

**RESOLUTION AUTHORIZING PILOT DEVIATION LETTER
AND PUBLIC HEARING TO AMEND PILOT
SARANAC POWER PARTNERS, L.P.**

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 October 16, 2017 at 12:00 o'clock p.m., local time.

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

PRESENT:

Trent Trahan	Chairperson
Michael E. Zurlo	Secretary
Keith Defayette	Treasurer
Kim Murray	Assistant Secretary
Mark Leta	Member
John VanNatten	Member

EXCUSED:

David Hoover	Vice Chairperson
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THE FOLLOWING PERSONS WERE ALSO PRESENT:

Melissa McManus	Executive Director
Barbara Shute	Recording Secretary
George W. Cregg, Jr., Esq.	Agency Counsel

The following resolution was offered by K. Murray, seconded by J. VanNatten, to wit:

Resolution No. 10-17-03

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO (A) SEND A LETTER TO THE CHIEF EXECUTIVE OFFICERS OF THE AFFECTED TAXING ENTITIES INFORMING THEM OF A PROPOSED DEVIATION FROM THE AGENCY'S UNIFORM TAX EXEMPTION POLICY AND (B) CONDUCT A PUBLIC HEARING IN CONNECTION WITH THE SARANAC POWER PARTNERS, L.P. PROJECT.

WHEREAS, County of Clinton Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of 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 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, on or about December 29, 1992 (the “Closing Date”), the Agency entered into an installment sale agreement dated as of December 29, 1992 (the “Installment Sale Agreement”) between the Agency and Saranac Power Partners, L.P. (the “Company”) and other related documents for the purpose of undertaking the following project (the “Project”) for the benefit of the Company: (A) (1) the acquisition of fee title to, leasehold interests in and certain easements to various parcels of real property located in the Town of Plattsburgh, Clinton County, New York (the “Land”), (2) the construction on the Land of a 240MW natural gas-fired cogeneration facility and related transmission lines and electrical energy interconnection facilities (the “Facility”) and (3) the acquisition and installation of various machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”); (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from sales taxes, real estate transfer taxes, mortgage recording taxes and real property taxes (the “Financial Assistance”); and (C) the sale of the Project Facility to the Company pursuant to the Installment Sale Agreement; and

WHEREAS, on or about December 29, 1992, the Agency acquired various interests in the Land pursuant to various conveyance documents executed on or about December 29, 1992 from the Company to the Agency; and

WHEREAS, simultaneously with the execution and delivery of the Installment Sale Agreement, (A) the Company and the Agency executed and delivered a payment in lieu of tax agreement dated as of December 29, 1992 (the “Original Payment in Lieu of Tax Agreement”, and sometimes hereinafter referred to as the “Existing Payment in Lieu of Tax Agreement”) by and among the Agency, the Company and The Development Corporation Clinton County, New York (f/k/a Clinton County Area Development Corp.), as agent (the “Pilot Mortgage Agent”) for the Agency and the “Taxing Entities” (as such term is defined in the Original Payment in Lieu of Tax Agreement), pursuant to which the Company agreed to pay certain payments in lieu of taxes with respect to the Project Facility to the Clinton County Treasurer (the “Treasurer”) for distribution to the appropriate Taxing Entities entitled to same pursuant to the provisions of the Existing Payment in Lieu of Tax Agreement, (B) the Agency filed with the assessor and mail 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 Existing Payment in Lieu of Tax Agreement, and (C) the Company and the Agency executed and delivered a pilot mortgage dated as of December 29, 1992 (the “Original Pilot Mortgage”, and sometimes hereinafter referred to as the “Existing Pilot Mortgage”) from the Agency and the Company, as mortgagor, and the Pilot Mortgage Agent, as mortgagee (the “Pilot Mortgage”),

pursuant to which the Company and the Agency agreed to grant to the Pilot Mortgagee a mortgage lien on the Project Facility as security for, among other things, the obligation of the Company to make all payments and all other obligations of the Company for the benefit of the Agency and the Taxing Entities under the Original Payment in Lieu of Tax Agreement (the Installment Sale Agreement, the Original Payment in Lieu of Tax Agreement, the Real Property Tax Exemption Form and the Original Pilot Mortgage being sometimes collectively referred to as the “Basic Documents”); and

