

**PILOT DEVIATION APPROVAL RESOLUTION FOR AMENDED PILOT  
NORTHSTAR 41 LLC PROJECT**

A regular 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 August 11, 2014 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:**

|                 |                                       |
|-----------------|---------------------------------------|
| Trent Trahan    | Chairperson                           |
| David Hoover    | Vice Chairperson                      |
| Keith Defayette | Treasurer and Chief Financial Officer |
| Kim Murray      | Assistant Secretary                   |
| Mark Leta       | Member                                |
| John VanNatten  | Member                                |

**EXCUSED:**

|                  |           |
|------------------|-----------|
| Michael E. Zurlo | Secretary |
|------------------|-----------|

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

|                        |                     |
|------------------------|---------------------|
| Erin M. Hynes          | Executive Director  |
| Barbara Shute          | Recording Secretary |
| Michael T. Logan, Esq. | Agency Counsel      |

The following resolution was offered by J. VanNatten, seconded by D. Hoover, to wit:

Resolution No. 08-14-01

**RESOLUTION APPROVING (A) A DEVIATION FROM THE AGENCY'S UNIFORM  
TAX EXEMPTION POLICY AND (B) A TECHNICAL AMENDMENT TO THE  
ORIGINAL PAYMENT IN LIEU OF TAX AGREEMENT WITH RESPECT TO THE  
NORTHSTAR 41 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 commercial, manufacturing 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

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, pursuant to a Contract for Purchase and Sale of Real Estate entered into on April 15, 2013 (the “Purchase Contract”) between Clinton Industrial Acquisition, LLC, as seller (the “Seller”), executed by County of Clinton Industrial Development Agency (the “Agency”) as sole member of the Seller, and Northstar Private Capital LLC, as purchaser (the “Purchaser”), the Purchaser agreed to purchase from the Seller the following (collectively, the “Project Facility”): the former Pfizer facility located at 641 Ridge Road (Tax Map # 78.-1-13.1) in the Town of Chazy, Clinton County, New York, including an approximately 55.70 acre parcel of land (the “Land”), together with approximately 386,000 square foot of buildings located thereon (the “Facility”) and certain personal property located thereon and/or therein (the “Equipment”). The Purchase Contract provided, among other things, that the Purchaser could apply to the Agency for certain tax benefits with respect to the Project Facility, including certain real property tax abatements relating to the Project Facility. Prior to May 31, 2013, the Purchaser assigned its rights under the Purchase Contract to a related entity known as Northstar 41 LLC (the “Company”), and the Company purchased the Project Facility from the Seller; and

WHEREAS, on February 28, 2014 (the “Closing”), the Agency entered into a lease agreement dated as of February 1, 2014 (the “Lease Agreement”) by and between the Agency and the Company for the purpose of undertaking a project (the “Project”) consisting of the following: (A)(1) the acquisition of an interest in a portion of an approximately 55.70 acre parcel of land located at 641 Ridge Road (Tax Map # 78.-1-13.1) in the Town of Chazy, Clinton County, New York (the “Land”), together with an existing approximately 386,000 square foot building located thereon (the “Facility”), (2) the renovation of the Facility and making of other improvements including but not limited to, parking (collectively, the “Improvements”) and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (the “Equipment”) (the Land, the Facility, the Improvements and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be leased by the Company to manufacturing, warehousing, commercial and other industrial multi-use tenants for long term leases; (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 sales taxes, real property transfer taxes, mortgage recording taxes and real estate taxes (collectively, the “Financial Assistance”); and (C) the lease of the Project Facility to the Company pursuant to the terms of a lease agreement dated as of February 1, 2014 (the “Lease Agreement”) by and between the Company and the Agency; and

