

**SUPPLEMENTAL PILOT DEVIATION NOTICE RESOLUTION
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 137 Margaret Street, Suite 209 in the City of Plattsburgh, Clinton County, New York on March 18, 2024 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 |
| Michael E. Zurlo | Secretary |
| Mark Leta | Assistant Secretary |
| Keith Defayette | Treasurer |
| John VanNatten | Member |
| Joey Trombley | Member |

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

| | |
|-----------------------------|--------------------------|
| Molly F. Ryan | Executive Director |
| Toni Moffat | Executive Assistant |
| Dorothy Brunell | Administrative Assistant |
| Christopher C. Canada, Esq. | Agency Counsel |
| Shannon E. Wagner, Esq. | Agency Counsel |

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. 03-24-02

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SEND A LETTER TO THE CHIEF EXECUTIVE OFFICERS OF THE AFFECTED TAX JURISDICTIONS INFORMING THEM OF A PROPOSED DEVIATION FROM THE AGENCY’S UNIFORM TAX EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED SUPPLEMENTAL AMENDMENT TO 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 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

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”) by and 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 PILOT”) 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 PILOT), 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 Original PILOT, (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 Original PILOT, and (C) the Company and the Agency executed and delivered a payment in lieu of tax mortgage dated as of December 29, 1992 (the “Original PILOT Mortgage”) from the Agency and the Company, as mortgagor, and the PILOT Mortgage Agent, as mortgagee (the “PILOT Mortgagee”), 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 PILOT (the Installment Sale Agreement, the Original PILOT, the Real Property Tax Exemption Form and the Original PILOT Mortgage being sometimes collectively referred to as the “Basic Documents”); and

WHEREAS, the Original PILOT was amended pursuant to a first amendment to payment in lieu of tax agreement dated as of March 1, 2009 (the “First Amendment to PILOT”), as further amended pursuant to a second amendment to payment in lieu of tax agreement dated as of December 1, 2009 (the “Second Amendment to PILOT”), as further amended pursuant to a third amendment to payment in lieu of tax agreement dated as of December 1, 2013 (the “Third Amendment to PILOT”) and as further amended pursuant to a fourth amendment to payment in lieu of tax agreement dated as of December 1, 2016 (the “Fourth Amendment to PILOT”), each by and among the Agency, the Company and the PILOT Mortgage Agent (the Original PILOT, as amended by the First Amendment to PILOT, the Second Amendment to PILOT, the Third Amendment to PILOT and the Fourth Amendment to PILOT, being referred to hereinafter as the “Amended PILOT”), which Amended PILOT was amended and restated by an amended and restated payment in lieu of tax agreement dated as of January 1, 2018 (the “Amended and Restated PILOT”) by and among the Agency, the Company and the PILOT Mortgage Agent; and

WHEREAS, the Amended and Restated PILOT presently provides that the Company shall (a) make semi-annual PILOT Payments (as defined therein) each in an amount equal to \$136,500 on April 1 and October 1 of each year and (b) make annual host community payments to the Town of Plattsburgh (the “Town”) in an amount equal to \$182,000. The Amended and Restated PILOT further provides that the term of the Amended and Restated PILOT is scheduled to terminate on March 31, 2024; and

WHEREAS, pursuant to a letter dated December 19, 2023 from counsel to the Company (the “Initial PILOT Request”), the Company requested to amend the Amended and Restated PILOT to extend the term of the Amended and Restated PILOT for an additional five (5) years on its existing terms, which extension would be effectuated pursuant to a first amendment to amended and restated payment in lieu of tax agreement (the “First Amendment to Amended and Restated PILOT”); and

WHEREAS, by resolution adopted by the members of the Agency on March 18, 2024 (the “Initial PILOT Deviation and Approving Resolution”), the Agency determined to approve the Initial PILOT Request and to enter into the First Amendment to Amended and Restated PILOT to be dated as of March 1, 2024 by and among the Agency, the Company, and an entity to be appointed as agent (the “PILOT Mortgage Agent”) for the Agency and the “Taxing Entities” (as such term is defined in the Original PILOT), and certain other documents related thereto (collectively, the “Initial Modification Documents”); provided, however, that the Initial Modification Documents would be subject to the following conditions (collectively, the “Initial Modifications”): (1) except as amended by the First Amendment to Amended and Restated PILOT, the Amended and Restated PILOT and the terms thereof shall remain in full force and effect; (2) agreement by the Company that upon the expiration and termination of the Amended and Restated PILOT, the Agency shall be required to transfer, and the Company shall be required to accept, title to the Project Facility and (3) subject to the agreement of the Agency, the Company and the Affected Tax Jurisdictions (as defined herein), the Agency may, after the date hereof, authorize further amendments to the Amended and Restated PILOT relating to certain further modifications; and