WHEREAS, the Original Payment in Lieu of Tax Agreement was amended by a first amendment to payment in lieu of tax agreement dated as of March 1, 2009 (the “First Amendment to Payment in Lieu of Tax Agreement”), and further amended pursuant to a second amendment to payment in lieu of tax agreement dated as of December 1, 2009 (the “Second Amendment to Payment in Lieu of Tax Agreement”), and further amended pursuant to a third amendment to payment in lieu of tax agreement dated as of December 1, 2013 (the “Third Amendment to Payment in Lieu of Tax Agreement”) and further amended pursuant to a fourth amendment to payment in lieu of tax agreement dated as of December 1, 2016 (the “Fourth Amendment to Payment in Lieu of Tax Agreement” and collectively with the First Amendment to the Payment in Lieu of Tax Agreement, the Second Amendment to Payment in Lieu of Tax Agreement, the Third Amendment to Payment in Lieu of Tax Agreement and the Original Payment in Lieu of Tax Agreement, the “Existing Payment in Lieu of Tax Agreement”) by and among the Agency, the Company and The Development Corporation Clinton County, New York (f/k/a Clinton County Area Development Corp.), as agent (the “Pilot Mortgage Agent”) for the Agency and the “Taxing Entities” (as such term is defined in the Original Payment in Lieu of Tax Agreement); and

WHEREAS, pursuant to a request dated May 16, 2017 (the “Pilot Request”), which Pilot Request is attached here as Exhibit A, the Company would like to once again amend the Existing Payment in Lieu of Tax Agreement to extend the Tolling Term, as defined in the Existing Payment in Lieu of Tax Agreement, and to reduce the payments due under the Existing Payment in Lieu of Tax Agreement (the “Fifth Amendment to Payment in Lieu of Tax Agreement”); and

WHEREAS, the Fifth Amendment to Payment in Lieu of Tax Agreement will be a deviation from the Agency’s uniform tax exemption policy, said deviation in substantially the form attached hereto as Exhibit B and as outlined by the Executive Director of the Agency at this meeting; 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”) no fewer than thirty (30) days prior written notice of the proposed deviation from the Agency’s uniform tax exemption policy and the reasons therefor; and

WHEREAS, pursuant to Section 856(15) of the Act, unless otherwise agreed by the affected tax jurisdictions, payments in lieu of taxes must be allocated among the affected tax jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each affected tax jurisdiction had the Project Facility not been tax exempt due to the status 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 adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the “Regulations” and collectively with the SEQR Act, “SEQR”),

the Agency must satisfy the requirements contained in SEQRA prior to making a final determination whether to enter into the Fifth Amendment to Payment in Lieu of Tax Agreement (the “Amendment”); and

WHEREAS, pursuant to SEQRA, the Agency has examined the Amendment in order to make a determination as to whether the Amendment is subject to SEQRA, and it appears that the Amendment constitutes a Type II action under SEQRA; and

WHEREAS, pursuant to Section 859-a of the Act, prior to the Agency providing any financial assistance of more than \$100,000 to any project, the Agency, among other things, must hold a public hearing with respect said project; and

WHEREAS, the Agency desires to provide for compliance with the provisions of Section 859-a of the Act with respect to the Amendment;

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

Section 1. Based upon an examination of the Amendment, the Agency hereby determines that the Amendment constitutes a “Type II action” pursuant to 6 NYCRR 617.5(c)(26), and therefor that, pursuant to 6 NYCRR 617.6(a)(1)(i), the Agency has no further responsibilities under SEQRA with respect to the Amendment.

Section 2. The Agency hereby authorizes the Executive Director of the Agency, after consultation with the members of the Agency, (A) to establish the time, date and place for a public hearing of the Agency to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Amendment, said public hearing to be held in the city, town or village where the Project is or is to be located; (B) to cause notice of such public hearing to be given to the public by publishing a notice of such hearing in a newspaper of general circulation available to the residents of the governmental units where the Project is or is to be located, such notice to comply with the requirements of Section 859-a of the Act; (C) to cause notice of said public hearing to be given to the chief executive officer of the county and each city, town, village and school district in which the Project is or is to be located to comply with the requirements of Section 859-a of the Act; (D) to conduct such public hearing; and (E) to cause a report of said public hearing fairly summarizing the views presented at said public hearing to be promptly prepared and cause copies of said report to be made available to the members of the Agency.