WHEREAS, simultaneously with the execution and delivery of the Lease Agreement, (A) the Company executed and delivered to the Agency (1) a certain lease to agency dated as of February 1, 2014 (the “Lease to Agency”) by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company leased to the Agency a portion of the Land and all improvements now or hereafter located on said portion of the Land (collectively, the “Leased Premises”) for a lease term ending on December 31, 2024; (2) a certain license agreement dated as of February 1, 2014 (the “License to Agency”) by and between the Company, as licensor, and the Agency, as licensee, pursuant to which the Company granted to the Agency (a) a license to enter upon the balance of the Land (the “Licensed Premises”) for the purpose of undertaking and completing the Project and (b) in the event of an occurrence of an Event of Default by the Company, an

additional license to enter upon the Licensed Premises for the purpose of pursuing its remedies under the Lease Agreement; and (3) a bill of sale dated as of February 1, 2014 (the “Bill of Sale to Agency”), which conveyed to the Agency all right, title and interest of the Company in the Equipment; (B) the Company and the Agency executed and delivered (1) a payment in lieu of tax agreement dated as of February 1, 2014 (the “Original Payment in Lieu of Tax Agreement”) by and between the Agency and the Company, providing that the Company would make annual payments in lieu of taxes (“Pilot Payments”) under the Original Payment in Lieu of Tax Agreement for the benefit of Clinton County, the Town of Chazy and the Chazy Union Free School District (collectively, the “Affected Tax Jurisdictions”), each such annual Pilot Payment for the benefit of a particular Affected Tax Jurisdiction to be in an amount equal to the sum of the following: (A) 100% of “normal taxes” that would be payable to such Affected Tax Jurisdiction with respect to the Land if the Agency were not involved with the Project (the “Normal Tax”), and (B) a percentage of the Normal Tax that would be payable to such Affected Tax Jurisdiction with respect to the Facility (the “Percentage”), said Percentage to begin at 50% in year one of the abatement period under the Original Payment in Lieu of Tax Agreement and to increase by 5% per year until such Percentage reaches 100% in at the end of the tenth year of such abatement period, (2) a certain recapture agreement (the “Section 875 GML Recapture Agreement”) by and between the Company and the Agency, required by the Act, regarding the recovery or recapture of certain sales and use taxes; (C) the Agency filed with the assessor and mailed to the chief executive officer of each “affected tax jurisdiction” (within the meaning of such quoted term in Section 854(16) of the Act) a copy of a New York State Board of Real Property Services Form 412-a (the form required to be filed by the Agency in order for the Agency to obtain a real property tax exemption with respect to the Project Facility under Section 412-a of the Real Property Tax Law) (the “Real Property Tax Exemption Form”) relating to the Project Facility and the Original Payment in Lieu of Tax Agreement; (D) the Agency executed and delivered to the Company a sales tax exemption letter (the “Sales Tax Exemption Letter”) to ensure the granting of the sales tax exemption which forms a part of the Financial Assistance and (E) the Agency filed with the New York State Department of Taxation and Finance the form entitled “IDA Appointment of Project Operator or Agent for Sales Tax Purposes” (the form required to be filed pursuant to Section 874(9) of the Act) (the “Thirty-Day Sales Tax Report”); and

WHEREAS, on March 3, 2014, the Company made a request to the Agency (the “Pilot Request”) that the Original Payment in Lieu of Tax Agreement be amended in certain respects (hereinafter referred to as the “Amendment”) which would amend the Original Payment in Lieu of Tax Agreement as follows: (A) the Pilot Payment that would be payable to each Affected Tax Jurisdiction with respect to the Land would be determined as follows: (1) in year one of the abatement period under the Original Payment in Lieu of Tax Agreement, the Pilot Payment that would be payable to each Affected Tax Jurisdiction with respect to the Land would remain at 100% of Normal Tax on the Land, and (2) thereafter, as contemplated by the Purchase Contract, commencing in year two of the abatement period under the Original Payment in Lieu of Tax Agreement, the Percentage would apply to both the Land and the Facility, resulting in the Pilot Payment payable to each Affected Tax Jurisdiction with respect to the Land in year two of the abatement period under the Original Payment in Lieu of Tax Agreement falling from 100% of “normal taxes” on the Land to 55% of “normal taxes” on the Land, said Percentage increasing 5% per year thereafter as aforesaid; and (B) in order to entice prospective tenants to consider locating at the Project Facility, the assessment utilized solely for purposes of determining the Pilot Payments due under the Original Payment in Lieu of Tax Agreement and upon which the “normal tax” calculation under the Original Payment in Lieu of Tax Agreement is based (the “Pilot Assessment”) would be subject to the following limitations: (1) the Pilot Assessment would be frozen at the current \$3 million assessment for the first year of the abatement period under the Original Payment in Lieu of Tax Agreement; (2) thereafter, the assessor could raise the Pilot Assessment, subject to the following limitations:

(a) the maximum increase in the Pilot Assessment with respect to any year of the abatement period under the Original Payment in Lieu of Tax Agreement cannot exceed 5% of the Pilot Assessment applicable to the Project Facility in the preceding year of the abatement period under the Original Payment in Lieu of Tax Agreement; and (b) in no event can the Pilot Assessment exceed \$4 million prior to the end of the tenth year of the abatement period under the Original Payment in Lieu of Tax Agreement; and (c) as currently provided in the Original Payment in Lieu of Tax Agreement, the aforesaid limitations on the Pilot Assessment do not apply with respect to any additional Pilot Assessment respecting any structural addition which might be made to the Facility or to any additional building or other structure which might be constructed on the Land (such structural additions and additional buildings and other structures being hereinafter referred to as “Additional Facilities”). It is estimated by the Affected Tax Jurisdictions that the Amendment would result in a saving to the Company of approximately \$85,374.55 over the remaining 9-year term of the Original Payment in Lieu of Tax Agreement; and

WHEREAS, by resolution adopted by the members of the Agency on June 9, 2014 (the “Resolution Authorizing PILOT Deviation Letter and Public Hearing to Amend PILOT”), the members of the Agency authorized the Executive Director of the Agency to notify the Affected Tax Jurisdictions of the proposed deviation from the Agency’s uniform tax exemption policy in connection with the Amendment; and

WHEREAS, pursuant to the authorization contained in the Resolution Authorizing PILOT Deviation Letter and Public Hearing to Amend PILOT, the Executive Director of the Agency (A) caused notice of a 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 June 18, 2014 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be (1) posted on June 18, 2014 on the Agency’s website [www.clintoncountynyida.com](http://www.clintoncountynyida.com) and (2) posted on a public bulletin board located at the Town of Chazy Town Hall located at 609 Miner Farm Road in the Town of Chazy, Clinton County, New York, (C) caused notice of the Public Hearing to be published on June 22, 2014 in The Press Republican, a newspaper of general circulation available to the residents of the Town of Chazy, Clinton County, New York, (D) conducted the Public Hearing on July 16, 2014 at 10:00 o’clock a.m., local time at Chazy Town Hall, 9631 Route 9 in the Town of Chazy, Clinton County, New York, and (E) prepared a report of the Public Hearing (the “Public Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available 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”), the Agency determined, pursuant to the Resolution Authorizing PILOT Deviation Letter and Public Hearing to Amend PILOT, that the Amendment constituted a "Type II action" pursuant to 6 NYCRR 617.5(26), and therefor that, pursuant to 6 NYCRR 617.6(1)(i), the Agency has no further responsibilities under SEQRA with respect to the Amendment; and

WHEREAS, the First Amendment to Payment in Lieu of Tax Agreement will be a deviation from the Agency’s uniform tax exemption policy in that the First Amendment to Payment in Lieu of Tax Agreement will revise the payments in lieu of taxes made by the Company each year under the Original Payment in Lieu of Tax Agreement as outlined above and in the letter dated June 18, 2014 (the “Pilot Deviation Letter”) attached hereto as Exhibit A; and

WHEREAS, pursuant to Section 874(4) of the Act, prior to taking final action on such a deviation from the Agency's uniform tax exemption policy, the Agency must give the Affected Tax Jurisdictions prior written notice of the proposed deviation from the Agency's uniform tax exemption policy and the reasons therefore; and

WHEREAS, pursuant to the Pilot Deviation Letter, the Executive Director of the Agency notified the chief executive officers of the Affected Tax Jurisdictions of the proposed deviation from the Agency's uniform tax exemption policy; and

WHEREAS, having complied with the requirements of Section 859-a of the Act and with the requirements of SEQRA relating to the Amendment and the Project, the Agency now desires to make its final determination whether to proceed with the Amendment;

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 Letter.

(B) The Agency has permitted all individuals attending this meeting, including any representative from an Affected Tax Jurisdiction, to address the Agency regarding the proposed deviation.

(C) The Agency has reviewed and responded to all written comments received with respect to the proposed deviation.

Section 2. Based upon (A) the findings and determinations in Section 1 above, (B) 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 and (E) such further investigation of the Project and the effect of the proposed deviation as the Agency has deemed appropriate, the Agency hereby 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 Letter. Based upon the aforementioned, the Agency hereby approves a deviation from the Agency's uniform tax exemption policy, such deviation to be as described in the Pilot Deviation Letter.

