

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY

548 Broadway
Monticello, New York 12701
(845) 428-7575 - Voice
(845) 428-7577 - Fax
www.sullivanida.com
TTY 711

MEETING NOTICE

TO: Suzanne Loughlin, IDA Chairperson
Edward Sykes, IDA Vice Chairman
Carol Roig, IDA Secretary
Howard Siegel, IDA Treasurer & Chief Financial Officer
Scott Smith, IDA Assistant Treasurer
Paul Guenther, IDA Member
Sean Brooks, IDA Member
Philip Vallone, IDA Member
Kathleen Lara, IDA Member
Chairman and Members of the Sullivan County Legislature
Josh Potosek, Sullivan County Manager
John Kiefer, IDA Chief Executive Officer
Walter Garigliano, Esq., IDA Counsel

FROM: Jennifer Flad, Executive Director

DATE: July 6, 2023

PLEASE TAKE NOTICE that there will be a Regular Meeting of the County of Sullivan Industrial Development Agency scheduled as follows:

Date: Monday, July 10, 2023

Time: 11:00 AM

Location: Legislative Committee Room, Sullivan County Government Center, 100 North Street, Monticello, New York 12701

This meeting video will also be livestreamed on the [IDA's YouTube Channel](#).

Meeting documents will be posted online [here](#).

SEE REVERSE FOR AGENDA

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**MEETING AGENDA
MONDAY, JULY 10, 2023**

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MEETING MINUTES

June 12, 2023 Regular Meeting

IV. BILLS AND COMMUNICATIONS

V. STAFF REPORT AND QUARTERLY FINANCIAL REPORT

VI. NEW BUSINESS

Presentation: Hudson Valley AgriBusiness Development Corporation

Resolution: Authorizing the Chairperson or Executive Director to Execute and Deliver an AgriBusiness Agreement with Hudson Valley AgriBusiness Development Corporation for the period Commencing July 1, 2023 and Ending June 30, 2028

Resolution: Extending the Sales Tax Abatement Period for the Monticello Industrial Park LLC Project from July 1, 2023 Through and Including December 31, 2023

Resolution: Amending the Payment in Lieu of Taxation Agreement Relating to the NY Thompson III, LLC Project

Resolution: Amending the Payment in Lieu of Taxation Agreement Relating to the NY Liberty II, LLC Project

Resolution: Amending the Payment in Lieu of Taxation Agreement Relating to the NY Mamakating I, LLC Project

Discussion and Approval: Rural Microentrepreneur Assistance Program Loan to 2 Queens LLC

Discussion and Approval: Rural Microentrepreneur Assistance Program Loan to 3 Franks, Inc.

Discussion and Approval: Revolving Loan Fund Loan to Homesteadt, LLC and North Branch Cider Mill LLC

Any and All Other Business Before the Board

VII. PUBLIC COMMENT AND ADJOURN

##

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MEETING MINUTES
Monday, June 12, 2023

I. CALL TO ORDER

Chairperson Loughlin called to order the regular meeting of the County of Sullivan Industrial Development Agency at approximately 11:00 AM in the Legislative Committee Room at the Sullivan County Government Center, 100 North Street, Monticello, New York 12701.

II. ROLL CALL

Members Present-

Suzanne Loughlin
Edward Sykes
Carol Roig
Howard Siegel
Scott Smith
Phillip Vallone
Kathleen Lara

Members Absent-

Paul Guenther
Sean Brooks (arrived approximately 11:05 AM)

Staff Present-

John Kiefer, Chief Executive Officer
Jennifer Flad, Executive Director
Julio Garaicoechea, Project Manager
Bethanii Padu, Economic Development Coordinator

Staff Absent-

None

Others Present-

Walter Garigliano, Agency Counsel

III. APPROVAL OF MEETING MINUTES

On a motion made by Ms. Lara, and seconded by Mr. Sykes, the Board voted and unanimously approved the May 8, 2023 regular meeting minutes.

IV. BILLS AND COMMUNICATION

Ms. Flad presented the Board with a schedule of payments showing 9 payments totaling \$14,061.86. On a motion made by Mr. Sykes, and seconded by Ms. Roig, the Board voted and unanimously approved the schedule of payments.

V. STAFF REPORT

There were no questions on the May staff report.

VI. NEW BUSINESS

On a motion made by Mr. Sykes, and seconded by Mr. Smith, the Board reviewed and discussed a resolution authorizing the Agency to provide funding to the **Partnership for Economic Development in Sullivan County, Inc** for the second quarter of 2023. Chairperson Loughlin called the motion to question, the Board voted, and the resolution was unanimously approved.

Mr. Brooks entered the meeting.

The Board tabled the resolution authorizing the Chairperson or Executive Director to execute and deliver an AgriBusiness Agreement with Hudson Valley AgriBusiness Development Corporation (“HVADC”) for the period commencing July 1, 2023 and ending June 30, 2028.

On a motion made by Mr. Sykes, and seconded by Mr. Brooks, the Board reviewed and discussed a resolution extending the sales tax abatement period for the **FSH Lodge at Neversink, LLC** and **7491 State Route 55 Property Co, LLC** project. Chairperson Loughlin called the motion to question, the Board voted, and the resolution was unanimously approved.

On a motion made by Ms. Roig, and seconded by Mr. Sykes, the Board reviewed and discussed a resolution extending the sales tax abatement period for the **Rock Meadow Partners, LLC, Great Pine, LLC, and Naro Building, LLC** project. Chairperson Loughlin called the motion to question, the Board voted, and the resolution was unanimously approved.

On a motion made by Mr. Brooks, and seconded by Mr. Smith, the Board reviewed and discussed a resolution extending the sales tax abatement period for the **Mountain Kosher Food Corp.** and **286 EB LLC** project. Chairperson Loughlin called the motion to question, the Board voted, and the resolution was unanimously approved.

The Board discussed certain proposed amendments to the Payment in Lieu of Taxation (PILOT) Agreements with NY Thompson III, LLC, NY Liberty II, LLC, and NY Mamakating I, LLC. Rich Winter and Luke Duncan joined the discussion by phone, speaking on behalf of the three project companies. The Board directed staff and counsel to prepare resolutions authorizing the amendments as proposed, for review at the July Board meeting.

VII. PUBLIC COMMENT AND ADJOURN

Chairperson Loughlin asked those present for Public Comment. There was none. On a motion made by Mr. Sykes, and seconded by Mr. Brooks, the Board adjourned the meeting at approximately 11:36 AM.

Respectfully submitted:
Bethanii Padu, Economic Development Coordinator
##

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY

548 Broadway, Monticello, NY 12701

845-428-7575

SCHEDULE OF PAYMENTS: July 10, 2023			
No.	Vendor	Description	Amount
1	Allspring Global Investments	IRA Matching Contribution - J.Flad	\$ 3,250.00
2	Blustein, Shapiro, Frank & Barone	Sales tax exemption fees re: FSH Lodge at Neversink (January and June 2023)	\$ 500.00
3	Charter Communications	Phone and Internet Service July 2023	\$ 279.95
4	Deborah Nola	Accounting & Payroll Services- June 2023	\$ 500.00
5	Elan Financial Services	Zoom, Adobe, and GoDaddy subscriptions; Postage meter quarterly rental; UCC filing fee; SC Clerk's Office document fee	\$ 773.47
6	e-Nable Business Solutions	IT Consulting 2/3/23 - 6/14/23	\$ 760.00
7	New Southern Tier Title Agency	Office Rent: August 2023 plus additional July 2023	\$ 4,700.00
8	New York State Department of Labor Unemployment Insurance	2023 Interest Assessment Surcharge	\$ 82.45
9	Walter F. Garigliano, Esq.	Monticello Industrial Park Sales Tax Exemption Legal Fee (<i>pass-through</i>); July 2023 Retainer	\$ 500.00
10	USDA Rural Development	RMAP Loan Payment July 2023	\$ 2,370.41
TOTAL			\$ 13,716.28
I certify that the payments listed above were audited by the Board of the IDA on July 10, 2023 and allowed in the amounts shown. You are hereby authorized and directed to pay each of the claimants in the amount opposite its name.			
			<u>7/10/2023</u>
Signature			Date

Expenses Approved and Paid Since Last Regular Meeting (6/12/23)			
No.	Vendor	Description	Amount
1	none		
TOTAL			\$ -

Other Expenses and Items Paid Since Last Regular Meeting (6/12/23)—no approval required			
No.	Vendor	Description	Amount
1	Payroll Expenses	Payroll Check Dates: 6/16/23, 6/30/23	\$ 22,113.18
TOTAL			\$ 22,113.18

ACTIVITY REPORT – JUNE 2023
COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY (IDA), SULLIVAN COUNTY
FUNDING CORPORATION (SCFC), THE SULLIVAN COUNTY INFRASTRUCTURE LOCAL
DEVELOPMENT CORPORATION (TSCILDC)

July 5, 2023

The IDA Board held its regular monthly meeting on June 12th, at which time the Board adopted the following resolutions:

- Resolution authorizing IDA to provide funding to the **Partnership for Economic Development in Sullivan County, Inc.** for the second quarter of 2023.
- Resolution extending the sales tax abatement period for the **FSH Lodge at Neversink, LLC and 7491 State Route 55 Property Co, LLC** project through December 31, 2023. This is the former New Age Health Spa in the Town of Neversink.
- Resolution extending the sales tax abatement period for the **Rock Meadow Partners, LLC, Great Pine, LLC, and Naro Building, LLC** project through December 31, 2023. This is the Narrowsburg Union project in the Town of Tusten.
- Resolution extending the sales tax abatement period for the **Mountain Kosher Food Corp. and 286 EB LLC** project through December 31, 2023. This is the Mountain Kosher Grocery store in the Village of Monticello.