Section 3. Having considered the Company’s Pilot Request (A) the Agency will consider the extension of the Tolling Term and the reduction in payments due under the Existing Payment in Lieu of Tax Agreement, and (B) the Executive Director is hereby authorized to send a written notice to the chief executive officers of each of the Affected Tax Jurisdictions (i) informing them that the Agency is considering a proposed deviation, in substantially the form attached hereto as Exhibit B and as outlined by the Executive Director of the Agency at this meeting, from its uniform tax exemption policy with respect to the Amendment and the reasons therefor and (ii) soliciting any comments that such Affected Tax Jurisdictions may have with respect to said proposed deviation.

Section 4. The Chairman, Vice Chairman and/or Executive Director of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

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	YES
David Hoover	VOTING	EXCUSED
Michael E. Zurlo	VOTING	YES
Keith Defayette	VOTING	YES
Kim Murray	VOTING	YES
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 (Assistant) Secretary of County of Clinton Industrial Development Agency (the "Agency"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on October 16, 2017 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of the whole of such proceedings of the Agency and of such Resolution set forth therein 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 16th day of October, 2017.


Michael E. Zurlo, Secretary

(SEAL)

EXHIBIT A
PILOT REQUEST



May 16, 2017

Ms. Melissa McManus
Executive Director
Clinton County Industrial Development Agency
190 Banker Road, #500
Plattsburgh, New York 12901-7309

Re: Extension of Payment in Lieu of Tax Agreement

Dear Melissa:

The current Payment in Lieu of Tax Agreement ("PILOT Agreement") between the Clinton County Industrial Development Agency (the "Agency") and Saranac Power Partners, L.P. (the "Company") is scheduled to expire December 31, 2017. Under the terms of the Installment Sale Agreement dated December 29, 1992, as amended between the Agency and the Company, the Agency is scheduled to remain in title to the Company's co-generation facilities (the "Project Facility") through 2023.

In 2009, the PILOT Agreement was amended to reduce the Company's PILOT payments in recognition of the termination of the Company's long-term power purchase agreement with New York State Electric and Gas Corporation. At the same time, the assessed value of the Company's project facility was reduced from \$200 million to \$32 million. The Company's semi-annual PILOT payments were reduced to \$210,000 (to be shared among all taxing jurisdictions) and \$140,000 (for the Town of Plattsburgh only). On December 1, 2016, the Agency agreed to a one year extension of the PILOT, which included an extension of the PILOT payment amounts.

As we advised last year, the Company has faced increasing operating challenges. Transmission system upgrades have opened access to the power grid to wind and hydro competitors located in New York State and Canada. Increased generation capacity from newly operating wind turbine facilities in northern New York State have significantly reduced the Company's dispatch and running time. Additionally, the overall decline in energy markets coupled with the substantial reduction in natural gas prices have reduced the Company's competitiveness due to the age of its facilities. Since 2010, the Company's output, measured by annual megawatts generated by the project facility, has declined by over 75% through the end of 2016. Between 2015 and 2016 alone, annual megawatt generation dropped from 186,991 to 87,660. Through April 30, 2017, megawatt generation is even lower than it was for the same period in 2016. This is consistent with projections that the Project Facility's electricity sales will decline in 2017 and for the foreseeable future.

Even with these significant challenges, the Company remains a significant contributor to the local economy. Steam sales from the Company to Georgia Pacific and Pactiv are essential to approximately 215 jobs at Georgia Pacific and Pactiv. Although the sale of steam generates only a small amount of revenue, the continued provision of this service is obviously important to the local economy.

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Clinton County Industrial Development Agency

May 16, 2017

Page 2

In order to continue operating during these challenging times, the Company requests that the PILOT Agreement be amended to reduce the Company's payments through 2023. The Company currently makes semi-annual payments of \$210,000 to the Clinton County Treasurer and \$140,000 to the Town of Plattsburgh. To reflect a decline in the value of the Project Facility from approximately \$32 million in 2009 to an optimistically high value of \$20 million currently (a 37.5% reduction), the Company requests that its semi-annual payments be reduced to \$131,250 and \$87,500 respectively.

Enclosed is a summary of the challenges that face the Company and confidential financial and operating information that support the Company's request for a reduction in the PILOT payments. We would be happy to meet with you to discuss this further or provide you with additional information on request.