Section 3. The Agency hereby further determines that the Agency has now fully complied with the requirements of Section 859-a of the Act and the requirements of SEQRA that relate to the Amendment.

Section 4. Having reviewed the Public Hearing Report, and having considered fully all comments contained therein, the Agency hereby determines to proceed with the Amendment and the granting of the financial assistance described in the notice of Public Hearing.

Section 5. Upon preparation by counsel to the Agency of the First Amendment to Payment in Lieu of Tax Agreement, with respect to the Project Facility reflecting the terms of the Pilot Deviation Letter 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 First Amendment to 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 6. 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 First Amendment to 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 First Amendment to Payment in Lieu of Tax Agreement binding upon the Agency.

Section 7. 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 | YES     |
| David Hoover     | VOTING | YES     |
| Michael E. Zurlo | VOTING | EXCUSED |
| Keith Defayette  | VOTING | YES     |
| Kim Murray       | VOTING | YES     |
| Mark Leta        | VOTING | YES     |
| John VanNatten   | VOTING | YES     |

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) 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 August 11, 2014 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 11<sup>th</sup> day of August, 2014.

  
\_\_\_\_\_  
Kim Murray, Assistant Secretary

(SEAL)

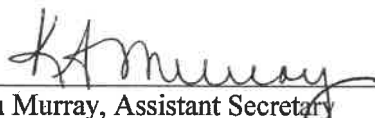
STATE OF NEW YORK                    )  
  ) SS.:  
COUNTY OF CLINTON                 )

I, the undersigned (Assistant) 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 August 11, 2014 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 11<sup>th</sup> day of August, 2014.

  
\_\_\_\_\_  
Kim Murray, Assistant Secretary





**EXHIBIT A**  
**PILOT DEVIATION LETTER**



June 18, 2014

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

John Fairchild, Superintendent  
Chazy Union Free School District  
609 Miner Farm Road  
Chazy, New York 12921

Rosemary Souza-Botten, School Board President  
Chazy Union Free School District  
609 Miner Farm Road  
Chazy, New York 12921

Mark Henry, Supervisor  
Town of Chazy Town Hall  
9631 Route 9  
Chazy, New York 12921

RE: Proposed Deviation from Uniform Tax Exemption Policy by  
County of Clinton Industrial Development Agency  
in connection with the Northstar 41 LLC Project

Ladies and Gentlemen:

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

Pursuant to a Contract for Purchase and Sale of Real Estate entered into on April 15, 2013 (the "Purchase Contract") between Clinton Industrial Acquisition, LLC, as seller (the "Seller"), executed by County of Clinton Industrial Development Agency (the "Agency") as sole member of the Seller, and Northstar Private Capital LLC, as purchaser (the "Purchaser"), the Purchaser agreed to purchase from the Seller the following (collectively, the "Project Facility"): the former Pfizer facility located at 641 Ridge Road (Tax Map # 78.-1-13.1) in the Town of Chazy, Clinton County, New York, including an approximately 55.70 acre parcel of land (the "Land"), together with approximately 386,000 square foot of buildings located thereon (the "Facility") and certain personal property located thereon and/or therein (the "Equipment"). The Purchase Contract provided, among other things, that the Purchaser could apply to the Agency for certain tax benefits with respect to the Project Facility, including certain real property tax abatements relating to the Project Facility.

190 Banker Road, Suite 500, Plattsburgh, New York, USA 12901  
tel (518) 563-3100 / fax (518) 562-2232 / email ccida@thedevelopcorp.com