WHEREAS, in connection with the Initial PILOT Request, the Company had discussions with the Town of Plattsburgh (“Plattsburgh”), Beekmantown Central School District (the “District”) and Clinton County (the “County”), as the affected jurisdictions (within the meaning of such term in Section 854(16) of the Act) (the “Affected Tax Jurisdictions”), and the City of Plattsburgh (the “City,” and collectively with the Affected Tax Jurisdictions, the “Jurisdictions”), relating to the Modifications; and

WHEREAS, as a result of the Agency’s discussions with the Jurisdictions, the Agency subsequently received from counsel to the Company a request to further amend the terms of the Amended and Restated PILOT pursuant to a second amendment to the amended and restated payment in lieu of tax agreement (the “Second Amendment to Amended and Restated PILOT”), with the proposed modifications being described in Exhibit A attached hereto; and

WHEREAS, the Second Amendment to Amended and Restated PILOT will be a deviation from the Agency's uniform tax exemption policy (the "UTEP"); and

WHEREAS, pursuant to Section 874(4) of the Act and the UTEP, prior to taking final action on such request for a deviation from the UTEP, the Agency must give the chief executive officers of the Affected Tax Jurisdictions no fewer than thirty (30) days prior written notice of the proposed deviation from the UTEP and the reasons therefor; and

WHEREAS, pursuant to Section 858(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;

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, "SEQRA"), the Agency must satisfy the requirements contained in SEQRA prior to making a final determination whether to enter into the Second Amendment to Amended and Restated PILOT (the "Proposed Action"); and

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

WHEREAS, pursuant to Section 859-a of the Act, since the Agency will not provide financial assistance of more than \$100,000 with respect to the Proposed Action, a public hearing is not required to be held with respect thereto;

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 Proposed Action, the Agency hereby determines that the Proposed Action 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 Proposed Action.

Section 2. The Agency will consider the Proposed Action and the Executive Director is hereby authorized to send a written notice to the chief executive officers of each of the Affected Tax Jurisdictions (A) informing them that the Agency is considering a proposed deviation, with such notice being in substantially the form attached hereto as Exhibit B and as outlined by the Executive Director of the Agency at this meeting, from the UTEP with respect to the Proposed Action and the reasons therefor and (B) soliciting any comments that such Affected Tax Jurisdictions may have with respect to said proposed deviation.

Section 3. 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 | _____ |
| David Hoover | VOTING | _____ |
| Michael E. Zurlo | VOTING | _____ |
| Mark Leta | VOTING | _____ |
| Keith Defayette | VOTING | _____ |
| John VanNatten | VOTING | _____ |
| Joey Trombley | VOTING | _____ |

The foregoing resolution was thereupon declared duly adopted.

[Remainder of page left blank intentionally]

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 March 18, 2024 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 ___ day of March, 2024.

(Assistant) Secretary

(SEAL)

EXHIBIT A

PROPOSED MODIFICATIONS

- The District will enter into host community benefit agreement with the Company.
- In connection with same, the Amended and Restated PILOT (the “PILOT”) will be amended to provide that the District will no longer receive payments in lieu of real property taxes under the PILOT.
- Since the District will no longer receive its pro rata share of real property taxes under the PILOT, the written consents of each of the affected taxing jurisdictions are required to be obtained under the General Municipal Law.
- The PILOT will be further amended to provide for a modification to the “free cash flow” concept. Currently, the Company’s payments under the PILOT increases if the Company hits a revenue target as follows:

| Revenue | Payment |
|---------------------------|----------------|
| \$4.834 million and above | \$420,000 |

- The proposed action would provide for a “lower bar” to trigger an increased PILOT payment and also provides for a second revenue target tier as follows:

| Revenue | Payment |
|----------------------|----------------|
| \$4.5m - \$6 million | \$420,000 |
| Over \$6 million | \$600,000 |

EXHIBIT B
PROPOSED PILOT DEVIATION LETTER

COUNTY OF CLINTON INDUSTRIAL DEVELOPMENT AGENCY
137 Margaret Street, Suite 209
Plattsburgh, New York 12901
Tel: 518-565-4627

March __, 2024

Hon. Mark R. Henry, Legislative Chairperson
County Government Center
137 Margaret Street, Suite 208
Plattsburgh, New York 12901

Michael E. Zurlo, County Administrator
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

Mark Bessen, Interim Superintendent
Beekmantown Central School District
37 Eagle Way
West Chazy, New York 12992-2577

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

Chelsea McDonald, District Clerk
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

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") by and 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 the Closing Date, 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 PILOT") 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 PILOT), 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 Original PILOT.

