

CLOSING ITEM NO.: A-5

COUNTY OF CLINTON INDUSTRIAL DEVELOPMENT AGENCY

AND

CHPE LLC

PAYMENT IN LIEU OF TAX AGREEMENT

DATED AS OF JUNE 1, 2022

RELATING TO REAL PROPERTY RIGHTS AND INTERESTS HELD
BY THE LANDLORD IN THE COMPANY'S INTERIM PERMIT AND
EASEMENT ISSUED BY THE NEW YORK STATE OFFICE OF
GENERAL SERVICES IN RELATION TO SUBMERGED STATE-
OWNED LAND, SUCH SUBMERGED LANDS ANTICIPATED TO BE
LOCATED IN THE TOWNS OF AUSABLE, BEEKMANTOWN,
CHAMPLAIN, CHAZY, PERU AND PLATTSBURGH AND THE
VILLAGE OF ROUSES POINT, CLINTON COUNTY, NEW YORK.

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PAYMENT IN LIEU OF TAX AGREEMENT

THIS PAYMENT IN LIEU OF TAX AGREEMENT dated as of June 1, 2022 (the “Payment in Lieu of Tax Agreement”) by and between COUNTY OF CLINTON INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 137 Margaret Street – Suite 209, Plattsburgh, New York (the “Agency”), and CHPE LLC, a limited liability company organized and existing under the laws of the State of New York having an office for the transaction of business located at 600 Broadway, Albany, New York (the “Company”);

WITNESSETH:

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

WHEREAS, the Enabling Act authorizes and provides for the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State of New York (the “State”) and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and dispose of 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 purposes, in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency, for the purpose of carrying out any of its corporate purposes, to lease or sell any or all of its facilities, whether then owned or thereafter acquired; and

WHEREAS, the Agency was created, pursuant to and in accordance with the provisions of the Enabling Act, by Chapter 225 of the Laws of 1971 of the State (collectively, with the Enabling Act, the “Act”) and is empowered under the Act to undertake the Project (as hereinafter defined) in order to so advance the job opportunities, health, general prosperity and economic welfare of the people of the State and improve their standard of living; and

WHEREAS, the Company presented an application (the “Initial Application”) to the Agency, which Initial Application requested that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project to include the following: (A) (1) the acquisition of an interest in the Company’s interim permit and easement issued by the New York State Office of General Services in relation to submerged State-owned land, such submerged lands anticipated to be located in the Towns of Ausable, Beekmantown, Champlain, Chazy, Peru and Plattsburgh and the Village of Rouses Point, Clinton County, New York (collectively, the “Land”), (2) the construction, installation and equipping on or under the Land of a fully-buried, up to 1,250-megawatt (“MW”) high-voltage direct current (“HVDC”) electric transmission line and related infrastructure (collectively, the “Improvements”) and (3) the acquisition and installation thereon and therein of certain related machinery and equipment, including but not limited to, two (2) five-inch diameter HVDC transmission cables (collectively, the “Equipment”) (the Land, the Improvements and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be used and operated by the Company as a portion of an electric transmission line from the U.S.-Canada border to New York City; (B) the granting of certain “financial assistance” (within the

meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real property transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency (the “Public Hearing Resolution”), the Agency authorized a public hearing or public hearings to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chairperson of the Agency (A) caused notice of a public hearing of the Agency (the “First Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on October 26, 2021 to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located, (B) caused notice of the First Public Hearing to be posted on bulletin boards located in the Towns of Ausable, Beekmantown, Champlain, Chazy, Peru and Plattsburgh and the Village of Rouses Point, respectively, Clinton County, New York and on the Agency’s website, (C) caused notice of the First Public Hearing to be published in The Press Republican, a newspaper of general circulation available to the residents of the Towns of Ausable, Beekmantown, Champlain, Chazy, Peru and Plattsburgh and the Village of Rouses Point, respectively, Clinton County, New York on October 28, 2021, (D) conducted the First Public Hearing on November 19, 2021 at 10:00 a.m., local time at the Town of Plattsburgh Town Hall located at 151 Banker Road in the Town of Plattsburgh, Clinton County, New York and (E) prepared a report of the First Public Hearing (the “First Hearing Report”) fairly summarizing the views presented at such First Public Hearing and caused copies of said First Hearing Report to be made available to the members of the Agency; and