The Sullivan County Funding Corp. (SCFC) and Sullivan County Infrastructure Local Development Corporation (TSCILDC) also met on June 12th to conduct routine business.

IDA staff members are working with several revolving loan applicants and one potential applicant for agribusiness lease funds.

Through its grant application cost-share program, SCFC has awarded cost-share funds to assist in the development of Consolidated Funding Applications (CFA) for the benefit of Catskill Explorer and Holiday Mountain Ski & Fun Park.

Effective July 1st, 2023, IDA has begun renting additional office space at our 548 Broadway, Monticello location to accommodate staff and visitors, and to plan for future increased workloads.

The next meeting of the IDA Board is scheduled for Monday, July 10th at 11:00 AM in the Legislative Committee Room at the Sullivan County Government Center.

##

County of Sullivan IDA Balance Sheet Quarterly Report

ASSETS		12/31/2022		3/31/2023		6/30/2023
Current Assets						
Cash	\$	6,938,521.00	\$	7,098,412.00	\$	7,018,899.00
Restricted Cash	\$	986,168.00	\$	1,029,758.00	\$	892,762.00
Accounts Receivable	\$	23,914.00	\$	25,917.00	\$	28,081.00
Prepaid Expense	\$	7,814.00	\$	7,814.00	\$	7,814.00
Operating Leases Receivable- Current	\$	122,110.00	\$	121,637.00	\$	122,269.00
Capital Leases Recievable- Current	\$	28,143.00	\$	28,355.00	\$	28,568.00
Notes Receivable- Current	\$	37,653.00	\$	30,297.00	\$	35,509.00
Total Current Assets	\$	8,144,323.00	\$	8,342,190.00	\$	8,133,902.00
Non-Current Assets						
Operating Leases Receivable	\$	653,316.00	\$	625,772.00	\$	594,976.00
Capital Leases Receivable	\$	243,218.00	\$	236,049.00	\$	228,827.00
Notes Receivable	\$	178,440.00	\$	176,701.00	\$	250,747.00
Capital Assets, Net	\$	2,630,281.00	\$	2,631,269.00	\$	2,722,856.00
Total Non-Current Assets	\$	3,705,255.00	\$	3,669,791.00	\$	3,797,406.00
TOTAL ASSETS	\$	11,849,578.00	\$	12,011,981.00	\$	11,931,308.00
LIABILITIES						
Current Liabilities						
Accounts Payable	\$	4,130.00	\$	25,082.00	\$	32,039.00
Accrued Payroll	\$	4,182.00	\$	-	\$	-
Unearned Revenue	\$	207,417.00	\$	-	\$	-
Note Payable- Current	\$	23,805.00	\$	23,946.00	\$	24,066.00
Total Current Liabilities	\$	239,534.00	\$	49,028.00	\$	56,105.00
Non-Current Liabilities						
Note Payable	\$	218,097.00	\$	211,922.00	\$	205,860.00
Total Non-Current Liabilities	\$	218,097.00	\$	211,922.00	\$	205,860.00
TOTAL LIABILITIES	\$	457,631.00	\$	260,950.00	\$	261,965.00
DEFERRED INFLOWS OF RESOURCES						
Leases	\$	775,426.00	\$	747,409.00	\$	717,245.00
TOTAL DEFERRED INFLOWS OF RESOURCES	\$	775,426.00	\$	747,409.00	\$	717,245.00
TOTAL NET POSITION	\$	10,616,521.00	\$	11,003,622.00	\$	11,214,063.00

The above balance sheet does not include sales tax escrows, project escrows, or PILOT escrows, which are shown below.

Sales Tax Escrow Funds	\$	244,020.00	\$	241,519.00	\$	245,060.00
PILOT Escrow Funds	\$	619,048.00	\$	124,541.00	\$	342,110.00
Project Escrow Funds	\$	68,077.00	\$	108,077.00	\$	103,077.00
Total Escrow Funds Held by IDA:	\$	931,145.00	\$	474,137.00	\$	690,247.00

6/30/2023
accrual basis

**County of Sullivan Industrial Development Agency
Profit & Loss Budget vs. Actual**

	<u>Jan-Mar 2023</u>	<u>Apr-Jun 2023</u>	<u>YTD 2023</u>	<u>2023 Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense					
Income					
4000 · Project Fees (one time)	15,629.00	43,152.00	58,781.00	30,000.00	196%
4002 · Agency Annual Fees	495,567.00	1,925.00	497,492.00	502,317.00	99%
4003 · Application Fees	250.00	500.00	750.00	2,000.00	38%
4004 · Interest Income-Bank & CD	976.00	952.00	1,928.00	4,500.00	43%
4005 · Interest Income- Loans & Leases	2,820.00	2,475.00	5,295.00	4,000.00	132%
4006 · Late Fee & Misc. Income	-	30.00	30.00	-	n/a
4011 · Rental Income- Food Hub Bldg	-	12,250.00	12,250.00	-	n/a
4013 · Farm Assistance RLF	48,050.00	39,225.00	87,275.00	129,000.00	68%
4022 · SCFC Mgt & Admin Svcs	2,500.00	2,500.00	5,000.00	10,000.00	50%
4023 TSCILDC Mgt & Admin Svcs	-	-	-	12,000.00	0%
Anticipated New Agency Fees	-	-	-	-	n/a
Total Income	565,792.00	103,009.00	668,801.00	693,817.00	96%
Gross Profit	565,792.00	103,009.00	668,801.00	693,817.00	96%
Expense					
6000 · Personnel **	66,175.00	81,732.00	147,907.00	314,000.00	47%
6001 · Promotion (SC Partnership)	25,000.00	25,000.00	50,000.00	75,000.00	67%
Hudson Valley Agribusiness	-	30,000.00	30,000.00	25,000.00	120%
6002 · Subscriptions	784.00	2,216.00	3,000.00	5,000.00	60%
6003 · Office Supplies & Misc. Exp.	964.00	1,150.00	2,114.00	12,000.00	18%
6003.1 · Non Reimb. Legal Fees	1,635.00	3,352.00	4,987.00	50,000.00	10%
6003.2 · Non Reimb. Accounting	15,000.00	-	15,000.00	11,000.00	136%
6003.3 · Non Reimb. Consulting	1,428.00	1,500.00	2,928.00	5,000.00	59%
6007 · Rent Expense	8,100.00	8,100.00	16,200.00	32,400.00	50%
6008 · Telephone/Fax/Computer	1,114.00	840.00	1,954.00	4,500.00	43%
6009 · Insurance	3,525.00	-	3,525.00	15,000.00	24%
6010 · Postage	974.00	200.00	1,174.00	2,250.00	52%
6012.3 · Conferences & Seminars	-	250.00	250.00	2,000.00	13%
6035 Travel Expenses	136.00	130.00	266.00	2,500.00	11%
6012.4 · Storage	-	-	-	-	n/a
Equipment Purchases- In House	988.00	1,317.00	2,305.00	1,000.00	231%
6011 Repairs & Maintenance	-	-	-	250.00	0%
6012.6 · Dues	6,730.00	-	6,730.00	6,700.00	100%
6017 · Advertising	221.00	25.00	246.00	500.00	49%
6012.5 Credit Reports	-	-	-	250.00	0%
6040 Expense Reserve	-	-	-	3,000.00	0%
6019 · Ret'd Ck/Svc Chrg	35.00	-	35.00	-	n/a
8000 Depreciation	-	-	-	-	n/a
8010 Bad Debt Expense	-	2,795.00	2,795.00	-	n/a
Total Expense	132,809.00	158,607.00	291,416.00	567,350.00	51%
Net Ordinary Income	432,983.00	(55,598.00)	377,385.00	126,467.00	
Net Income	432,983.00	(55,598.00)	377,385.00	126,467.00	

6/30/2023



June 16, 2023

Sullivan County IDA
548 Broadway
Monticello, NY 12701
Jennifer M. Flad, Executive Director

Dear Jennifer –

Hudson Valley AgriBusiness Development Corporation (HVADC) is writing to request a renewal of our contract for services related to the support of the agricultural industry in the county for \$30,000/year for five years. HVADC greatly appreciates the County's support since 2011 noting we have not requested an increase from our previous annual amount of \$25,000 until this year. Rising costs due to inflation and the increase in programming HVADC is offering has resulted in this increase.

HVADC's addition of an \$2M+ agribusiness loan fund, supported by funding from the NYS Job Development Authority and the US Department of Commerce Economic Development Agency, and the administration of NYS Ag & Market's Meat Processing Expansion Grant program are two examples of HVADC's new efforts.

Lastly, we are please to you inform you HVADC became a certified Community Development Financial Institution (CDFI). CDFIs are mission-driven financial institutions that are dedicated to providing financial services and investing in local communities and the residents who live there by providing critically needed financing often unavailable from mainstream financial institutions. Funded through the Department of Treasury, HVADC will be eligible to enhance the agribusiness Loan fund and business technical assistance offerings in the future.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Todd M. Erling", is written over a vertical line.

Todd M Erling

HVADC

507 Warren Street, 2nd Floor
Hudson, NY 12534
P: 518.432.5360
F: 888.317.5556

BOARD OF DIRECTORS

President
Mark Doyle

Vice President
Walter Garigiano

Treasurer/Secretary
Ann Finnegan

Dennis Doyle
Eric Ooms

Executive Director
Todd Erling

AgriBusiness Agreement

THIS AGRIBUSINESS AGREEMENT (“Agreement”), is effective as of July 1, 2023 by and between the County of Sullivan Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, with its principal office located at 548 Broadway, Monticello, New York 12701 (“Agency”) and Hudson Valley AgriBusiness Development Corporation, a New York not-for-profit corporation, with its principal offices located at 507 Warren Street, 2nd Floor, Hudson, New York 12534 (“HVADC”).

