

FIRST AMENDMENT TO AMENDED AND RESTATED PAYMENT IN LIEU OF TAXATION AGREEMENT

THIS FIRST AMENDMENT TO AMENDED AND RESTATED PAYMENT IN LIEU OF TAXATION AGREEMENT ("Agreement"), is made as of the 30th day of August, 2024 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, having its principal offices at 548 Broadway, Monticello, New York 12701 ("Agency") and NY DELAWARE V, LLC, a New York limited liability company, having its principal offices located at c/o Scale Microgrid Solutions Operating, LLC, 51 S Broad Street, Ridgewood, New Jersey 07450 ("Company").

RECITALS

WHEREAS, Title 1 of Article 18-A of the General Municipal Law of the State of New York ("Enabling Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York ("State"); and

WHEREAS, the Enabling Act authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial or industrial facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve its standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease any or all of its facilities at such rentals and on such other terms and conditions as it deems advisable; and

WHEREAS, pursuant to and in connection with the provisions of the Enabling Act, Chapter 560 of the Laws of 1970 of the State (collectively referred to as the "Act") created the Agency which is empowered under the Act to undertake the providing, financing and leasing of the facility described below; and

WHEREAS, on or about June 10, 2019, the Agency and the Company entered into a certain Payment in Lieu of Taxation Agreement (the "Original PILOT Agreement") with respect to the Company's Project consisting of the construction of an approximately 2 MWac solar photovoltaic electricity generating facility to be interconnected to the New York State Electric and Gas ("NYSEG") electrical grid ("Project"). The Project has been constructed on one (1) parcel of real estate consisting of approximately 14.00± acres located along Villa Roma Road, Town of Delaware ("Town"), County of Sullivan ("County"), State and identified on the Town tax map as Section 21, Block 1, Lot 28.5 ("Land"); and

WHEREAS, on or about September 15, 2020, the Agency and the Company entered into a certain Amended and Restated Payment in Lieu of Taxation Agreement (the “A&R PILOT Agreement”) to eliminate the variable formula PILOT Payment calculation method and to update the Notice address of the Agency and the Company (the Original PILOT Agreement and the A&R PILOT Agreement are hereinafter referred to collectively as the “PILOT Agreement”); and

WHEREAS, due to changes in State law relating to the State Community Distributed Generation (“CDG”) program which became effective following the execution of the PILOT Agreement, 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 2, 2024, 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 discounted cash flow appraisal model published by the New York State Department of Taxation and Finance for assessing such CDG systems; and

WHEREAS, by resolution, dated May 13, 2024, the Agency authorized the amendment of the PILOT Agreement as requested by the Company as set forth below:

NOW THEREFORE, in consideration of the foregoing recitals and the mutual terms, conditions, limitations and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is mutually agreed as follows:

1. Amendment to PILOT Agreement Section 2.

Section 2 of the PILOT Agreement is hereby deleted in its entirety and replaced with the following:

“2. Agreement to Make Payments in Lieu of Taxes.

(a) RPTL §487 Exemption Period. The Company has made annual PILOT Payments for PILOT Years 1 through 4 (2021 through 2024) as provided in the PILOT Agreement prior to this Agreement. During Years 5 through 15 (2025 through 2035) of the period the Solar Array is otherwise exempt from general ad valorem real property taxes under RPTL §487, 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 Five Thousand Five Hundred Forty and 00/100 (\$5,540.00) Dollars per name plate MWac, which for this 2 MWac name plate Project is Eleven Thousand Eighty and 00/100 (\$11,080.00) 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 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 Eleven Thousand Eighty and 00/100 (\$11,080.00) 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 between March 1, 2019 and March 1, 2020. The "Years" set forth in the first column of the chart shall be adjusted so Year 1 is the February 1 of the year following next March 1 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, 2021 | July 1, 2020 | January 1, 2021 |
| 2 | February 1, 2022 | July 1, 2021 | January 1, 2022 |
| 3 | February 1, 2023 | July 1, 2022 | January 1, 2023 |
| 4 | February 1, 2024 | July 1, 2023 | January 1, 2024 |
| 5 | February 1, 2025 | July 1, 2024 | January 1, 2025 |
| 6 | February 1, 2026 | July 1, 2025 | January 1, 2026 |
| 7 | February 1, 2027 | July 1, 2026 | January 1, 2027 |
| 8 | February 1, 2028 | July 1, 2027 | January 1, 2028 |
| 9 | February 1, 2029 | July 1, 2028 | January 1, 2029 |

| | | | |
|----|------------------|--------------|-----------------|
| 10 | February 1, 2030 | July 1, 2029 | January 1, 2030 |
| 11 | February 1, 2031 | July 1, 2030 | January 1, 2031 |
| 12 | February 1, 2032 | July 1, 2031 | January 1, 2032 |
| 13 | February 1, 2033 | July 1, 2032 | January 1, 2033 |
| 14 | February 1, 2034 | July 1, 2033 | January 1, 2034 |
| 15 | February 1, 2035 | July 1, 2034 | January 1, 2035 |
| 16 | February 1, 2036 | July 1, 2035 | January 1, 2036 |
| 17 | February 1, 2037 | July 1, 2036 | January 1, 2037 |
| 18 | February 1, 2038 | July 1, 2037 | January 1, 2038 |
| 19 | February 1, 2039 | July 1, 2038 | January 1, 2039 |
| 20 | February 1, 2040 | July 1, 2039 | January 1, 2040 |

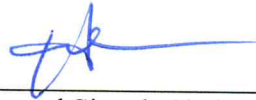
(d) Other Agreements Relating to PILOT Payments. The Agency shall remit to the Taxing Jurisdictions PILOT Payments received hereunder within thirty (30) days of receipt and shall allocate the PILOT Payments among the Taxing Jurisdictions in the same proportion as normal real estate taxes would have been allocated but for the Agency's involvement.

The Company shall not be entitled to receive from the Agency or the Taxing Jurisdictions real property tax benefits relative to the Project for more than the period provided in this Agreement. The Company therefore agrees that it will not seek from the Agency or the Taxing Jurisdictions any such real property tax exemption for the Project which could provide benefits for more than the periods provided for in this Agreement."

2. **PILOT Agreement Continuing Obligations.** Company and Agency hereby confirm that other than those terms modified by this Agreement, each and every term set forth in the PILOT Agreement constitute valid and continuing obligations through and including the expiration of said PILOT Agreement.
3. **No Other Modification/Further Amendments In Writing.** No other term or condition contained in the PILOT Agreement is modified in any way. The PILOT Agreement shall not be modified in any manner, except in a writing duly executed by the parties hereto.
4. **Conflict.** Company and Agency hereby agree that should there be a conflict arising out of the terms of the PILOT Agreement and this Agreement, this Agreement shall prevail.
5. **Authority.** By their signatures below, each of the parties acknowledge that they have been duly authorized to execute this Agreement in the capacities listed underneath their signatures. This Agreement may be signed in counterparts.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date hereof.

COUNTY OF SULLIVAN INDUSTRIAL
DEVELOPMENT AGENCY



By: Howard Siegel, Chairman

NY DELAWARE V, LLC

DocuSigned by:



By: Kristel Watson, Chief Commercial Officer