The Original PILOT was amended by a first amendment to payment in lieu of tax agreement dated as of March 1, 2009 (the “First Amendment to PILOT”), as further amended pursuant to a second amendment to payment in lieu of tax agreement dated as of December 1, 2009 (the “Second Amendment to PILOT”), as further amended pursuant to a third amendment to payment in lieu of tax agreement dated as of December 1, 2013 (the “Third Amendment to PILOT”) and as further amended pursuant to a fourth amendment to payment in lieu of tax agreement dated as of December 1, 2016 (the “Fourth Amendment to PILOT”), each 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 PILOT) (the Original PILOT, as amended by the First Amendment to PILOT, the Second Amendment to PILOT, the Third Amendment to PILOT and the Fourth Amendment to PILOT, being referred to hereinafter as the “Amended PILOT”), which Amended PILOT was amended and restated pursuant to an amended and restated payment in lieu of tax agreement dated as of January 1, 2018 (the “Amended and Restated PILOT”) by and among the Agency, the Company and the PILOT Mortgage Agent.

In December, 2023, the Company requested that the Agency consider an additional amendment to the Amended and Restated PILOT that would extend the termination date of the Amended and Restated PILOT from March 31, 2024 to March 31, 2029, which amendment would be effectuated pursuant to a first amendment to amended and restated payment in lieu of tax agreement (the “First Amendment to Amended and Restated PILOT”).

By resolution adopted by the members of the Agency on January 8, 2024 (the “PILOT Deviation Notice and Public Hearing Resolution”), the Agency authorized the Executive Director of the Agency to (i) conduct a public hearing with respect to the proposed execution and delivery of the First Amendment to Amended and Restated PILOT and (ii) notify the Affected Tax Jurisdictions of the proposed deviation from the Agency’s uniform tax exemption policy (the “UTEF”) in connection with the Project.

Pursuant to the authorization contained in the PILOT Deviation Notice and Public Hearing Resolution, the Executive Director of the Agency (A) caused a certified copy of the PILOT Deviation Notice and Public Hearing Resolution to be mailed on January 30, 2024 to the chief executive officers of the “affected tax jurisdictions” (within the meaning of such quoted term in Section 854(16) of the Act) (the “Affected Tax Jurisdictions”), (B) caused notice of a public hearing of the Agency pursuant to Section 859-a of the Act (the “Public Hearing”) to hear all persons interested in the Proposed Amendments being contemplated by the Agency with respect to the Project, to be mailed on February 15, 2024 to the Affected Tax Jurisdictions, (C) caused notice of the Public Hearing to be posted on February 15, 2024 on a bulletin board located at Plattsburgh Town Hall located at 151 Banker Road, in the Town of Plattsburgh, Clinton County, New York and on the Agency’s website, (D) caused notice of the Public Hearing to be published on February 17, 2024 in the Press Republican, a newspaper of general circulation available to the residents of the Town of Plattsburgh, Clinton County, New York, (E) conducted the Public Hearing on February 29, 2024, at 10:00 o’clock, a.m., local time at the Plattsburgh Town Hall located at 151 Banker Road, in the Town of Plattsburgh, Clinton County, New York, and (F) prepared a report of the Public Hearing (the “Public Hearing Report”) which fairly summarized the views presented at said public hearing and distributed same to the members of the Agency.

Pursuant to the authorization contained in the PILOT Deviation Notice and Public Hearing Resolution, the Executive Director of the Agency mailed a letter on February 13, 2024 to the Affected Taxing Jurisdictions notifying the chief executive officers of the Affected Tax Jurisdictions of the proposed deviation from the UTEP (the “Initial Deviation”) and further notifying said chief executive officers that the members of the Agency would consider whether to approve the Initial Deviation at its meeting on March 18, 2024.

By resolution adopted by the members of the Agency on March 18, 2024, the Agency approved the Initial Deviation and determined to enter into the necessary documents to effectuate the First Amendment to Amended and Restated PILOT.