Recitals

WHEREAS, HVADC’s mission is to enhance the agricultural sector in the Hudson Valley by assisting both new and existing agribusinesses, and supporting policies and regulations that recognize and support New York State’s agricultural economy; and

WHEREAS, HVADC’s programs are designed to support growth and development of agriculture and related industries by providing agribusiness technical assistance, project planning and development services, agricultural development support and capital access planning; and

WHEREAS, the Agency’s mission is to promote economic welfare and recreation opportunities, prevent unemployment and economic deterioration, ensure the prosperity of Sullivan County’s inhabitants, and promote tourism and trade; and

WHEREAS, the Agency recognizes the importance of farming and related agricultural businesses on the County’s economy; and

WHEREAS, the Agency has determined that HVADC’s corporate purpose is closely aligned with the Agency’s mission; and

WHEREAS, the Agency wishes to engage HVADC to provide services in furtherance of the Agency’s mission.

NOW THEREFORE, in consideration of the covenants herein contained and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

1. Payment for Services.

The Agency agrees to provide payment for services to HVADC in the aggregate amount of \$150,000.00, to be paid in five (5) equal annual installments of \$30,000.00 each covering fiscal periods commencing July 1, 2023 and ending June 30, 2028. Payments, other than the \$30,000.00 installment covering the period July 1, 2023 to June 30, 2024, are subject to annual approval by the Agency. Should the Agency elect not to approve any annual installment required hereunder, this Agreement shall be deemed to have been terminated by the Agency and appropriate notice will be delivered to HVADC within ten (10) business days of such disapproval.

2. Services – In General.

HVADC shall use Agency funds primarily for its stated purpose of fostering the growth and development of agricultural businesses and opportunities in Sullivan County and the Hudson Valley region. Examples of these services may include but are not limited to:

- A. Seeking prospective agribusinesses with the potential to locate in Sullivan County and assisting such prospective businesses in finding appropriate sites with necessary infrastructure and amenities to encourage location of their businesses in Sullivan County.
- B. Providing Sullivan County farmers and agribusinesses with technical assistance including business planning services and business expansion counseling.
- C. Referring viable agribusinesses to the Agency for consideration of project support.
- D. Acting as a liaison between Sullivan County farmers and agribusinesses and the New York State Department of Agriculture and Markets.

3. Reporting.

HVADC shall provide the Agency with a comprehensive annual report of its Sullivan County activities and regional activities impacting Sullivan County at times to be arranged between HVADC and the Agency.

4. Insurance.

Effective as of the date hereof and until the Agency consents in writing to a termination, HVADC shall maintain or cause to be maintained insurance against such risks and for such amounts as are customarily insured against by not-for-profit entities of like size and type paying, as the same become due and payable, all premiums in respect thereto, including, but not necessarily limited to:

A. Insurance against loss or losses from liabilities imposed by law or assumed in any written contract and arising from personal injury and death or damage to the property of others caused by any accident or occurrence, with limits of not less than \$1,000,000 per accident or occurrence on account of personal injury, including death resulting therefrom, and \$1,000,000 per accident or occurrence on account of damage to the property of others, excluding liability imposed upon HVADC by any applicable Worker's Compensation Law.

B. Worker's compensation insurance, disability benefits insurance, and each other form of insurance which HVADC is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the HVADC.

All insurance shall be procured and maintained in financially sound and generally recognized responsible insurance companies selected by HVADC (and reasonably satisfactory to the Agency) and authorized to write such insurance in the State of New York. Such insurance may be written with deductible amounts not exceeding \$2,500.00. All policies evidencing such insurance shall provide for at least thirty (30) days written notice of the cancellation thereof to the Agency.

All such certificates of insurance of the insurers that such insurance is in force and effect, shall be provided to the Agency effective on or before the commencement of the term of this Agreement. Prior to expiration of the policy evidenced by said certificates, HVADC shall furnish the Agency evidence that the policy has been renewed or replaced or is no longer required by this Agreement.

5. Hold Harmless.

HVADC shall indemnify and hold harmless the Agency and its directors, officers, employees, members, agents, representatives (except HVADC), their respective successors and assigns and personal representatives harmless from and against any and all liability for loss or damage to property or injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to this Agreement, including without limiting the generality of the foregoing, reasonable attorneys' fees and any other expense, incurred in defending any suits or actions which may arise as a result of any of the foregoing.

6. General Provisions.

A. Notices. All notices required or permitted to be given hereunder shall be in writing and may be delivered by hand, by overnight courier of national reputation, or by United States mail. Notices delivered by mail shall be deemed given three Business Days after being deposited in the United States mail, postage prepaid, registered or certified mail. Notices delivered by overnight courier of national reputation shall be deemed given the next day after mailing providing evidence of receipt and properly addressed. Notices delivered by hand shall be deemed given on the day of delivery. All notices shall be addressed as follows:

if to the Agency:

County of Sullivan Industrial Development Agency
548 Broadway
Monticello, New York 12701
Attn: Executive Director

with a copy to:

Walter F. Garigliano P.C.
P.O. Drawer 1069 – 449 Broadway
Monticello, New York 12701

If to HVADC:

Hudson Valley AgriBusiness Development Corporation
507 Warren Street, 2nd Floor
Hudson, New York 12534
Attn: Todd M. Erling, Executive Director

B. Governing Law, Venue. This Agreement shall be construed and enforced in accordance with the internal laws of the State of New York. Any dispute arising hereunder shall be adjudicated in New York State Supreme Court, Sullivan County.

C. Construction. All defined terms used herein shall be applicable equally to

the singular and plural forms of such terms. This Agreement executed and delivered in connection with the Agreement shall be interpreted without regard to any canons of construction which require that a document be interpreted or construed against the party which caused the same to be drafted.

D. Severability. Whenever possible, each provision of this Agreement shall be interpreted in Agreement shall be prohibited by or invalid under applicable law such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

E. Headings. All section headings herein have been inserted for convenience of reference only and shall not affect any construction or interpretation of this Agreement.

F. Assignment and Assigns. HVADC shall neither assign nor delegate any of its duties arising under this Agreement without the prior written consent of the Agency.

G. Entire Agreement, Counterparts. This Agreement, which may be executed in counterparts, constitutes the entire agreement between the parties.

IN WITNESS WHEREOF, the Agency and HVADC, after receiving all necessary and appropriate authorizations, have executed this Agreement as of the day and year first above written.

County of Sullivan Industrial Development Agency

By: Jennifer M. Flad, Executive Director

Hudson Valley AgriBusiness Development Corporation

By: Todd M. Erling, Executive Director

RESOLUTION

A regular meeting of the County of Sullivan Industrial Development Agency (“Agency”) was convened on July 10, 2023 at 11:00 a.m. local time at the Sullivan County Government Center, 100 North Street, Monticello, New York 12701.

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

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[]	[]
Edward T. Sykes	[]	[]
Carol Roig	[]	[]
Howard Siegel	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]
Philip Vallone	[]	[]
Kathleen Lara	[]	[]

The following persons were also present:

Jennifer M. Flad, Executive Director
John W. Kiefer, Chief Executive Officer
Julio Garaicoechea, Project Manager
Bethanii Padu, Economic Development Coordinator
Walter F. Garigliano, Agency General Counsel
William A. Frank, Special Transaction Counsel

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

Resolution No. __ - 23

RESOLUTION AUTHORIZING THE CHAIRPERSON OR EXECUTIVE DIRECTOR TO EXECUTE AND DELIVER AN AGRIBUSINESS AGREEMENT WITH HUDSON VALLEY AGRIBUSINESS DEVELOPMENT CORPORATION (“HVADC”) FOR THE PERIOD COMMENCING JULY 1, 2023 AND ENDING JUNE 30, 2028

WHEREAS, HVADC’s mission is to enhance the agricultural sector in the Hudson Valley by assisting both new and existing agri-businesses, and supporting policies and regulations that recognize and support New York State’s agricultural economy; and

WHEREAS, HVADC’s programs are designed to support growth and development of agriculture and related industries by providing agribusiness technical assistance, project planning and development services, agricultural development support and capital access planning; and

WHEREAS, the Agency recognizes the importance of farming and related agricultural businesses on the County’s economy; and

WHEREAS, the Agency has determined that HVADC’s corporate purpose is closely aligned with the Agency’s mission of encouraging economic development in Sullivan County, including farms and related agricultural businesses; and

WHEREAS, the Agency wishes to engage HVADC to provide services to the Agency and the local agricultural community.

NOW, THEREFORE, BE IT RESOLVED by the Agency as follows:

Section 1. The Chairperson or Executive Director of the Agency, each acting individually, are each hereby authorized, on behalf of the Agency, to execute and deliver an Agribusiness Agreement (the “Agreement”) with HVADC for the period commencing July 1, 2023 and ending June 30, 2028, in substantially the form of the Agreement presented to the Agency.

Section 2. 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 and to execute and deliver all such certificates, instruments, documents, and 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 on behalf of the Agency desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all the terms, covenants and provisions of the Agreement for and on behalf of the Agency.

Section 3. These resolutions shall take effect immediately.