WHEREAS, the Agency subsequently received a letter from the Company dated December 15, 2021 (the “Company Letter”) providing for certain amendments to the Initial Application (the Initial Application, as amended by the Company Letter, is hereinafter referred to as the “Application”) with respect to the Project from the Company, which Application contains revised Project costs and amounts of Financial Assistance resulting in the need for the Agency, pursuant to Section 859-a of the Act, to hold a second public hearing with respect to the Project and the amount of the Financial Assistance as described in the Application; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Executive Director of the Agency (A) caused notice of a public hearing of the Agency (the “Second Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on January 6, 2022 to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located, (B) caused notice of the Second Public Hearing to be posted on bulletin boards located in the Towns of Ausable, Beekmantown, Champlain, Chazy, Peru and Plattsburgh and the Village of Rouses Point, respectively, Clinton County, New York and on the Agency’s website, (C) caused notice of the Second Public Hearing to be published in The Press Republican, a newspaper of general circulation available to the residents of the Towns of Ausable, Beekmantown, Champlain, Chazy, Peru and Plattsburgh and the Village of Rouses Point, respectively, Clinton County, New York on January 7, 2022, (D) conducted the Second Public Hearing on January 18, 2022 at 9:00 o’clock a.m., local time at the Town of Plattsburgh Town Hall located at 151 Banker Road in the Town of Plattsburgh, Clinton County, New York and (E) prepared a report of the Second Public Hearing (the “Second Hearing Report”) fairly summarizing the views presented at such Second Public Hearing and caused copies of said Second Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”), and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the “Regulations”, and collectively with the SEQR Act, “SEQRA”), the Agency must satisfy the requirements contained in SEQRA prior to making a final determination whether to undertake the Project; and

WHEREAS, Sections 617.5(a) and 617.5(c)(44) of the Regulations provide that actions requiring a certificate of environmental compatibility and public need under Article VII of the Public Service Law constitute “Type II” actions and are not subject to review under the Regulations, and Section 8-0111 of the SEQR Act further provides that the requirements of the SEQR Act do not apply to actions subject to the provisions requiring a certificate of environmental compatibility and public need in Article VII of the Public Service Law; and

WHEREAS, pursuant to the Regulations, the Agency has examined the Application, the Regulations, the SEQR Act, and other relevant materials, in order to classify the Project for purposes of SEQRA review; and

WHEREAS, the Application provides that the Project has been issued a Certificate of Environmental Compatibility and Public Need under Article VII of the Public Service Law by the Public Service Commission of the State of New York; and

WHEREAS, by further resolution adopted by the members of the Agency on January 18, 2022 (the “Approving Resolution”), the Agency determined to grant the Financial Assistance and to enter into a lease agreement dated as of June 1, 2022 (the “Lease Agreement”) between the Agency and the Company and certain other documents related thereto and to the Project (collectively with the Lease Agreement, the “Basic Documents”). Pursuant to the terms of the Lease Agreement, (A) the Company will, as agent of the Agency, agree to undertake and complete the Project and (B) the Agency has leased the Project Facility to the Company; and

WHEREAS, simultaneously with the execution and delivery of the Lease Agreement (the “Closing”), (A) the Company will execute and deliver to the Agency a certain lease to agency dated as of June 1, 2022 (the “Underlying Lease”) by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company will lease to the Agency the Project Facility; (B) the Company and the Agency will execute and deliver (1) this Payment in Lieu of Tax Agreement, pursuant to which the Company will agree to pay certain payments in lieu of taxes with respect to the Project Facility and (2) a certain recapture agreement (the “Section 875 GML Recapture Agreement”) by and between the Company and the Agency, required by the Act, regarding the recovery or recapture of certain sales and use taxes; (C) the Agency and the Company will execute and deliver the uniform agency project agreement dated as of June 1, 2022 (the “Uniform Agency Project Agreement”) by and between the Agency and the Company relating to the terms of the granting by the Agency of the Financial Assistance to the Company; (D) the Agency will file with the assessor and mail to the chief executive officer of each “affected tax jurisdiction” (within the meaning of such quoted term in Section 854(16) of the Act) a copy of a New York State Board of Real Property Services Form 412-a (the form required to be filed by the Agency in order for the Agency to obtain a real property tax exemption with respect to the Project Facility under Section 412-a of the Real Property Tax Law) (the “Real Property Tax Exemption Form”) relating to the Project Facility and the Payment in Lieu of Tax Agreement; (E) the Agency will execute and deliver to the Company a sales tax exemption letter (the “Sales Tax Exemption Letter”) to ensure the granting of the sales tax exemption which forms a part of the Financial Assistance and (F) the Agency will file with the New York State Department of Taxation and Finance the form entitled “IDA Appointment of Project Operator or Agent for Sales Tax Purposes” (the form required to be filed pursuant to Section 874(9) of the Act) (the “Thirty-Day Sales Tax