Pursuant to a subsequent request from counsel to the Company dated March 6, 2024, the Company has requested certain amendments to the Amended and Restated PILOT as further described herein, which amendments would be effectuated pursuant to a second amendment to amended and restated payment in lieu of tax agreement (the “Second Amendment to Amended and Restated PILOT”).

By resolution adopted by the members of the Agency on March 18, 2024 (the “Supplemental PILOT Deviation Notice and Public Hearing Resolution”), the Agency authorized the Executive Director of the Agency to deliver to you this letter pursuant to Section 874 of the General Municipal Law and the UTEP.

The proposed terms of the Second Amendment to Amended and Restated PILOT would provide for the following:

- The Amended and Restated PILOT will be amended to provide that Beekman Town Central School District (the “District”) will no longer receive payments in lieu of real property taxes under the Amended and Restated PILOT. Instead, the District will enter into a host community benefit agreement in lieu thereof.
- The Amended and Restated PILOT will be further amended to provide for a modification to the “free cash flow” concept contained therein. Currently, the Company’s payments under the PILOT increases if the Company hits a certain revenue target as follows:

| Revenue | Payment |
|---------------------------|----------------|
| \$4.834 million and above | \$420,000 |

- The Second Amendment to Amended and Restated PILOT would provide (i) for a lower revenue target to trigger an increased PILOT payment and (ii) a secondary revenue target which if met would trigger a further increased PILOT payment, as follows:

| Revenue | Payment |
|----------------------|----------------|
| \$4.5m - \$6 million | \$420,000 |
| Over \$6 million | \$600,000 |

The Second Amendment to Amended and Restated PILOT would not provide any abatements for any special assessments levied on the Project Facility.

The terms of the Second Amendment to Amended and Restated PILOT deviate from the UTEP. The purpose of this letter is to inform you of such deviation and that the Agency is considering the terms

of the Second Amendment to Amended and Restated PILOT. The Agency expects to consider whether to approve the terms of the Second Amendment to Amended and Restated PILOT at its meeting scheduled for May 13, 2024 at 12:00 o'clock, p.m., local time at the offices of the Agency located at 137 Margaret Street, Suite 209 in the City 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 Second Amendment to Amended and Restated PILOT.

The Agency considered the following factors, enumerated under the UTEP, in considering the proposed deviation (the Amended and Restated PILOT, as amended and supplemented by the Second Amendment to Amended and Restated PILOT, is referred to hereinafter as the "Proposed PILOT Agreement"):

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: At the time of the filing of the Application, the Project Facility existed for the benefit of the area. The Company is required to make PILOT Payments for the benefit of the Affected Tax Jurisdictions. By modifying the Amended and Restated PILOT, the Agency and the Company will guarantee a fixed, semi-annual payment amount for the Affected Tax Jurisdictions. This will assist the Affected Tax Jurisdictions by providing stability in the payments received. Additionally, it is the Agency's understanding that the energy generated by the Project Facility is required by various businesses in 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: The Second Amendment to Amended and Restated PILOT will retain seventeen (17) jobs and secure continued steam generation for the adjacent employers which would be expected to retain over 200 employees (see Section 7 below).

5. The estimated value of new tax exemptions to be provided: The value of the tax exemptions would be expected to not change as a result of the Second Amendment to Amended and Restated PILOT.

6. The economic impact of the Proposed PILOT Agreement on affected tax jurisdictions: By modifying the Amended and Restated PILOT Agreement, the Agency and the Company will ensure a guaranteed income stream for the affected tax jurisdictions.

7. The impact of the Proposed PILOT Agreement on existing and proposed businesses and economic development projects in the vicinity: The Company provides steam generation for Georgia Pacific and Pactiv, which companies provide a combined total of over 200 manufacturing jobs. The continuation of this steam generation has been identified as being of significant importance in retaining these jobs.

8. The amount of private sector investment generated or likely to be generated by the Proposed PILOT Agreement: The Company does not anticipate making any changes to the Project Facility.

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

10. Project Timing: The term of the Second Amendment to amended and Restated PILOT is expected to begin upon execution thereof.

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: The anticipated tax revenues would be expected to remain the same – subject to such revenues increasing if the Company hits certain revenue targets as described above.

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: It is the Agency’s understanding that the Project Facility is the only facility in the area that conducts steam generation. The proposed modifications to the Amended and Restated PILOT will help ensure that the Project Facility and this type of energy generation remains in the area.

The Agency will consider the Project and the Second Amendment to Amended and Restated PILOT (and the proposed deviation from its UTEP) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the UTEP. 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: _____

Molly F. Ryan
Executive Director