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

Suzanne Loughlin	[] Yes	[] No	[] Absent	[] Abstain
Edward T. Sykes	[] Yes	[] No	[] Absent	[] Abstain
Carol Roig	[] Yes	[] No	[] Absent	[] Abstain
Howard Siegel	[] Yes	[] No	[] Absent	[] Abstain
Scott Smith	[] Yes	[] No	[] Absent	[] Abstain
Paul Guenther	[] Yes	[] No	[] Absent	[] Abstain
Sean Brooks	[] Yes	[] No	[] Absent	[] Abstain
Philip Vallone	[] Yes	[] No	[] Absent	[] Abstain
Kathleen Lara	[] Yes	[] No	[] Absent	[] Abstain

The resolutions were thereupon duly adopted.

STATE OF NEW YORK :
:SS
COUNTY OF SULLIVAN :

I, the undersigned Secretary of the Agency DO HEREBY CERTIFY THAT:

1. I have compared the foregoing copy of a resolution of the County of Sullivan Industrial Development Agency (“Agency”) with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.
2. Such resolution was passed at a meeting of the Agency duly convened in public session on July 10, 2023 at 11:00 a.m. at the Sullivan County Government Center, 100 North Street, Village of Monticello, Sullivan County, New York, at which the following members were present:

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[]	[]
Edward T. Sykes	[]	[]
Carol Roig	[]	[]
Howard Siegel	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]
Philip Vallone	[]	[]
Kathleen Lara	[]	[]

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

Suzanne Loughlin	[] Yes	[] No	[] Absent	[] Abstain
Edward T. Sykes	[] Yes	[] No	[] Absent	[] Abstain
Carol Roig	[] Yes	[] No	[] Absent	[] Abstain
Howard Siegel	[] Yes	[] No	[] Absent	[] Abstain
Scott Smith	[] Yes	[] No	[] Absent	[] Abstain
Paul Guenther	[] Yes	[] No	[] Absent	[] Abstain
Sean Brooks	[] Yes	[] No	[] Absent	[] Abstain
Philip Vallone	[] Yes	[] No	[] Absent	[] Abstain
Kathleen Lara	[] Yes	[] No	[] Absent	[] Abstain

and therefore, the resolution was declared duly adopted.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) pursuant to Sections 103(a) and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103(a) and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the 10th day of July, 2023.

Carol Roig, Secretary

Monticello Industrial Park LLC
Deer Park, New York 11729
Attn: President
June 29,2023

County of Sullivan Industrial Development Agency
548 Broadway
Monticello, NY 12701

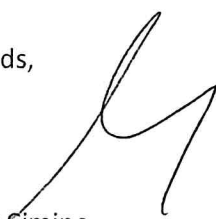
Dear County of Sullivan Industrial Development Agency:

Please accept this request to extend the sales tax abatement for Monticello Industrial Park LLC 's project located at SBL 130.-1-19.2 of Monticello, Town of Thompson, County of Sullivan.

This project is for (i) acquisition of one (1) parcel of land containing approximately 84 acres located along Rose Valley Road within the Village of Monticello ("Village"), Town of Thompson ("Town"), Sullivan County, New York and identified on the Village tax map as Section 130, Block 1, Lot 19,2 (the "Land"), (ii) construction, installation and equipping of water, sewer, roadway, and drainage infrastructure located on the Land ("Infrastructure Improvements") for future development as a commercial/industrial park; (iii) installation of utilities, electricity, lighting, and connectivity infrastructure (iv) acquisition in and around the Land and the Infrastructure Improvements of certain items of equipment and tangible personal property.

Thank you for your consideration.

Regards,



Cono Cimino

President

Monticello Industrial Park LLC
Deer Park, New York 11729
Attn: President

RESOLUTION

A regular meeting of the County of Sullivan Industrial Development Agency (“Agency”) was convened on July 10, 2023 at 11:00 a.m. local time at the Sullivan County Government Center, 100 North Street, Monticello, New York 12701.

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

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[]	[]
Edward T. Sykes	[]	[]
Carol Roig	[]	[]
Howard Siegel	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]
Philip Vallone	[]	[]
Kathleen Lara	[]	[]

The following persons were also present:

- Jennifer M. Flad, Executive Director
- John W. Kiefer, Chief Executive Officer
- Julio Garaicoechea, Project Manager
- Bethanii Padu, Economic Development Coordinator
- Walter F. Garigliano, Agency General Counsel

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

Resolution No. ____ - 23

***RESOLUTION EXTENDING THE SALES TAX ABATEMENT PERIOD
FOR THE MONTICELLO INDUSTRIAL PARK LLC ("COMPANY")
PROJECT NUNC PRO TUNC FROM JULY 1, 2023 THROUGH AND
INCLUDING DECEMBER 31, 2023***

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York ("State"), as amended, and Chapter 560 of the Laws of 1970 of the State, as amended and codified as Section 960 of the General Municipal Law (collectively, the “Act”), the Agency was created with the authority and power to own, lease and sell property as authorized by the Act; and

WHEREAS, on or about August 25, 2022, the Company presented an application to the Agency (“Application”), a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project consisting of the: (i) acquisition of one (1) parcel of land containing approximately 84.57 acres located along Rose Valley Road within the Village of Monticello (“Village”), Town of Thompson (“Town”), Sullivan County, New York and identified on the Village tax map as Section 130, Block 1, Lot 19.2 (the “Land”), (ii) construction, installation and equipping of water, sewer, roadway, and drainage infrastructure located on the Land (the “Infrastructure Improvements”) for future development as a commercial/industrial park; (iii) installation of utilities, electricity, lighting and connectivity infrastructure; (iv) acquisition in and around the Land and the Infrastructure Improvements of certain items of equipment and other tangible personal property (the “Equipment” and collectively with the Land and the Infrastructure Improvements, the “Project”); and (v) lease of the Project from the Agency to the Company; and

WHEREAS, on or about December 1, 2022, the Agency and the Company entered into an Agent and Project Agreement pursuant to which the Agency designated the Company as agent of the Agency; and

WHEREAS, contemporaneously with the execution of the Agent and Project Agreement, the Agency delivered to the Company a Sales Tax Exemption Letter, which letter has expired; and

WHEREAS, on or about June 29, 2023, the Company requested that the sales tax abatement period be extended for another six (6) months from July 1, 2023 to December 31, 2023 to allow the Company to continue the construction of the Project.

NOW, THEREFORE, BE IT RESOLVED, that the sales tax abatement period for the Project be, and hereby is, extended nunc pro tunc from July 1, 2023 through and including December 31, 2023.

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

Suzanne Loughlin	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Edward T. Sykes	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Carol Roig	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Howard Siegel	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Scott Smith	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Paul Guenther	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Sean Brooks	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Philip Vallone	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Kathleen Lara	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

The resolutions were thereupon duly adopted.

Methodology for the 3 projects that have not interconnected:

- Inputs are entered into the published assessment model to produce the cash flow stream for 25 years
- The model calculates the year 1 assessment value using the project inputs, the discount rate and assumptions built into the model, and the tax load for the project
- The assessment value for years 2 to 15 is calculated by doing the same calculation using the remaining years of cash flows. For example, the assessment value in year 15 uses the cash flows in years 15 to 25.
- Using the calculated assessment values for years 1 to 15, the estimated tax payments are calculated using the tax load for the project.
- The estimated tax payments are then used to calculate an equivalent, flat PILOT payment for the 15 years

Request for PILOT adjustment:

- Adjust the PILOT downward by 50% of the difference between the current PILOT and the result of the methodology described above. DRS sees this as a fair compromise that values the certainty of the PILOT but also credits the new model. Since these projects are VDER as opposed to NEM, we would ask the adjustment not be subject to change.

RESOLUTION

A regular meeting of the County of Sullivan Industrial Development Agency (“Agency”) was convened on July 10, 2023 at 11:00 a.m. local time at the Sullivan County Government Center, 100 North Street, Monticello, New York 12701.

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

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[]	[]
Edward T. Sykes	[]	[]
Carol Roig	[]	[]
Howard Siegel	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]
Philip Vallone	[]	[]
Kathleen Lara	[]	[]

The following persons were also present:

- Jennifer M. Flad, Executive Director
- John W. Kiefer, Chief Executive Officer
- Julio Garaicoechea, Project Manager
- Bethanii Padu, Economic Development Coordinator
- Walter F. Garigliano, Agency General Counsel
- William A. Frank, Special Transaction Counsel

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

Resolution No. __ - 23

RESOLUTION OF THE AGENCY AMENDING THE PAYMENT IN LIEU OF TAX AGREEMENT (“PILOT AGREEMENT”) BETWEEN THE AGENCY AND NY THOMPSON III, LLC (“COMPANY”) FOR THE PROJECT (HEREINAFTER DEFINED)

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York ("State"), as amended, and Chapter 560 of the Laws of 1970 of the State, as amended and codified as Section 960 of the General Municipal Law (collectively, the “Act”), the Agency was created with the authority and power to own, lease and sell property as authorized by the Act; and

WHEREAS, in 2014 Governor Andrew M. Cuomo launched Reforming the Energy Vision (“REV”), New York State’s energy policy and plan, which is intended to encourage renewable energy development that will spur economic growth and develop new clean energy business models; and

WHEREAS, the New York Community Distributed Generation (CDG) program was approved and enacted by the Public Service Commission in 2015, as part of and in support of the REV initiative; and

WHEREAS, a CDG facility is a commercial scale electricity generator to which residential and business customers can subscribe to receive credits from the electricity generated at the facility without the need to install or maintain equipment at the business or residential location; and

WHEREAS, Section 487 of the New York State Real Property Tax Law (“NYS RPTL”) provides a fifteen-year exemption on real property taxes for all CDG systems in the State, unless the local taxing jurisdiction opts out; and

WHEREAS, Section 487 allows participating jurisdictions to negotiate Payments in Lieu of Tax Agreements (PILOTs), the purpose of which is to reduce the tax burden and tax rate uncertainty for developers while preserving some of the foregone revenue that would have been paid in real property taxes to the taxing jurisdictions; and