Given the May 23, 2017 deadline for filing of a protest of the assessment for the project facility, the Company will soon need to file a grievance with the Plattsburgh Board of Assessment and Review. The filing is simply a protective measure to preserve the Company's rights. We expect, however, that we will be able to reach a mutually agreeable outcome once all of the parties are available to fully discuss in earnest.

Very truly yours,

SARANAC POWER PARTNERS, L.P.


John Gokey
General Manager

cc: George W. Cregg, Jr., Esq.
Edwin J. Kelley, Jr., Esq.
Kevin R. Macleod, Esq.

In accordance with Section 87(2)(c) of the Public Officer's Meeting Law, the Company requests that the enclosed materials entitled "Saranac Power Partners, L.P." be treated as confidential records exempt from disclosure.

SARANAC
POWER PARTNERS, L.P.
99 Weed Street, PO Box 2985, Plattsburgh, New York 12901
Telephone: (518) 563-1072 Fax: (518) 563-1046 www.bherenewables.com

Recent Income Statements



SARANAC POWER PARTNERS, L.P.
 (Excludes North Country Gas Pipeline)
 Statement of Operations
 (Dollars in thousands)

	2016	2015	2014	2013	2012	2011
Operating Revenue:	\$ <u>9,035</u>	\$ <u>11,231</u>	\$ <u>18,918</u>	\$ <u>17,649</u>	\$ <u>10,731</u>	\$ <u>11,482</u>
Operating Costs and Expenses:						
Cost of Sales	310	832	644	987	1,194	835
Operating costs and expenses	5,307	5,565	5,911	7,005	5,496	6,233
Depreciation and amortization	<u>2,993</u>	<u>2,995</u>	<u>6,406</u>	<u>6,462</u>	<u>6,489</u>	<u>6,471</u>
Total operating costs and expenses	<u>8,610</u>	<u>9,392</u>	<u>12,961</u>	<u>14,454</u>	<u>13,179</u>	<u>13,539</u>
Operating income	<u>425</u>	<u>1,839</u>	<u>5,957</u>	<u>3,195</u>	<u>(2,448)</u>	<u>(2,057)</u>
Income before income taxes and equity income	<u>425</u>	<u>1,839</u>	<u>5,957</u>	<u>3,195</u>	<u>(2,448)</u>	<u>(2,057)</u>
Net Income before tax	\$ <u>425</u>	\$ <u>1,839</u>	\$ <u>5,957</u>	\$ <u>3,195</u>	\$ <u>(2,448)</u>	\$ <u>(2,057)</u>

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7

Saranac's Revenue Stream



Saranac's revenue is realized from three sources

1. Electricity Sales
 - Generation - plant generating power into the local electric grid
 - Capacity auctions - monthly payments received for proven power output capability and reliability
2. Steam sales directly to Georgia-Pacific and indirectly to Pactiv via Georgia-Pacific
3. Natural gas transportation charges to NYSEG and Georgia-Pacific

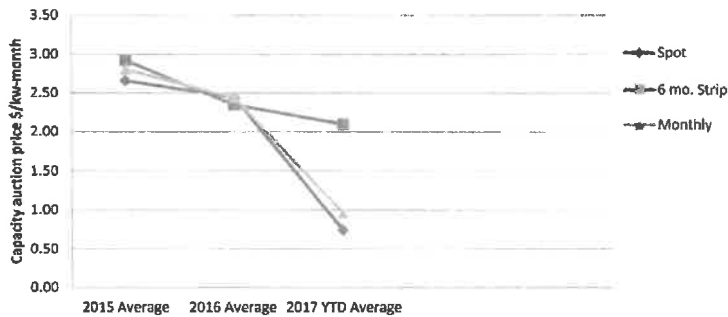
Revenue Sources	2016	2015	2014	2013	2012
Electricity	92%	93%	96%	96%	94%
(Capacity)	(83%)	(68%)	(71%)	(72%)	(21%)
(Generation)	(17%)	(32%)	(29%)	(28%)	(79%)
Steam	6%	5%	3%	3%	5%
Natural Gas Transportation	2%	2%	1%	1%	1%