Samuel R. Dyer, Chairperson, Clinton County Legislature  
Michael E. Zurlo, County Administrator  
Mark Henry, Supervisor, Town of Chazy  
John Fairchild, Superintendent, Chazy Union Free School District  
Rosemary Souza-Botten, School Board President, Chazy Union Free School District  
June 18, 2014  
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Prior to May 31, 2013, the Purchaser assigned its rights under the Purchase Contract to a related entity known as Northstar 41 LLC (the "Company"), and the Company purchased the Project Facility from the Seller. On or about February 28, 2014, the Agency entered into a lease-leaseback transaction with the Company (the "Tax Lease Transaction"), which Tax Lease Transaction included a payment in lieu of tax agreement (the "PILOT Agreement") providing that the Company would make annual payments in lieu of taxes ("Pilot Payments") under the Pilot Agreement for the benefit of Clinton County, the Town of Chazy and the Chazy Union Free School District (collectively, the "Affected Tax Jurisdictions"), each such annual Pilot Payment for the benefit of a particular Affected Tax Jurisdiction to be in an amount equal to the sum of the following: (A) 100% of "normal taxes" that would be payable to such Affected Tax Jurisdiction with respect to the Land if the Agency were not involved with the Project (the "Normal Tax"), and (B) a percentage of the Normal Tax that would be payable to such Affected Tax Jurisdiction with respect to the Facility (the "Percentage"), said Percentage to begin at 50% in year one of the abatement period under the PILOT Agreement and to increase by 5% per year until such Percentage reaches 100% in at the end of the tenth year of such abatement period.

By letter dated March 3, 2014 (the "Pilot Request"), the Company has made a request to the Agency that the PILOT Agreement be modified as follows (the "Pilot Request"):

(A) as contemplated by the Purchase Contract, the Percentage would apply to both the Land and the Facility, resulting in the Pilot Payment with respect to the Land in year one of the abatement period under the PILOT Agreement falling from 100% of the Normal Tax with respect to the Land to 50% of "normal taxes" Normal Tax with respect to the Land; and

(B) in order to entice prospective tenants to consider locating at the Project Facility, the "assessment" of the Project Facility utilized solely for purposes of determining the Pilot Payments due under the PILOT Agreement and upon which the "normal tax" calculation under the PILOT Agreement is based (the "Pilot Assessment") should be frozen at the current \$3 million tax assessment of the Project Facility for the term of ending at the end of the tenth year of the abatement period under the PILOT Agreement.

Following receipt of the Pilot Request, representatives of the Agency held a meeting on May 29, 2014 (the "Pilot Meeting") with representatives of Affected Tax Jurisdictions to discuss the Pilot Request. Based upon the input received at the Pilot Meeting, by resolution adopted by the members of the Agency on June 9, 2014, the Agency determined to seek input with respect to the following modified Pilot Request (hereinafter referred to as the "Modified Pilot Request"):

(A) the Pilot Payment that would be payable to each Affected Tax Jurisdiction with respect to the Land would be determined as follows:

Samuel R. Dyer, Chairperson, Clinton County Legislature  
Michael E. Zurlo, County Administrator  
Mark Henry, Supervisor, Town of Chazy  
John Fairchild, Superintendent, Chazy Union Free School District  
Rosemary Souza-Botten, School Board President, Chazy Union Free School District  
June 18, 2014  
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(1) in year one of the abatement period under the PILOT Agreement, the Pilot Payment that would be payable to each Affected Tax Jurisdiction with respect to the Land would remain at 100% of Normal Tax on the Land, and

(2) thereafter, as contemplated by the Purchase Contract, commencing in year two of the abatement period under the PILOT Agreement, the Percentage would apply to both the Land and the Facility, resulting in the Pilot Payment payable to each Affected Tax Jurisdiction with respect to the Land in year two of the abatement period under the PILOT Agreement falling from 100% of “normal taxes” on the Land to 55% of “normal taxes” on the Land, said Percentage increasing 5% per year thereafter as aforesaid; and

(B) in order to entice prospective tenants to consider locating at the Project Facility, the Pilot Assessment would be subject to the following limitations:

(1) the Pilot Assessment would be frozen at the current \$3 million assessment for the first year of the abatement period under the PILOT Agreement;

(2) thereafter, the assessor could raise the Pilot Assessment, subject to the following limitations:

(a) the maximum increase in the Pilot Assessment with respect to any year of the abatement period under the PILOT Agreement cannot exceed 5% of the Pilot Assessment applicable to the Project Facility in the preceding year of the abatement period under the PILOT Agreement; and

(b) in no event can the Pilot Assessment exceed \$4 million prior to the end of the tenth year of the abatement period under the PILOT Agreement; and

(c) as currently provided in the PILOT Agreement, the aforesaid limitations on the Pilot Assessment do not apply with respect to any additional Pilot Assessment respecting any structural addition which might be made to the Facility or to any additional building or other structure which might be constructed on the Land (such structural additions and additional buildings and other structures being hereinafter referred to as “Additional Facilities”).

