephone number.

Sincerely yours,



Roseanne Murphy
Executive Director

EXHIBIT B

**REVISED TERMS AND OTHER CRITERIA
DISCUSSED WITH AFFECTED TAX JURISDICTIONS**

Exhibit B

**Revised Terms and Other Criteria
Discussed with Affected Taxing Jurisdictions**

**Proposed Deviation by County of Clinton Industrial
Development Agency from it's from Uniform Tax
Exemption Policy in connection with the Proposed Vermont
Green Line Devco, LLC Project (the "Project")**

Based upon consultation with the affected tax jurisdictions, the Proposed Pilot Agreement to be utilized by County of Clinton Industrial Development Agency (the "Agency") related to the Proposed Vermont Green Line Devco, LLC Project (the "Project"), and the sales and use tax exemption to be granted by the Agency with respect to the Project, will vary from the Agency's Uniform Tax Exemption Policy (the "UTEOP") in that the Proposed Pilot Agreement and said sales and use tax exemption will conform to the following criteria:

1. The Proposed Pilot Agreement will require that, through the end of calendar year 2039, Vermont Green Line Devco, LLC (the "Company") will pay as an annual guaranteed payment in lieu of taxes (each, a "Guaranteed PILOT Payment") in each of the calendar years set forth in the table below, each such annual Guaranteed PILOT Payment to be paid in any particular calendar year to be in the amount set forth opposite such calendar year in the table below:

Year	Amount of Exemption	Guaranteed PILOT Payment	Estimated Full Tax Amount	Estimated Tax Incentive (i.e., abated taxes)
2017	100%	\$0	\$0	\$0
2018	90%	153,188	1,531,880	0
2019	80%	564,710	2,823,550	0
2020	70%	1,434,230	4,780,768	\$3,585,576
2021	65%	1,706,734	4,876,383	3,413,468
2022	60%	1,989,564	4,973,911	3,233,042
2023	55%	2,283,025	5,073,390	3,044,034
2024	50%	2,587,429	5,174,858	2,846,170
2025	45%	2,903,095	5,278,354	2,639,177
2026	40%	3,230,353	5,383,921	2,422,764
2027	35%	3,569,540	5,491,600	2,196,639
2028	30%	3,921,002	5,601,431	1,960,501
2029	25%	4,285,095	5,713,460	1,714,038
2030	20%	4,662,184	5,827,730	1,456,932
2031	15%	5,052,641	5,944,284	1,188,857
2032	10%	5,456,853	6,063,170	909,475
2033	5%	5,875,212	6,184,433	618,717
2034	0%	6,308,122	6,308,122	315,406
2035	0%	6,434,284	6,434,284	0
2036	0%	6,562,970	6,562,970	0
2037	0%	6,694,229	6,694,229	0
2038	0%	6,828,114	6,828,114	0
2039	0%	6,964,676	6,964,676	0
TOTAL	-----	\$89,467,250	\$120,515,518	\$31,544,796

2. The foregoing schedule of Guaranteed PILOT Payments is based upon the Company's representation that the maximum rated transmission capacity of the Project will not exceed 400 Megawatts (MWs). In the event that the maximum rated transmission capacity of the Project will exceed 400 MWs, the foregoing schedule of Guaranteed PILOT Payments shall be proportionately increased to reflect such increased transmission capacity.

3. In consideration of the granting of the foregoing estimated tax incentives for the Project, the Company will agree to pay the Guaranteed PILOT Payments during for the period commencing upon the execution of the date of execution of the Proposed Pilot Agreement through the end of calendar year 2039 (the "Guaranteed Term").

4. Each annual Guaranteed PILOT Payment will be payable on January 1 of each year (commencing on January 1, 2018), subject to a thirty (30) day grace period, and shall be paid to the Agency or to the Agency's designee. The Agency currently requires that most similar payments be paid to the County Treasurer (the "County Treasurer") of Clinton County, New York (the "County").

5. Commencing on January 1, 2040, the Payment in Lieu of Tax Agreement will require that the Company continue to make annual payment in lieu of taxes to each affected tax jurisdiction (each, an "Affected Tax Jurisdiction"), each such annual payment in lieu of taxes to be in an amount equal to the amount which would be payable to such Affected Tax Jurisdiction with respect to the Project if such Project was owned by the Company and not exempt from taxation due to the involvement of the Agency with respect to the Project.

6. In the event that the Company makes any structural additions to the Project or any portion thereof or any additional building or other structure shall be constructed on the Project realty, other than any structural addition, additional building or structure contemplated in the Plans and Specifications submitted in connection with the Application (such structural additions and additional buildings and other structures being hereinafter referred to as "Additional Facilities") the Company will make additional annual payments in lieu of property taxes with respect to such Additional Facilities, such additional payments in lieu of property taxes to be in an amount equal to "normal taxes" with respect to such Additional facilities (unless the Agency and the Company shall enter into a separate written agreement regarding payments in lieu of property taxes with respect to such Additional Facilities, in which case the provisions of such separate written agreement shall control).

7. In order to secure payment of the aforescribed payments in lieu of taxes, the Company will execute a mortgage (the "PILOT Mortgage") from the Company and the Agency to the County Treasurer, which PILOT Mortgage would secure payment of past due and unpaid payments in lieu of taxes with respect to the Project.

8. In consideration of the granting of the foregoing estimated tax incentives for the Project, the Company will agree that the sales and use tax exemption to be sought by the Company from the Agency will be limited to a maximum exemption of \$8,500,000 of sales and use taxes.

9. The mortgage tax exemption for the Project will conform to the UTEP.

10. The Agency, Beekmantown Central School District (the "CSD") and the Company fully execute a Payment In Lieu Of Tax Agreement which contains terms approved by the Agency and the Beekmantown CSD Board of Education or before February 1, 2018.

11. The Beekmantown CSD and Company fully execute a Payment Agreement which is approved by the Beekmantown CSD Board on or before February 1, 2018.

12. The Company shall donate the real property promised by the Company officials to the School Board on or before February 1, 2018.