Report”) with respect to the Company and any indirect agent appointed by the Company pursuant to the Lease Agreement; and

WHEREAS, under the present provisions of the Act and Section 412-a of the Real Property Tax Law of the State of New York (the “Real Property Tax Law”), upon the filing by the Agency of the Real Property Tax Exemption Form, the Agency is required to pay no taxes or assessments upon any of the property acquired by it or under its jurisdiction or supervision or control; and

WHEREAS, pursuant to the provisions of Section 6.6 of the Lease Agreement, the Company has agreed to make payments in lieu of taxes with respect to the Project Facility in an amount equivalent to normal taxes, provided that, so long as this Payment in Lieu of Tax Agreement shall be in effect, the Company shall during the Term (as defined below) make payments in lieu of taxes in the amounts and in the manner provided in this Payment in Lieu of Tax Agreement, and during such period the provisions of Section 6.6 of the Lease Agreement shall not control the amounts due as payment in lieu of taxes with respect to that portion of the Project Facility which is covered by this Payment in Lieu of Tax Agreement; and

WHEREAS, the Application identified Clinton County (the “County”), the Towns of Ausable, Beekmantown, Champlain, Chazy, Peru and Plattsburgh (collectively, the “Towns”), the Village of Rouses Point (the “Village”), and the Beekmantown Central School District, the Chazy Central Rural School, the Northeastern Central School District and the Peru Central School District (collectively, the “School Districts” and together with the County, Towns, and Village, the “Anticipated Tax Jurisdictions”, as such list may be modified pursuant to Section 2.02(J) of this Payment in Lieu of Tax Agreement, and as so modified, the “Affected Tax Jurisdictions”) as the anticipated “affected tax jurisdictions” (within the meaning of such quoted term in Section 854(16) of the Act) with respect to the Project Facility; and

WHEREAS, the Project Facility has not yet been fully designed, and engineering or construction refinements of the Project Facility may result in minor changes to the transmission line route that was described in the Application, which changes could result in the addition of one or more “affected tax jurisdiction(s)” (within the meaning of such quoted term in Section 854(16) of the Act), elimination of one or more Anticipated Tax Jurisdiction(s), or changes in the linear distance of the Project Facility within one or more Anticipated Tax Jurisdiction(s), all of which will be determined following the date on which the Company has completed construction and operational testing of the Project Facility and has established that the Project Facility is capable of continuous electrical transmission at its maximum capacity and has undergone line loss testing, as evidenced by the date stated in the Company’s notice to the New York Independent System Operator that the Project Facility has become or will become commercially operational (the “Commercial Operation Date”); and

WHEREAS, all things necessary to constitute this Payment in Lieu of Tax Agreement a valid and binding agreement by and between the parties hereto in accordance with the terms hereof have been done and performed, and the creation, execution and delivery of this Payment in Lieu of Tax Agreement have in all respects been duly authorized by the Agency and the Company;

NOW, THEREFORE, in consideration of the matters above recited, the parties hereto formally covenant, agree and bind themselves as follows, to wit:

ARTICLE I

REPRESENTATIONS AND WARRANTIES

SECTION 1.01. REPRESENTATIONS OF AND WARRANTIES BY THE AGENCY. The Agency does hereby represent, warrant and covenant as follows:

(A) Power. The Agency is a public benefit corporation of the State, has been duly established under the provisions of the Act, is validly existing under the provisions of the Act and has the power under the laws of the State of New York to enter into the transactions contemplated by this Payment in Lieu of Tax Agreement and to carry out the transactions contemplated hereby and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement hereunder.

(B) Authorization. The Agency is authorized and has the corporate power under the Act, its by-laws and the laws of the State to enter into this Payment in Lieu of Tax Agreement and the transactions contemplated hereby and to perform and carry out all the covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement. By proper corporate action on the part of its members, the Agency has duly authorized the execution, delivery and performance of this Payment in Lieu of Tax Agreement and the consummation of the transactions herein contemplated.