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1

New York Energy Market Changes

- Natural gas and wholesale electric energy prices in New York reached historical lows through all of 2015/2016. These prices are forecasted to remain low for the near and long term
 - Reduced natural gas prices have had a negative impact on Saranac’s revenues and earnings and are expected to significantly reduce runtime for Saranac for the foreseeable future
- New York’s installed capacity auction clearing prices continue trending lower, which is having a negative impact on Saranac’s revenues and earnings



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Annual Starts and Generation



	Annual starts	Megawatts annually generated	
1994- June 2009 (PPA)	<5	> 2,000,000	15 year power purchase agreement
2010	165	381,000	NYISO competitive market participant
2011	153	372,182	NYISO competitive market participant
2012	232	454,091	NYISO competitive market participant
2013	171	487,795	NYISO competitive market participant
2014	44	223,704	NYISO competitive market participant
2015	117	186,991	NYISO competitive market participant
2016	60	87,660	NYISO competitive market participant
2017 (YTD –Apr 30)	5	6,739	NYISO competitive market participant

EXHIBIT B

PROPOSED PILOT DEVIATION

DRAFT FOR DISCUSSION PURPOSES ONLY

DATED: OCTOBER 16, 2017

COUNTY OF CLINTON INDUSTRIAL DEVELOPMENT AGENCY

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

October __, 2017

Harry J. McManus, Chairperson
County of Clinton
County Government Center
137 Margaret Street, Suite 208
Plattsburgh, New York 12901

Michael E. Zurlo, County Administrator
County of Clinton
County Government Center
137 Margaret Street, Suite 208
Plattsburgh, New York 12901

Michael S. Cashman, Supervisor
Town of Plattsburgh
151 Banker Road
Plattsburgh, New York 12901

Mr. Dan Mannix, Superintendent
Beekmantown Central School District
37 Eagle Way
West Chazy, New York 12992-2577

Cathy Buckley, School Board President
Beekmantown Central School District
37 Eagle Way
West Chazy, New York 12992-2577

RE: County of Clinton Industrial Development Agency
Saranac Power Partners, L.P. Project

Dear Ladies and Gentlemen:

On or about December 29, 1992 (the "Closing Date"), the Agency entered into an installment sale agreement dated as of December 29, 1992 (the "Installment Sale Agreement") between the Agency and Saranac Power Partners, L.P. (the "Company") and other related documents for the purpose of undertaking the following project (the "Project") for the benefit of the Company: (A) (1) the acquisition of fee title to, leasehold interests in and certain easements to various parcels of real property located in the Town of Plattsburgh, Clinton County, New York (the "Land"), (2) the construction on the Land of a 240MW natural gas-fired cogeneration facility and related transmission lines and electrical energy interconnection facilities (the "Facility") and (3) the acquisition and installation of various machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment hereinafter collectively referred to as the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions

from sales taxes, real estate transfer taxes, mortgage recording taxes and real property taxes (the "Financial Assistance"); and (C) the sale of the Project Facility to the Company pursuant to the Installment Sale Agreement.

Also, on or about December 29, 1992, the Agency acquired various interests in the Land pursuant to various conveyance documents executed on or about December 29, 1992 from the Company to the Agency.

Simultaneously with the execution and delivery of the Installment Sale Agreement, the Company and the Agency executed and delivered a payment in lieu of tax agreement dated as of December 29, 1992 (the "Original Payment in Lieu of Tax Agreement", and sometimes hereinafter referred to as the "Existing Payment in Lieu of Tax Agreement") by and among the Agency, the Company and The Development Corporation Clinton County, New York (f/k/a Clinton County Area Development Corp.), as agent (the "Pilot Mortgage Agent") for the Agency and the "Taxing Entities" (as such term is defined in the Original Payment in Lieu of Tax Agreement), pursuant to which the Company agreed to pay certain payments in lieu of taxes with respect to the Project Facility to the Clinton County Treasurer (the "Treasurer") for distribution to the appropriate Taxing Entities entitled to same pursuant to the provisions of the Existing Payment in Lieu of Tax Agreement.

