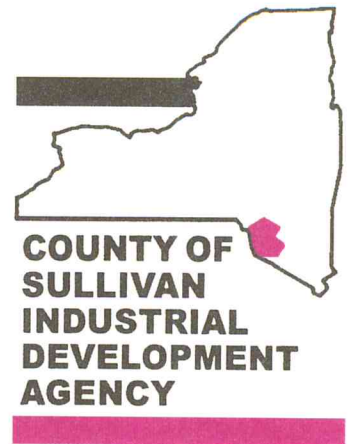


548 Broadway
Monticello, New York 12701
(845) 428-7575
(845) 428-7577
TTY 711



January 25, 2022

HAND DELIVERED

Joshua Potossek, County Manager
County of Sullivan
Sullivan County Government Center
100 North Street
Monticello, New York 12701

Robert A. Doherty, Chairman
Sullivan County Legislature
County of Sullivan
Sullivan County Government Center
100 North Street
Monticello, New York 12701

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Frank DeMayo, Supervisor
Town of Liberty
120 North Main Street
Liberty, New York 12754

Dr. Patrick Sullivan, Superintendent
Liberty Central School District
115 Buckley Street
Liberty, New York 12754

John L. Nichols, President
Board of Education
Liberty Central School District
P.O. Box 2
White Lake, New York 12786

RE: Proposed Deviation from Uniform Tax Exemption Policy by the County of Sullivan Industrial Development Agency (“Agency”) in connection with the proposed Sunset Lake Local Development Corporation

Honorable Sirs:

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

Sunset Lake Local Development Corporation, a New York Not-for-Profit Corporation (the “Company”), has presented an application to the Agency (the “Application”), a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) the

acquisition of an interest in a 23.74 acre parcel of land improved by the County of Sullivan Adult Care Center; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) by making provision for a fixed amount payment in lieu of real property taxes; and (C) the lease of the Agency’s interest in the Project to the Company or such other entity as may be designated by the Company and agreed upon by the Agency.

The Application requests the Agency deviate from its Uniform Tax Exemption Policy (“Policy”) with respect to the payments proposed to be made under a fixed amount payment in lieu of tax agreement by and between the Agency and the Company (the “PILOT Agreement”) and with respect to the duration of the PILOT which may exceed twenty (20) years (“collectively, the PILOT Request”).

The Proposed PILOT Agreement would be for a term exceeding twenty (20) years. The PILOT Request is for the period the Project is leased to the County of Sullivan and a period not to exceed twenty (20) years thereafter.

The PILOT Request proposes the Company pay the Agency a PILOT Payment due January, 2023 in the amount of THREE HUNDRED FIFTY THOUSAND and 00/100 (\$350,000.00) DOLLARS, with the annual amount of the PILOT Payment increasing by the percentage increase in the Consumer Price Index but with no annual increase exceeding two (2%) percent.

The purpose of this letter is to inform you of such PILOT Request and that the Agency is considering whether to grant the PILOT Request and to approve a Proposed PILOT Agreement conforming to the terms of the PILOT Request. The Agency expects to consider whether to approve the terms of the PILOT Agreement at its meeting scheduled for February 14, 2022 at 11:00 a.m. (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 and the Policy, which requires notice prior to the Agency taking final action with respect to the Proposed PILOT Request.

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

1. The Company and Town are in a dispute regarding the taxable status of the real property upon which the Project is located (the “Dispute”).
2. If the Agency takes an interest in the Project, the underlying real property will be exempt from ad valorem real estate taxes.
3. The proposed fixed amount PILOT payment due January 1, 2023 is substantially equal to the estimated ad valorem real estate taxes which would be due for the 2022/2023 School Tax year and 2023 County and Town Tax year if the Agency was not involved with the Project.
4. The Agency’s interest in the Project will make the outcome of the Dispute irrelevant as to ad valorem real estate taxes due from and after September 1, 2022

("School Tax") and January 1, 2023 ("County and Town Tax") for the life of the Project.

5. The Company, the Affected Taxing Jurisdictions and any prospective transferee of the Project from the Company can budget for and expect to pay or receive a sum certain or a sum rationally predictable as a PILOT payment and avoid the uncertainty associated with final resolution of the Dispute.

The Agency will consider the Proposed PILOT Agreement (and the proposed deviation from the Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Policy. 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 from the Agency's Uniform Tax Exemption Policy.

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

Sincerely,
COUNTY OF SULLIVAN INDUSTRIAL
DEVELOPMENT AGENCY


By: Jennifer Flad, Executive Director

/sj
cc: Walter F. Garigliano, Esq., Agency Counsel
Suzanne Loughlin, Chairperson
Shawn Griffin, Esq.
Michael F. McGuire, Esq., County Attorney

70319-030v4