WHEREAS, at the request of the County of Sullivan and various municipalities, in 2016 the Agency adopted its Community Distributed Generation Uniform Tax Exemption Policy (CDG UTEP), to provide a uniform system for assessing and collecting PILOTs from CDG projects throughout the County; and

WHEREAS, on or about March 24, 2022, the Company presented an application to the Agency (“Application”), a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project consisting of the construction of an approximately 4MW solar photovoltaic electricity generating facility that will be interconnected to the New York State Electric and Gas (“NYSEG”) electrical grid (“Project”) whereby NYSEG customers in NYSEG Load Zone E that are part of the Company’s Community Solar Program will receive such electricity at a discounted price to the then current NYSEG price. The Project is new construction and will be comprised of (a) racking to mount the solar modules (such racking generally to be pile driven into the ground); (b) solar modules; (c) inverters and transformers to sit on a concrete inverter pad and (d) assorted electrical components and wiring. The solar array will be constructed on one (1) parcel of real estate consisting of approximately 41± acres located at 1283 Old Route 17, Town of Thompson (“Town”), County of Sullivan (“County”), State and identified on the Town tax map as a portion of Section 1, Block 1, Lot 3 (“Land”); and

WHEREAS, on or about April 11, 2022, by duly adopted Resolution No. 14-22 (“Resolution”), the Agency authorized the Company to act as its agent for the purposes of constructing the Project and conferred on the Company certain financial assistance consisting of: (a) an exemption from all State and local sales and use tax for the purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the

Project or used in the construction of the Project, (b) an exemption from mortgage recording tax, and (c) a partial abatement from real property taxes for a period of five (5) years following the statutory exemption from real property taxes under Real Property Tax Law Section 487, which exemption shall be conferred through a certain payment in lieu of tax agreement requiring the Company to make payments in lieu of taxes (“PILOT”) for the benefit of each municipality and school district having taxing jurisdiction over the Project, (collectively, the sales and use tax exemption, the mortgage recording tax exemption, and the partial abatement from real property taxes, are hereinafter collectively referred to as the “Financial Assistance”); and

WHEREAS, as relevant here, on or about October 1, 2022, the Agency and the Company entered into an Agent and Project Agreement, Lease to Agency, Leaseback to Company, and Payment in Lieu of Taxation Agreement (the “PILOT Agreement” and collectively with the Agent and Project Agreement, Lease to Agency, and Leaseback to Company, the “Transaction Documents”); and

WHEREAS, the Project is under construction and is expected to be placed in service on or before March 1, 2024, and

WHEREAS, in accordance with the PILOT Agreement the first PILOT payment will be due February 1, 2025; and

WHEREAS, across New York State, the assessed values of CDG systems have varied widely, resulting in uneven tax burdens on CDG developers and uneven revenues for taxing jurisdictions; and

WHEREAS, in response to the variations in assessments to CDG systems, in 2021 the New York State Legislature adopted Section 575-b of the NYS RPTL, which sets forth a method for determining the assessed value of solar or wind systems, including CDG systems, and requires all assessors to use a discounted cash flow appraisal model (the “Model”) published by the New York State Department of Taxation and Finance (“NYDTF”) for assessing such systems; and

WHEREAS, the Model was challenged because NYSDTF did not put the Model through the State Administrative Procedure Act (“SAPA”) process, resulting in a delay in implementation of the Model; and

WHEREAS, on May 1, 2023, local assessors across New York State filed their tentative 2023 assessment rolls, using various methodologies to calculate the assessed values of CDG systems; and

WHEREAS, Part N of the 2024 New York State budget legislation, signed by Governor Kathy Hochul on May 3, 2023, amends Section 575-b of the NYS RPTL so the Model is not subject to SAPA, and amends SAPA to exempt the Model and other appraisal models and discount rates from the requirements of SAPA; and

WHEREAS, under the Model, which now governs, the assessed values of some CDG systems are much lower than the assessed values calculated by local assessors and recorded on the tentative 2023 assessment rolls; and

WHEREAS, in these instances, the theoretical taxes paid by CDG systems would be far lower than the PILOT payments to be made in accordance with Agency agreements; and

WHEREAS, the Company and the Agency recognize that the PILOT Agreement as currently constructed places a financial burden on the Company that would not exist if the Agency and the Company terminated the PILOT Agreement, but also recognize that the PILOT Agreement provides stability and predictability for the Company and the taxing jurisdictions; and

WHEREAS, on or about May 30, 2023, the Company requested an amendment to the PILOT Agreement to reduce each annual PILOT payment by fifty (50%) of the difference between the PILOT payment set forth in the PILOT Agreement and the theoretical taxes as calculated using the Model; and

WHEREAS, the Agency is willing to amend the PILOT Agreement as requested by the Company as set forth below:

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AGENCY AS FOLLOWS:

Section 1. That Section 2 of the PILOT Agreement is hereby deleted in its entirety and replaced as follows:

2. Agreement to Make Payments in Lieu of Taxes.

(a) RPTL §487 Exemption Period. During the period the Solar Array is exempt from general ad valorem real property taxes under RPTL §487 (years 1 to 15), the Company agrees to pay to the Agency at 548 Broadway, Monticello, New York 12701, or at such other address as shall be designated from time to time by the Agency (the "Agency's Offices"), payments in lieu of tax (each a "PILOT Payment") in the amount of Four Thousand Seven Hundred Fifty-Three and 50/100 (\$4,753.50) Dollars per name plate AC MW, which for this 4MW AC name plate Project is Nineteen Thousand Fourteen and 00/100 (\$19,014.00) Dollars;

For only the fifteen (15) year period during which time the Project is owned by the Company or an Affiliate of the Company and is exempt from general ad valorem real property taxes under Real Property Tax Law §487, the Company shall not and shall cause any of its Affiliates (as such term is defined below) not to enter into any agreement to make payments in lieu of tax, or agree to be subject to general ad valorem real property taxes payments, in each case in amounts greater than the PILOT Payments provided for herein for any other solar photovoltaic electricity generating facility located in Sullivan County compensated for the energy generated by the Public Service Commission's base Value of

Distributed Energy Resource method, and interconnected to the NYSEG electrical grid. For the purposes of this Section 2(a), the term "Affiliate" shall mean any entity which, directly or indirectly, is in control of, is controlled by, or is under common control with, the Company.

(b) RPTL §412-a Exemption Period. During any period the Land and Solar Array are exempt from taxation under §412-a of the RPTL and §874 of the Act, the Company agrees to pay the Agency at the Agency’s Offices a PILOT payment equal to what the real estate taxes on the unimproved Land (without giving effect to any increase to the assessed value associated with the Project) would have been if the Agency was not involved with the Project PLUS Nineteen Thousand Fourteen and 00/100 (\$19,014.00) Dollars.

(c) The chart which follows sets forth the anticipated years of the overall twenty (20) year period for PILOT Payments under the Agency’s Community Distributed Generation Tax Abatement Policy; the date that a PILOT Payment is due; and the appropriate tax periods to which the PILOT Payment applies. These periods are based on the expectation that the Solar Array will be placed in service after March 1, 2023 and before March 1, 2024. The “Years” set forth in the first column of the chart shall be adjusted so Year 1 is the February 1st of the year following the next March 1st after the date the Solar Array is placed in service.

Year	PILOT Payment Due Date	School Fiscal Year Beginning	County and Town
1	February 1, 2025	July 1, 2024	January 1, 2025
2	February 1, 2026	July 1, 2025	January 1, 2026
3	February 1, 2027	July 1, 2026	January 1, 2027
4	February 1, 2028	July 1, 2027	January 1, 2028
5	February 1, 2029	July 1, 2028	January 1, 2029
6	February 1, 2030	July 1, 2029	January 1, 2030
7	February 1, 2031	July 1, 2030	January 1, 2031
8	February 1, 2032	July 1, 2031	January 1, 2032
9	February 1, 2033	July 1, 2032	January 1, 2033
10	February 1, 2034	July 1, 2033	January 1, 2034
11	February 1, 2035	July 1, 2034	January 1, 2035
12	February 1, 2036	July 1, 2035	January 1, 2036
13	February 1, 2037	July 1, 2036	January 1, 2037
14	February 1, 2038	July 1, 2037	January 1, 2038

15	February 1, 2039	July 1, 2038	January 1, 2039
16	February 1, 2040	July 1, 2039	January 1, 2040
17	February 1, 2041	July 1, 2040	January 1, 2041
18	February 1, 2042	July 1, 2041	January 1, 2042
19	February 1, 2043	July 1, 2042	January 1, 2043
20	February 1, 2044	July 1, 2043	January 1, 2044

Section 2. The Chairperson or Executive Director of the Agency, each acting individually, is hereby authorized, on behalf of the Agency, to execute and deliver an Amendment to the PILOT Agreement in the form presented at this meeting with such changes, variations, omissions and insertions to the PILOT Agreement and as may be necessary, any of the Transaction Documents, as the Chairperson or Executive Director of the Agency shall approve in consultation with Counsel to the Agency, the execution thereof by the Chairperson or Executive Director of the Agency to constitute conclusive evidence of such approval.

Section 3. The officers, employees and agents of the Agency are hereby authorized and directed in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay, and or collect from the Company, 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 this resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 4. It is hereby found and determined that all formal actions of the Agency concerning and relating to the adoption of this resolution were adopted in an open meeting of the Agency; and that all deliberations of the Agency and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 5. The Executive Director or Counsel to the Agency is hereby authorized and directed (i) to distribute copies of this resolution to the Company; and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 6. These Resolutions shall take effect immediately.