The Original Payment in Lieu of Tax Agreement was amended by a first amendment to payment in lieu of tax agreement dated as of March 1, 2009 (the "First Amendment to Payment in Lieu of Tax Agreement"), and further amended pursuant to a second amendment to payment in lieu of tax agreement dated as of December 1, 2009 (the "Second Amendment to Payment in Lieu of Tax Agreement"), and further amended pursuant to a third amendment to payment in lieu of tax agreement dated as of December 1, 2013 (the "Third Amendment to Payment in Lieu of Tax Agreement") and further amended pursuant to a fourth amendment to payment in lieu of tax agreement dated as of December 1, 2016 (the "Fourth Amendment to Payment in Lieu of Tax Agreement" and collectively with the First Amendment to the Payment in Lieu of Tax Agreement, the Second Amendment to Payment in Lieu of Tax Agreement, the Third Amendment to Payment in Lieu of Tax Agreement and the Original Payment in Lieu of Tax Agreement, the "Existing Payment in Lieu of Tax Agreement") by and among the Agency, the Company and The Development Corporation Clinton County, New York (f/k/a Clinton County Area Development Corp.), as agent (the "Pilot Mortgage Agent") for the Agency and the "Taxing Entities" (as such term is defined in the Original Payment in Lieu of Tax Agreement). The Existing Payment in Lieu of Tax Agreement presently provides the following:

If the Project Company shall enter into a Tolling Agreement (as defined below) with respect to the Project Facility and supply a copy of same to the Pilot Mortgage Agent on or before 15 days before any date set forth in the table below (each, a "Pilot Payment Date"), then thereafter through the end of the Tolling Term (as defined below), the Project Company shall make semi-annual PILOT Payments to the Treasurer for the benefit of the Taxing Entities on each Pilot Payment Date thereafter through the end of the Tolling Term (as defined below), each such semi-annual payment payable on any Pilot Payment Date to be in the amount specified opposite the related Pilot Payment Date in the table below:

Pilot Payment Date	Amount
April 1, 2009	\$850,000
October 1, 2009	\$850,000
Each April 1 and October 1 occurring after 2010 during the Tolling Term	\$210,000

If the Project Company (as defined in the Existing Payment in Lieu of Tax Agreement) shall enter into an agreement between the Company and a third party pursuant to which the Company is paid a fee for the commitment to generate electricity for a third party marketer (a "Tolling Agreement") with respect to the Project Facility and supply a copy of same to the Pilot Mortgage Agent on or before 15 days before any Pilot Payment Date (as defined in the Existing Payment in Lieu of Tax Agreement), the term "Tolling Term" shall mean the period of time commencing as of the first day of the month occurring three months prior to the initial Pilot Payment Date on which a PILOT Payment (as defined in the Existing Payment in Lieu of Tax Agreement) is due pursuant to this paragraph and ending on the earlier of (A) the termination of the term of the Tolling Agreement and (B) December 31, 2017.

The Company has requested that the Agency consider an additional amendment to the Original Payment in Lieu of Tax Agreement (the "Fifth Amendment to Payment in Lieu of Tax Agreement").

By resolution adopted by the members of the Agency on October 16, 2017 (the "Pilot Deviation Notice and Public Hearing Resolution"), the Agency authorized the Executive Director of the Agency to conduct a public hearing with respect to the proposed execution and delivery of the Fifth Amendment to Payment in Lieu of Tax Agreement. This letter is delivered to you pursuant to Section 874 of the General Municipal Law.

The proposed terms of the Fifth Amendment to Payment in Lieu of Tax Agreement would provide the following:

(A) If the Project Company shall enter into an agreement between the Company and a third party pursuant to which the Company is paid a fee for the commitment to generate electricity for a third party marketer (a "Tolling Agreement") with respect to the Project Facility and supply a copy of same to the Pilot Mortgage Agent on or before 15 days before any Pilot Payment Date (as defined in the Existing Payment in Lieu of Tax Agreement), the term "Tolling Term" shall mean the period of time commencing as of the first day of the month occurring three months prior to the initial Pilot Payment Date (as defined in the Existing Payment in Lieu of Tax Agreement) on which a PILOT Payment (as defined in the Existing Payment in Lieu of Tax Agreement) is due pursuant to this paragraph and ending on the earlier of (A) the termination of the term of the Tolling Agreement and (B) December 31, 2023.