If the Modified Pilot Request is approved by the Agency, the existing PILOT Agreement would be amended to incorporate therein the terms of the proposed terms of the Modified Pilot Request.

Samuel R. Dyer, Chairperson, Clinton County Legislature  
Michael E. Zurlo, County Administrator  
Mark Henry, Supervisor, Town of Chazy  
John Fairchild, Superintendent, Chazy Union Free School District  
Rosemary Souza-Botten, School Board President, Chazy Union Free School District  
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The Agency's Uniform Tax Exemption Policy (the "Policy") provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: since the Project Facility would be a category 2 project under the Policy, the Project would not be eligible to receive an exemption.

The purpose of this letter is to inform you of the Modified Pilot Request and that the Agency is considering whether to grant the Modified Pilot Request and to approve an amendment to the existing PILOT Agreement to incorporate therein the terms of the proposed terms of the Modified Pilot Request (the "Pilot Modification"). The Agency expects to consider whether to approve the terms of the proposed Pilot Modification at its meeting scheduled for August 11, 2014 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"). 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 a thirty (30) day notice prior to the Agency taking final action with respect to the proposed Pilot Modification (if said proposed Pilot Modification 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: Maintaining and remarketing an existing facility formerly used by Wyeth Pharmaceuticals, which would have been shuttered by Wyeth Pharmaceuticals but for the intervention of the Agency and the state of New York.
2. The present use of the property: Being marketed for reuse by the Company.
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: It is hoped that implementation of the Modified Pilot Request will make the Project Facility more attractive to potential tenants, and thus assist the Company in its efforts to entice possible tenants to come to the Project Facility.
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: Pursuant to the terms of the Purchase Contract, the Company will be obligated to pay a penalty to the State of New York unless at least 20 jobs are created at the Project Facility within a specified period of time (as extended from time to time). It is hoped that implementation of the Modified Pilot Request will make the Project Facility more attractive to potential tenants, and thus result in increased job creation at the Project Facility.

Samuel R. Dyer, Chairperson, Clinton County Legislature  
Michael E. Zurlo, County Administrator  
Mark Henry, Supervisor, Town of Chazy  
John Fairchild, Superintendent, Chazy Union Free School District  
Rosemary Souza-Botten, School Board President, Chazy Union Free School District  
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5. The estimated value of new tax exemptions to be provided: The Affected Tax Jurisdictions have estimated that the Pilot Payments under the Pilot Agreement would equal approximately \$624,107.84, and that the Pilot Payments under the Pilot Agreement as modified by the Modified Pilot Request would equal approximately \$538,733.29, resulting in a saving to the Company of approximately \$85,374.55 over the remaining 9-year term of the PILOT Agreement.

6. The economic impact of the proposed modification of the Pilot Agreement on affected tax jurisdictions: As indicated above, the Affected Tax Jurisdictions have estimated that implementing the Modified Pilot Request might decrease Pilot Payments made by the Company to the Affected Tax Jurisdictions by approximately \$85,374.55 over the remaining 9-year term of the PILOT Agreement.

7. The impact of the proposed modification of the Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity: It hoped that implementation of the Modified Pilot Request will make the Project Facility more attractive to potential tenants, and thus result in increased job creation at the Project Facility, and thus have a positive effect on existing and proposed businesses and economic development projects in the vicinity of the Project Facility.

8. The amount of private sector investment generated or likely to be generated by the proposed modification of the Pilot Agreement: Unknown.

9. The effect of the proposed modification of the Pilot Agreement on the environment: None.

10. Project Timing: 2014.

11. The extent to which the proposed modification of the Pilot Agreement will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency medical or fire services: None.

12. Anticipated Tax Revenues: See above.

13. The extent to which the proposed modification of the Pilot Agreement will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the Project Facility is located: See above.

The Agency will consider the Proposed Modification to the Pilot Agreement (and the proposed deviation from the Agency's Uniform Tax Exemption Policy) at the Meeting.

Samuel R. Dyer, Chairperson, Clinton County Legislature  
Michael E. Zurlo, County Administrator  
Mark Henry, Supervisor, Town of Chazy  
John Fairchild, Superintendent, Chazy Union Free School District  
Rosemary Souza-Botten, School Board President, Chazy Union Free School District  
June 18, 2014  
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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,

  
Erin M. Hynes  
Executive Director