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

Suzanne Loughlin	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Edward T. Sykes	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Carol Roig	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Howard Siegel	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Scott Smith	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Paul Guenther	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Sean Brooks	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Philip Vallone	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Kathleen Lara	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

The resolutions were thereupon duly adopted.

STATE OF NEW YORK :
:SS
COUNTY OF SULLIVAN :

I, the undersigned Secretary of the Agency DO HEREBY CERTIFY THAT:

1. I have compared the foregoing copy of a resolution of the County of Sullivan Industrial Development Agency (“Agency”) with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.
2. Such resolution was passed at a meeting of the Agency duly convened in public session on July 10, 2023 at 11:00 a.m. at the Sullivan County Government Center, 100 North Street, Village of Monticello, Sullivan County, New York, at which the following members were present:

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[]	[]
Edward T. Sykes	[]	[]
Carol Roig	[]	[]
Howard Siegel	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]
Philip Vallone	[]	[]
Kathleen Lara	[]	[]

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

Suzanne Loughlin	[] Yes	[] No	[] Absent	[] Abstain
Edward T. Sykes	[] Yes	[] No	[] Absent	[] Abstain
Carol Roig	[] Yes	[] No	[] Absent	[] Abstain
Howard Siegel	[] Yes	[] No	[] Absent	[] Abstain
Scott Smith	[] Yes	[] No	[] Absent	[] Abstain
Paul Guenther	[] Yes	[] No	[] Absent	[] Abstain
Sean Brooks	[] Yes	[] No	[] Absent	[] Abstain
Philip Vallone	[] Yes	[] No	[] Absent	[] Abstain
Kathleen Lara	[] Yes	[] No	[] Absent	[] Abstain

and therefore, the resolution was declared duly adopted.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) pursuant to Sections 103(a) and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103(a) and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the 10th day of July, 2023.

Carol Roig, Secretary

RESOLUTION

A regular meeting of the County of Sullivan Industrial Development Agency (“Agency”) was convened on July 10, 2023 at 11:00 a.m. local time at the Sullivan County Government Center, 100 North Street, Monticello, New York 12701.

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

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[]	[]
Edward T. Sykes	[]	[]
Carol Roig	[]	[]
Howard Siegel	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]
Philip Vallone	[]	[]
Kathleen Lara	[]	[]

The following persons were also present:

- Jennifer M. Flad, Executive Director
- John W. Kiefer, Chief Executive Officer
- Julio Garaicoechea, Project Manager
- Bethanii Padu, Economic Development Coordinator
- Walter F. Garigliano, Agency General Counsel
- William A. Frank, Special Transaction Counsel

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

Resolution No. __ - 23

RESOLUTION OF THE AGENCY AMENDING THE PAYMENT IN LIEU OF TAX AGREEMENT (“PILOT AGREEMENT”) BETWEEN THE AGENCY AND NY LIBERTY II, LLC (“COMPANY”) FOR THE PROJECT (HEREINAFTER DEFINED)

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York ("State"), as amended, and Chapter 560 of the Laws of 1970 of the State, as amended and codified as Section 960 of the General Municipal Law (collectively, the “Act”), the Agency was created with the authority and power to own, lease and sell property as authorized by the Act; and

WHEREAS, in 2014 Governor Andrew M. Cuomo launched Reforming the Energy Vision (“REV”), New York State’s energy policy and plan, which is intended to encourage renewable energy development that will spur economic growth and develop new clean energy business models; and

WHEREAS, the New York Community Distributed Generation (CDG) program was approved and enacted by the Public Service Commission in 2015, as part of and in support of the REV initiative; and

WHEREAS, a CDG facility is a commercial scale electricity generator to which residential and business customers can subscribe to receive credits from the electricity generated at the facility without the need to install or maintain equipment at the business or residential location; and

WHEREAS, Section 487 of the New York State Real Property Tax Law (“NYS RPTL”) provides a fifteen-year exemption on real property taxes for all CDG systems in the State, unless the local taxing jurisdiction opts out; and

WHEREAS, Section 487 allows participating jurisdictions to negotiate Payments in Lieu of Tax Agreements (PILOTs), the purpose of which is to reduce the tax burden and tax rate uncertainty for developers while preserving some of the foregone revenue that would have been paid in real property taxes to the taxing jurisdictions; and

WHEREAS, at the request of the County of Sullivan and various municipalities, in 2016 the Agency adopted its Community Distributed Generation Uniform Tax Exemption Policy (CDG UTEP), to provide a uniform system for assessing and collecting PILOTs from CDG projects throughout the County; and

WHEREAS, on or about April 4, 2022, the Company presented an application to the Agency (“Application”), a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project consisting of the construction of an approximately 2MWac solar photovoltaic electricity generating facility that will be interconnected to the NYSEG electrical grid (“Project”). The Project is new construction and will be comprised of (a) racking to mount the solar modules (such racking generally to be pile driven into the ground); (b) solar modules; (c) inverters and transformers to sit on a concrete inverter pad and (d) assorted electrical components and wiring. The solar array will be constructed on one (1) parcel of real estate consisting of approximately 20± acres on Harris Road, Town of Liberty (“Town”), County of Sullivan (“County”), State and a portion of Town tax map Section 36, Block 1, Lot 121.3 (“Land”); and

WHEREAS, on or about July 11, 2022, by duly adopted Resolution No. 29-22 (“Resolution”), the Agency authorized the Company to act as its agent for the purposes of constructing the Project and conferred on the Company certain financial assistance consisting of: (a) an exemption from all State and local sales and use tax for the purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Project or used in the construction of the Project, (b) an exemption from mortgage recording tax, and (c) a partial abatement from real property taxes for a period of five (5) years following the

statutory exemption from real property taxes under Real Property Tax Law Section 487, which exemption shall be conferred through a certain payment in lieu of tax agreement requiring the Company to make payments in lieu of taxes (“PILOT”) for the benefit of each municipality and school district having taxing jurisdiction over the Project, (collectively, the sales and use tax exemption, the mortgage recording tax exemption, and the partial abatement from real property taxes, are hereinafter collectively referred to as the “Financial Assistance”); and

WHEREAS, as relevant here, on or about October 1, 2022, the Agency and the Company entered into an Agent and Project Agreement, Lease to Agency, Leaseback to Company, and Payment in Lieu of Taxation Agreement (the “PILOT Agreement” and collectively with the Agent and Project Agreement, Lease to Agency, and Leaseback to Company, the “Transaction Documents”); and

WHEREAS, the Project is under construction and is expected to be placed in service on or before March 1, 2024, and

WHEREAS, in accordance with the PILOT Agreement the first PILOT payment will be due February 1, 2025; and

WHEREAS, across New York State, the assessed values of CDG systems have varied widely, resulting in uneven tax burdens on CDG developers and uneven revenues for taxing jurisdictions; and

WHEREAS, in response to the variations in assessments to CDG systems, in 2021 the New York State Legislature adopted Section 575-b of the NYS RPTL, which sets forth a method for determining the assessed value of solar or wind systems, including CDG systems, and requires all assessors to use a discounted cash flow appraisal model (the “Model”) published by the New York State Department of Taxation and Finance (“NYDTF”) for assessing such systems; and

WHEREAS, the Model was challenged because NYSDTF did not put the Model through the State Administrative Procedure Act (“SAPA”) process, resulting in a delay in implementation of the Model; and

WHEREAS, on May 1, 2023, local assessors across New York State filed their tentative 2023 assessment rolls, using various methodologies to calculate the assessed values of CDG systems; and

WHEREAS, Part N of the 2024 New York State budget legislation, signed by Governor Kathy Hochul on May 3, 2023, amends Section 575-b of the NYS RPTL so the Model is not subject to SAPA, and amends SAPA to exempt the Model and other appraisal models and discount rates from the requirements of SAPA; and

WHEREAS, under the Model, which now governs, the assessed values of some CDG systems are much lower than the assessed values calculated by local assessors and recorded on the tentative 2023 assessment rolls; and

WHEREAS, in these instances, the theoretical taxes paid by CDG systems would be far lower than the PILOT payments to be made in accordance with Agency agreements; and

WHEREAS, the Company and the Agency recognize that the PILOT Agreement as currently constructed places a financial burden on the Company that would not exist if the Agency and the Company terminated the PILOT Agreement, but also recognize that the PILOT Agreement provides stability and predictability for the Company and the taxing jurisdictions; and

WHEREAS, on or about May 30, 2023, the Company requested an amendment to the PILOT Agreement to reduce each annual PILOT payment by fifty (50%) of the difference between the PILOT payment set forth in the PILOT Agreement and the theoretical taxes as calculated using the Model; and

WHEREAS, the Agency is willing to amend the PILOT Agreement as requested by the Company as set forth below:

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AGENCY AS FOLLOWS:

Section 1. That Section 2 of the PILOT Agreement is hereby deleted in its entirety and replaced as follows:

2. Agreement to Make Payments in Lieu of Taxes.

(a) RPTL §487 Exemption Period. During the period the Solar Array is exempt from general ad valorem real property taxes under RPTL §487 (years 1 to 15), the Company agrees to pay to the Agency at 548 Broadway, Monticello, New York 12701, or at such other address as shall be designated from time to time by the Agency (the "Agency's Offices"), payments in lieu of tax (each a "PILOT Payment") in the amount of Four Thousand Two and 00/100 (\$4,002.00) Dollars per name plate MW AC, which for this 2MW AC name plate Project is Eight Thousand Four 00/100 (\$8,004.00) Dollars;

For only the fifteen (15) year period during which time the Project is owned by the Company or an Affiliate of the Company and is exempt from general ad valorem real property taxes under Real Property Tax Law §487, the Company shall not and shall cause any of its Affiliates (as such term is defined below) not to enter into any agreement to make payments in lieu of tax, or agree to be subject to general ad valorem real property taxes payments, in each case in amounts greater than the PILOT Payments provided for herein for any other solar photovoltaic electricity generating facility located in Sullivan County, compensated for the energy generated by the Public Service Commission's base Value of Distributed Energy Resource method, and interconnected to the NYSEG electrical grid. For the purposes of this Section 2(a), the term "Affiliate" shall mean any entity which, directly or indirectly, is in control of, is controlled by, or is under common control with, the Company.

