

THIRD AMENDMENT AND EXTENSION TO AGREEMENT FOR PAYMENTS IN LIEU OF TAXES

THIS THIRD AMENDMENT AND EXTENSION TO AGREEMENT FOR PAYMENTS IN LIEU OF TAXES is effective as of the 31st day of December, 2023 (“Third Amendment”) 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 place of business located at 548 Broadway, Monticello, New York 12701 (“Agency” or “Issuer”) and WEST DELAWARE HYDRO ASSOCIATES, L.P., a New York limited partnership, having its principal office located at c/o Brookfield Power, New York Hydro, 399 B Big Bay Road, Queensbury, New York 12804 (“Company”) and as set forth herein amends and extends that certain Agreement for Payments in Lieu of Taxes, dated as of February 1, 1986 by and between the Issuer and the Company (“PILOT Agreement”), which was amended by that certain First Amendment to Agreement for Payments in Lieu of Taxes, dated as of December 31, 2007 by and between the Issuer and the Company (“First Amended PILOT”), and which was further amended by that certain Second Amendment and Extension to Agreement for Payments in Lieu of Taxes, dated as of December 31, 2012 by and between the Issuer and the Company (“Second Amended PILOT” and together with the PILOT Agreement and the First Amended PILOT, collectively, the “Agreement”).

WITNESSTH:

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, the Issuer was created 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”) and is empowered under the Act to undertake the providing, financing and leasing of the facility described below; and

WHEREAS, the Issuer and the Company entered into that certain Installment Sale Agreement, dated as of October 1, 1987 by and between the Issuer and the Company (“ISA”)

pursuant to which the Issuer appointed the Company its agent to (i) acquire, construct, install and equip a hydroelectric generating facility ("Plant") on two (2) parcels of real estate consisting of approximately 2.465± acres located in the Town of Neversink ("Town"), County of Sullivan, State ("Land") as more particularly described on Schedule A attached hereto and made a part hereof; (ii) acquire and install thereon and therein certain fixtures, machinery, equipment and tools ("Equipment"), which Equipment is more particularly described in the ISA; (iii) construct improvements to the Plant, the Land and the Equipment (collectively, the Plant, the Land and the Equipment are referred to as the "Facility"); and (iv) finance a portion of the costs of the foregoing; and

WHEREAS, the Issuer took an interest in the Land in the form of an easement pursuant to that certain Indenture, made as of October 1, 1987 from the Company to the Issuer and sold its interest in the Facility to the Company in installments pursuant to the ISA; and

WHEREAS, on or about December 31, 2007, the Company and the Issuer entered into the First Amended Installment Sale Agreement ("First Amended ISA") and the First Amended PILOT to clarify and extend the termination dates thereof for five (5) years; and

WHEREAS, on or about December 31, 2012, the Company and the Issuer entered into the Second Amendment and Extension to Installment Sale Agreement ("Second Amended ISA") and the Second Amended PILOT to extend the termination date of the PILOT Agreement for ten (10) years; and

WHEREAS, the Town and the Company have jointly requested the Issuer extend the termination date of the PILOT Agreement; and

WHEREAS, the Agency, at the Company's request, contemplates amending the PILOT Agreement to further extend the termination date of the PILOT Agreement.

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. Payments in Lieu of Taxes. Section 2(B) of the PILOT Agreement is hereby deleted in its entirety and the following inserted in its place and stead:

"AMOUNT OF PAYMENTS IN LIEU OF TAXES. On or after January 1, 2024, and on or after each January 1 thereafter during the extended term of this PILOT Agreement, the Company shall pay the Agency a PILOT Payment as hereinafter specified:

Year	Payment Due Date	School Fiscal Year Beginning	County & Town	PILOT Payment
1	February 1, 2024	July 1, 2023	January 1, 2024	\$175,000
2	February 1, 2025	July 1, 2024	January 1, 2025	\$175,000
3	February 1, 2026	July 1, 2025	January 1, 2026	\$175,000
4	February 1, 2027	July 1, 2026	January 1, 2027	\$175,000
5	February 1, 2028	July 1, 2027	January 1, 2028	\$175,000
6	February 1, 2029	July 1, 2028	January 1, 2029	\$175,000
7	February 1, 2030	July 1, 2029	January 1, 2030	\$175,000
8	February 1, 2031	July 1, 2030	January 1, 2031	\$175,000
9	February 1, 2032	July 1, 2031	January 1, 2032	\$175,000
10	February 1, 2033	July 1, 2032	January 1, 2033	\$175,000

”

2. Extension of Term of PILOT Agreement. The Company and Issuer hereby extend the term of the PILOT Agreement for an additional period commencing January 1, 2024 and ending February 1, 2033. To accomplish the foregoing, Section 6 of the PILOT Agreement, is hereby deleted in its entirety and the following inserted in its place and stead:

“Section 6. DURATION OF AGREEMENT. This Agreement shall expire on the earlier of (i) termination of the Installment Sale Agreement in accordance with Articles X or XI thereof; or (ii) February 1, 2033.”

3. Notice. Section 9 of the First Amended PILOT is hereby deleted in its entirety and the following inserted in its place and stead:

“All notices provided for by the Agreement shall be in writing, and shall be deemed to have been given on the date of delivery if personally served on the party to whom notice is to be given; or on the date of receipt if transmitted by electronic mail to the party to whom notice is to be given; or on the next business day, if sent prepaid to the party to whom notice is to be given, by overnight mail or nationally recognized overnight courier, providing evidence of receipt and properly addressed; or on the third business day after mailing if mailed to the party to whom notice shall be given by First Class, Certified mail, postage prepaid and properly addressed to the following:

if to the Issuer:

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

with a copy to:

Walter F. Garigliano P.C.
449 Broadway P.O. Drawer 1069
Monticello, New York 12701
Attn: Agency General Counsel

If to the Company:

West Delaware Hydro Associates, L.P.
c/o Brookfield Power, New York Hydro
399 B Big Bay Road
Queensbury, New York 12804

with a copy to:

Barclay Damon LLP
125 East Jefferson Street
Syracuse, New York 13202
Attn: Kevin R. McAuliffe, Esq/

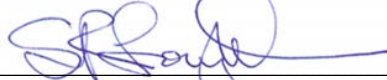
and/or to such other addresses and/or addressees as may be designated by notice given in accordance with the provisions of this section. Any electronic notice sent outside of regular hours shall be deemed given on the next business day.”

4. Integration. Except as herein amended, all other terms and conditions of the Agreement shall remain in full force and effect. If there shall be any conflict or inconsistency between the terms of this Third Amendment and the Agreement, the terms of this Third Amendment shall control.

[REMAINDER OF PAGE INTENTIONALLY BLANK]


IN WITNESS WHEREOF, the Issuer and the Company have caused this Third Amendment to be executed in their respective names effective as of the date first above written.

COUNTY OF SULLIVAN INDUSTRIAL
DEVELOPMENT AGENCY



By: Suzanne Loughlin, Chairperson

WEST DELAWARE HYDRO ASSOCIATES, L.P.
By: Brookfield Power West Delaware GP LLC, its
General Partner



By: Michael Tebbutt, Authorized Signatory