(B) "(iv) (A) Notwithstanding the provisions of paragraph (d)(i) and paragraph (d)(iii) of this Section 2.02, if the Project Company shall enter into a Tolling Agreement (as defined in subparagraph (d)(iv)(C) below) with respect to the Project Facility and supply a copy of same to the Pilot Mortgage Agent on or before 15 days before any date set forth in the table below (each, a "Pilot Payment Date"), then thereafter through the end of the Tolling Term (as defined in subparagraph (d)(iv)(D) below), the Project Company shall make semi-annual PILOT Payments to the Treasurer for the benefit of the Taxing Entities on each Pilot Payment

Date thereafter through the end of the Tolling Term (as defined in subparagraph (d)(iv)(D) below), each such semi-annual payment payable on any Pilot Payment Date to be in the amount specified opposite the related Pilot Payment Date in the table below:

Pilot Payment Date	Amount
April 1, 2009	\$850,000
October 1, 2009	\$850,000
Each April 1 and October 1 occurring after 2017 during the Tolling Term	\$131,250

(B)(1) Each semi-annual payment payable pursuant to this paragraph (d)(iv) of this Section 2.02 through and including calendar 2009 shall be distributed by the Treasurer to the Taxing Entities specified below in the percentage specified below of the aggregate amount of each such semi-annual payment:

Town of Plattsburgh	60%
Beekmantown School District	20%
County of Clinton	20%
	100%

(2) Commencing in calendar year 2018, each semi-annual payment payable pursuant to this paragraph (d)(iv) of this Section 2.02 shall be distributed by the Treasurer to the Taxing Entities specified below in the percentage specified below of the aggregate amount of each such semi-annual payment:

Town of Plattsburgh	one-third
Beekmantown School District	one-third
County of Clinton	one-third
	100.00%

The Fifth Amendment to Payment in Lieu of Tax Agreement would not provide any abatements for any special assessments levied on the Project Facility.

The terms of the Fifth Amendment to Payment in Lieu of Tax Agreement deviate from the Agency's Uniform Tax Exemption Policy (the "Policy"). The Agency's Policy provides that applicants for this type of project would receive a Category 3 abatement, if not a deviation from the Policy since the Project was first evaluated prior to the adoption of the Agency's current Policy.

The purpose of this letter is to inform you of such deviation and that the Agency is considering the terms of the Fifth Amendment to Payment in Lieu of Tax Agreement. The Agency expects to consider whether to approve the terms of the Fifth Amendment to Payment in Lieu of Tax Agreement at its meeting scheduled for _____ at 12:00 o'clock, p.m., local time at the offices of the Agency located at 190 Banker Road, Suite 500 in the Town of Plattsburgh, County of Clinton, 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 Fifth Amendment to Payment in Lieu of Tax Agreement.

The Agency considered the following factors, enumerated under the Policy, in considering the proposed deviation:

1. **The nature of the Project:** 240 MW natural gas-fired cogeneration facility with transmission lines and electric energy interconnection facilities.
2. **The present use of the property:** cogeneration facility.
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:** _____.
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:** _____.
5. **The estimated value of new tax exemptions to be provided:** _____.
6. **The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions:** _____.
7. **The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity:** _____.
8. **The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement:** _____.
9. **The effect of the Proposed Pilot Agreement on the environment:** None.
10. **Project Timing:** cogeneration facility is completed.
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:** No additional services required.
12. **Anticipated tax revenues:** _____.
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 Agency will consider the Project and the Fifth Amendment to Payment in Lieu of Tax Agreement (and the proposed deviation from its 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.

Very truly yours,

COUNTY OF CLINTON INDUSTRIAL
DEVELOPMENT AGENCY

By: _____

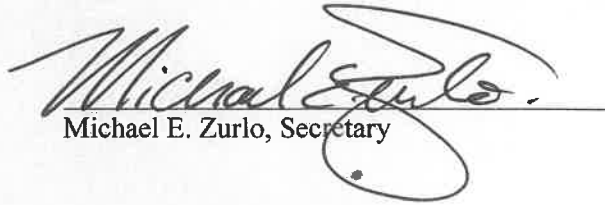
STATE OF NEW YORK)
) SS:
COUNTY OF CLINTON)

I, the undersigned (Assistant) Secretary of County of Clinton Industrial Development Agency (the "Agency"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on October 16, 2017 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of the whole of such proceedings of the Agency and of such Resolution set forth therein 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 16th day of October, 2017.


Michael E. Zurlo, Secretary

(SEAL)