(b) RPTL §412-a Exemption Period. During any period the Land and Solar Array are exempt from taxation under §412-a of the RPTL and §874 of the Act, the Company agrees to pay the Agency at the Agency’s Offices a PILOT payment equal to what the real estate taxes on the unimproved Land (without giving effect to any increase to the assessed value associated with the Project) would have been if the Agency was not involved with the Project PLUS Eight Thousand Four 00/100 (\$8,004.00) Dollars.

(c) The chart which follows sets forth the anticipated years of the overall twenty (20) year period for PILOT Payments under the Agency’s Community Distributed Generation Tax Abatement Policy; the date that a PILOT Payment is due; and the appropriate tax periods to which the PILOT Payment applies. These periods are based on the expectation that the Solar Array will be placed in service after March 1, 2023 and before March 1, 2024. The “Years” set forth in the first column of the chart shall be adjusted so Year 1 is the February 1st of the year following the next March 1st after the date the Solar Array is placed in service.

Year	PILOT Payment Due Date	School Fiscal Year Beginning	County and Town
1	February 1, 2025	July 1, 2024	January 1, 2025
2	February 1, 2026	July 1, 2025	January 1, 2026
3	February 1, 2027	July 1, 2026	January 1, 2027
4	February 1, 2028	July 1, 2027	January 1, 2028
5	February 1, 2029	July 1, 2028	January 1, 2029
6	February 1, 2030	July 1, 2029	January 1, 2030
7	February 1, 2031	July 1, 2030	January 1, 2031
8	February 1, 2032	July 1, 2031	January 1, 2032
9	February 1, 2033	July 1, 2032	January 1, 2033
10	February 1, 2034	July 1, 2033	January 1, 2034
11	February 1, 2035	July 1, 2034	January 1, 2035
12	February 1, 2036	July 1, 2035	January 1, 2036
13	February 1, 2037	July 1, 2036	January 1, 2037
14	February 1, 2038	July 1, 2037	January 1, 2038
15	February 1, 2039	July 1, 2038	January 1, 2039
16	February 1, 2040	July 1, 2039	January 1, 2040
17	February 1, 2041	July 1, 2040	January 1, 2041

18	February 1, 2042	July 1, 2041	January 1, 2042
19	February 1, 2043	July 1, 2042	January 1, 2043
20	February 1, 2044	July 1, 2043	January 1, 2044

Section 2. The Chairperson or Executive Director of the Agency, each acting individually, is hereby authorized, on behalf of the Agency, to execute and deliver an Amendment to the PILOT Agreement in the form presented at this meeting with such changes, variations, omissions and insertions to the PILOT Agreement and as may be necessary, any of the Transaction Documents, as the Chairperson or Executive Director of the Agency shall approve in consultation with Counsel to the Agency, the execution thereof by the Chairperson or Executive Director of the Agency to constitute conclusive evidence of such approval.

Section 3. The officers, employees and agents of the Agency are hereby authorized and directed in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay, and or collect from the Company, 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 this resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 4. It is hereby found and determined that all formal actions of the Agency concerning and relating to the adoption of this resolution were adopted in an open meeting of the Agency; and that all deliberations of the Agency and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 5. The Executive Director or Counsel to the Agency is hereby authorized and directed (i) to distribute copies of this resolution to the Company; and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 6. These Resolutions shall take effect immediately.

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

Suzanne Loughlin	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Edward T. Sykes	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Carol Roig	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Howard Siegel	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Scott Smith	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Paul Guenther	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Sean Brooks	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Philip Vallone	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Kathleen Lara	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

The resolutions were thereupon duly adopted.

STATE OF NEW YORK :
:SS
COUNTY OF SULLIVAN :

I, the undersigned Secretary of the Agency DO HEREBY CERTIFY THAT:

1. I have compared the foregoing copy of a resolution of the County of Sullivan Industrial Development Agency (“Agency”) with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.
2. Such resolution was passed at a meeting of the Agency duly convened in public session on July 10, 2023 at 11:00 a.m. at the Sullivan County Government Center, 100 North Street, Village of Monticello, Sullivan County, New York, at which the following members were present:

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[]	[]
Edward T. Sykes	[]	[]
Carol Roig	[]	[]
Howard Siegel	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]
Philip Vallone	[]	[]
Kathleen Lara	[]	[]

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

Suzanne Loughlin	[] Yes	[] No	[] Absent	[] Abstain
Edward T. Sykes	[] Yes	[] No	[] Absent	[] Abstain
Carol Roig	[] Yes	[] No	[] Absent	[] Abstain
Howard Siegel	[] Yes	[] No	[] Absent	[] Abstain
Scott Smith	[] Yes	[] No	[] Absent	[] Abstain
Paul Guenther	[] Yes	[] No	[] Absent	[] Abstain
Sean Brooks	[] Yes	[] No	[] Absent	[] Abstain
Philip Vallone	[] Yes	[] No	[] Absent	[] Abstain
Kathleen Lara	[] Yes	[] No	[] Absent	[] Abstain

and therefore, the resolution was declared duly adopted.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) pursuant to Sections 103(a) and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103(a) and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the 10th day of July, 2023.

Carol Roig, Secretary

RESOLUTION

A regular meeting of the County of Sullivan Industrial Development Agency (“Agency”) was convened on July 10, 2023 at 11:00 a.m. local time at the Sullivan County Government Center, 100 North Street, Monticello, New York 12701.

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

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[]	[]
Edward T. Sykes	[]	[]
Carol Roig	[]	[]
Howard Siegel	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]
Philip Vallone	[]	[]
Kathleen Lara	[]	[]

The following persons were also present:

- Jennifer M. Flad, Executive Director
- John W. Kiefer, Chief Executive Officer
- Julio Garaicoechea, Project Manager
- Bethanii Padu, Economic Development Coordinator
- Walter F. Garigliano, Agency General Counsel
- William A. Frank, Special Transaction Counsel

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

Resolution No. __ - 23

RESOLUTION OF THE AGENCY AMENDING THE PAYMENT IN LIEU OF TAX AGREEMENT (“PILOT AGREEMENT”) BETWEEN THE AGENCY AND NY MAMAKATING I, LLC (“COMPANY”) FOR THE PROJECT (HEREINAFTER DEFINED)

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York ("State"), as amended, and Chapter 560 of the Laws of 1970 of the State, as amended and codified as Section 960 of the General Municipal Law (collectively, the “Act”), the Agency was created with the authority and power to own, lease and sell property as authorized by the Act; and

WHEREAS, in 2014 Governor Andrew M. Cuomo launched Reforming the Energy Vision (“REV”), New York State’s energy policy and plan, which is intended to encourage renewable energy development that will spur economic growth and develop new clean energy business models; and

WHEREAS, the New York Community Distributed Generation (CDG) program was approved and enacted by the Public Service Commission in 2015, as part of and in support of the REV initiative; and

WHEREAS, a CDG facility is a commercial scale electricity generator to which residential and business customers can subscribe to receive credits from the electricity generated at the facility without the need to install or maintain equipment at the business or residential location; and

WHEREAS, Section 487 of the New York State Real Property Tax Law (“NYS RPTL”) provides a fifteen-year exemption on real property taxes for all CDG systems in the State, unless the local taxing jurisdiction opts out; and

WHEREAS, Section 487 allows participating jurisdictions to negotiate Payments in Lieu of Tax Agreements (PILOTs), the purpose of which is to reduce the tax burden and tax rate uncertainty for developers while preserving some of the foregone revenue that would have been paid in real property taxes to the taxing jurisdictions; and

WHEREAS, at the request of the County of Sullivan and various municipalities, in 2016 the Agency adopted its Community Distributed Generation Uniform Tax Exemption Policy (CDG UTEP), to provide a uniform system for assessing and collecting PILOTs from CDG projects throughout the County; and

WHEREAS, on or about April 27, 2022, the Company presented an application to the Agency (“Application”), a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project consisting of the construction of an approximately 3MWac solar photovoltaic electricity generating facility that will be interconnected to the Orange & Rockland electrical grid (“Project”). The Project is new construction and will be comprised of (a) racking to mount the solar modules (such racking generally to be pile driven into the ground); (b) solar modules; (c) inverters and transformers to sit on a concrete inverter pad and (d) assorted electrical components and wiring. The solar array will be constructed on one (1) parcel of real estate consisting of approximately 20± acres accessed from Barone Road, Town of Mamakating (“Town”), County of Sullivan (“County”), State and a portion of Town tax map Section 26, Block 1, Lot 4.2 (“Land”); and

WHEREAS, on or about May 9, 2022, by duly adopted Resolution No. 17-22 (“Resolution”), the Agency authorized the Company to act as its agent for the purposes of constructing the Project and conferred on the Company certain financial assistance consisting of: (a) an exemption from all State and local sales and use tax for the purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Project or used in the construction of the Project, (b) an exemption from mortgage recording tax, and (c) a partial abatement from real property taxes for a period of five (5) years following the

statutory exemption from real property taxes under Real Property Tax Law Section 487, which exemption shall be conferred through a certain payment in lieu of tax agreement requiring the Company to make payments in lieu of taxes (“PILOT”) for the benefit of each municipality and school district having taxing jurisdiction over the Project, (collectively, the sales and use tax exemption, the mortgage recording tax exemption, and the partial abatement from real property taxes, are hereinafter collectively referred to as the “Financial Assistance”); and

WHEREAS, as relevant here, on or about December 13, 2022, the Agency and the Company entered into an Agent and Project Agreement, Lease to Agency, Leaseback to Company, and Payment in Lieu of Taxation Agreement (the “PILOT Agreement” and collectively with the Agent and Project Agreement, Lease to Agency, and Leaseback to Company, the “Transaction Documents”); and

WHEREAS, the Project is under construction and is expected to be placed in service on or before March 1, 2024, and

WHEREAS, in accordance with the PILOT Agreement the first PILOT payment will be due February 1, 2025; and

WHEREAS, across New York State, the assessed values of CDG systems have varied widely, resulting in uneven tax burdens on CDG developers and uneven revenues for taxing jurisdictions; and

WHEREAS, in response to the variations in assessments to CDG systems, in 2021 the New York State Legislature adopted Section 575-b of the NYS RPTL, which sets forth a method for determining the assessed value of solar or wind systems, including CDG systems, and requires all assessors to use a discounted cash flow appraisal model (the “Model”) published by the New York State Department of Taxation and Finance (“NYDTF”) for assessing such systems; and

WHEREAS, the Model was challenged because NYSDTF did not put the Model through the State Administrative Procedure Act (“SAPA”) process, resulting in a delay in implementation of the Model; and

WHEREAS, on May 1, 2023, local assessors across New York State filed their tentative 2023 assessment rolls, using various methodologies to calculate the assessed values of CDG systems; and

WHEREAS, Part N of the 2024 New York State budget legislation, signed by Governor Kathy Hochul on May 3, 2023, amends Section 575-b of the NYS RPTL so the Model is not subject to SAPA, and amends SAPA to exempt the Model and other appraisal models and discount rates from the requirements of SAPA; and

WHEREAS, under the Model, which now governs, the assessed values of some CDG systems are much lower than the assessed values calculated by local assessors and recorded on the tentative 2023 assessment rolls; and

WHEREAS, in these instances, the theoretical taxes paid by CDG systems would be far lower than the PILOT payments to be made in accordance with Agency agreements; and

WHEREAS, the Company and the Agency recognize that the PILOT Agreement as currently constructed places a financial burden on the Company that would not exist if the Agency and the Company terminated the PILOT Agreement, but also recognize that the PILOT Agreement provides stability and predictability for the Company and the taxing jurisdictions; and

WHEREAS, on or about May 30, 2023, the Company requested an amendment to the PILOT Agreement to reduce each annual PILOT payment by fifty (50%) of the difference between the PILOT payment set forth in the PILOT Agreement and the theoretical taxes as calculated using the Model; and

WHEREAS, the Agency is willing to amend the PILOT Agreement as requested by the Company as set forth below:

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AGENCY AS FOLLOWS:

Section 1. That Section 2 of the PILOT Agreement is hereby deleted in its entirety and replaced as follows:

2. Agreement to Make Payments in Lieu of Taxes.

(a) RPTL §487 Exemption Period. During the period the Solar Array is exempt from general ad valorem real property taxes under RPTL §487 (years 1 to 15), the Company agrees to pay to the Agency at 548 Broadway, Monticello, New York 12701, or at such other address as shall be designated from time to time by the Agency (the "Agency's Offices"), payments in lieu of tax (each a "PILOT Payment") in the amount of Eight Thousand One Hundred Sixty Two and 50/100 (\$8,162.50) Dollars per name plate AC MW, which for this 3MW AC name plate Project is Twenty-Four Thousand Four Hundred Eighty-Seven and 50/100 (\$24,487.50) Dollars;

For only the fifteen (15) year period during which time the Project is owned by the Company or an Affiliate of the Company and is exempt from general ad valorem real property taxes under Real Property Tax Law §487, the Company shall not and shall cause any of its Affiliates (as such term is defined below) not to enter into any agreement to make payments in lieu of tax, or agree to be subject to general ad valorem real property taxes payments, in each case in amounts greater than the PILOT Payments provided for herein for any other solar photovoltaic electricity generating facility located in Sullivan County and interconnected to the Orange & Rockland electrical grid. For the purposes of this Section 2(a), the term "Affiliate" shall mean any entity which, directly or indirectly, is in control of, is controlled by, or is under common control with, the Company.

(b) RPTL §412-a Exemption Period. During any period the Land and Solar Array are exempt from taxation under §412-a of the RPTL and §874 of the Act, the Company agrees

to pay the Agency at the Agency’s Offices a PILOT payment equal to what the real estate taxes on the unimproved Land (without giving effect to any increase to the assessed value associated with the Project) would have been if the Agency was not involved with the Project PLUS Twenty-Four Thousand Four Hundred Eighty-Seven and 50/100 (\$24,487.50) Dollars.

(c) The chart which follows sets forth the anticipated years of the overall twenty (20) year period for PILOT Payments under the Agency’s Community Distributed Generation Tax Abatement Policy; the date that a PILOT Payment is due; and the appropriate tax periods to which the PILOT Payment applies. These periods are based on the expectation that the Solar Array will be placed in service after March 1, 2023 and before March 1, 2024. The “Years” set forth in the first column of the chart shall be adjusted so Year 1 is the February 1st of the year following the next March 1st after the date the Solar Array is placed in service.

Year	PILOT Payment Due Date	School Fiscal Year Beginning	County and Town
1	February 1, 2025	July 1, 2024	January 1, 2025
2	February 1, 2026	July 1, 2025	January 1, 2026
3	February 1, 2027	July 1, 2026	January 1, 2027
4	February 1, 2028	July 1, 2027	January 1, 2028
5	February 1, 2029	July 1, 2028	January 1, 2029
6	February 1, 2030	July 1, 2029	January 1, 2030
7	February 1, 2031	July 1, 2030	January 1, 2031
8	February 1, 2032	July 1, 2031	January 1, 2032
9	February 1, 2033	July 1, 2032	January 1, 2033
10	February 1, 2034	July 1, 2033	January 1, 2034
11	February 1, 2035	July 1, 2034	January 1, 2035
12	February 1, 2036	July 1, 2035	January 1, 2036
13	February 1, 2037	July 1, 2036	January 1, 2037
14	February 1, 2038	July 1, 2037	January 1, 2038
15	February 1, 2039	July 1, 2038	January 1, 2039
16	February 1, 2040	July 1, 2039	January 1, 2040
17	February 1, 2041	July 1, 2040	January 1, 2041
18	February 1, 2042	July 1, 2041	January 1, 2042

19	February 1, 2043	July 1, 2042	January 1, 2043
20	February 1, 2044	July 1, 2043	January 1, 2044

Section 2. The Chairperson or Executive Director of the Agency, each acting individually, is hereby authorized, on behalf of the Agency, to execute and deliver an Amendment to the PILOT Agreement in the form presented at this meeting with such changes, variations, omissions and insertions to the PILOT Agreement and as may be necessary, any of the Transaction Documents, as the Chairperson or Executive Director of the Agency shall approve in consultation with Counsel to the Agency, the execution thereof by the Chairperson or Executive Director of the Agency to constitute conclusive evidence of such approval.

Section 3. The officers, employees and agents of the Agency are hereby authorized and directed in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay, and or collect from the Company, 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 this resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 4. It is hereby found and determined that all formal actions of the Agency concerning and relating to the adoption of this resolution were adopted in an open meeting of the Agency; and that all deliberations of the Agency and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 5. The Executive Director or Counsel to the Agency is hereby authorized and directed (i) to distribute copies of this resolution to the Company; and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 6. These Resolutions shall take effect immediately.

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

Suzanne Loughlin	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Edward T. Sykes	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Carol Roig	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Howard Siegel	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Scott Smith	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Paul Guenther	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Sean Brooks	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Philip Vallone	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Kathleen Lara	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

The resolutions were thereupon duly adopted.

STATE OF NEW YORK :
:SS
COUNTY OF SULLIVAN :

I, the undersigned Secretary of the Agency DO HEREBY CERTIFY THAT:

1. I have compared the foregoing copy of a resolution of the County of Sullivan Industrial Development Agency (“Agency”) with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.
2. Such resolution was passed at a meeting of the Agency duly convened in public session on July 10, 2023 at 11:00 a.m. at the Sullivan County Government Center, 100 North Street, Village of Monticello, Sullivan County, New York, at which the following members were present:

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[]	[]
Edward T. Sykes	[]	[]
Carol Roig	[]	[]
Howard Siegel	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]
Philip Vallone	[]	[]
Kathleen Lara	[]	[]

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

Suzanne Loughlin	[] Yes	[] No	[] Absent	[] Abstain
Edward T. Sykes	[] Yes	[] No	[] Absent	[] Abstain
Carol Roig	[] Yes	[] No	[] Absent	[] Abstain
Howard Siegel	[] Yes	[] No	[] Absent	[] Abstain
Scott Smith	[] Yes	[] No	[] Absent	[] Abstain
Paul Guenther	[] Yes	[] No	[] Absent	[] Abstain
Sean Brooks	[] Yes	[] No	[] Absent	[] Abstain
Philip Vallone	[] Yes	[] No	[] Absent	[] Abstain
Kathleen Lara	[] Yes	[] No	[] Absent	[] Abstain

and therefore, the resolution was declared duly adopted.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) pursuant to Sections 103(a) and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103(a) and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the 10th day of July, 2023.

Carol Roig, Secretary