(C) Conflicts. The Agency is not prohibited from entering into this Payment in Lieu of Tax Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement by the terms, conditions or provisions of any order, judgment, decree, law, ordinance, rule or regulation of any court or other agency or authority of government, or any agreement or instrument to which the Agency is a party or by which the Agency is bound.

SECTION 1.02. REPRESENTATIONS OF AND WARRANTIES BY THE COMPANY. The Company does hereby represent, warrant and covenant as follows:

(A) Power. The Company is a limited liability company duly organized and validly existing under the laws of the State of New York, is duly authorized to do business in the State of New York and has the power under the laws of the State to enter into this Payment in Lieu of Tax Agreement and the transactions contemplated hereby and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement, and by proper action of its member has been duly authorized to execute, deliver and perform this Payment in Lieu of Tax Agreement.

(B) Authorization. The Company is authorized and has the power under its articles of organization, operating agreement and the laws of the State to enter into this Payment in Lieu of Tax Agreement and the transactions contemplated hereby and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement. By proper action of its member, the Company has duly authorized the execution, delivery and performance of this Payment in Lieu of Tax Agreement and the consummation of the transactions herein contemplated.

(C) Conflicts. The Company is not prohibited from entering into this Payment in Lieu of Tax Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement by (and the execution, delivery and performance of this Payment in Lieu of Tax Agreement, the consummation of the transactions contemplated hereby and the fulfillment of and compliance with the provisions of this Payment in Lieu of Tax Agreement will not

conflict with or violate or constitute a breach of or a default under) the terms, conditions or provisions of its articles of organization or operating agreement or any other restriction, law, rule, regulation or order of any court or other agency or authority of government, or any contractual limitation, restriction or outstanding indenture, deed of trust, mortgage, loan agreement, other evidence of indebtedness or any other agreement or instrument to which the Company is a party or by which it or any of its property is bound, and neither the Company's entering into this Payment in Lieu of Tax Agreement nor the Company's discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement will be in conflict with or result in a breach of or constitute (with due notice and/or lapse of time) a default under any of the foregoing, or result in the creation or imposition of any lien of any nature upon any of the property of the Company under the terms of any of the foregoing, and this Payment in Lieu of Tax Agreement is the legal, valid and binding obligation of the Company enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(D) Governmental Consent. No consent, approval or authorization (which has not been heretofore obtained or which is not likely to be obtained in the ordinary course of business after the Closing Date) of, or filing, registration or qualification with, any governmental or public authority on the part of the Company is required as a condition to the execution, delivery or performance of this Payment in Lieu of Tax Agreement by the Company or as a condition to the validity of this Payment in Lieu of Tax Agreement.

ARTICLE II

COVENANTS AND AGREEMENTS

SECTION 2.01. TAX-EXEMPT STATUS OF THE PROJECT FACILITY. (A) Assessment of the Project Facility. Pursuant to Section 874 of the Act and Section 412-a of the Real Property Tax Law, the parties hereto understand that, upon acquisition of an interest in the Project Facility by the Agency and the filing by the Agency of a New York State Board of Real Property Services Form RP-412-a (a “Real Property Tax Exemption Form”) with respect to the Project Facility with the assessor of each of the Towns and the Village (each an “Assessor”), and for so long thereafter as the Agency shall have a leasehold interest in the Project Facility, the Project Facility shall be classified by the Affected Tax Jurisdictions as exempt upon the assessment rolls of the respective Affected Tax Jurisdictions prepared subsequent to the acquisition by the Agency of the leasehold interest in the Project Facility pursuant to the Underlying Lease and the filing of the Real Property Tax Exemption Forms. The Agency shall, promptly following acquisition by the Agency of the leasehold interest in the Project Facility pursuant to the Underlying Lease, take such action as may be necessary to ensure that the Project Facility shall be classified as exempt upon the assessment rolls of the respective Affected Tax Jurisdictions prepared subsequent to such acquisition by the Agency. For so long thereafter as the Agency shall have such leasehold interest in the Project Facility, the Agency and the Company shall take such further action as may be necessary to maintain such exempt classification with respect to each Affected Tax Jurisdiction. The parties hereto understand that the Project Facility shall not be entitled to such tax-exempt status on the tax rolls of any Affected Tax Jurisdiction until the first tax year of such Affected Tax Jurisdiction following the tax status date of such Affected Tax Jurisdiction occurring subsequent to the date upon which the Agency acquires such leasehold interest in the Project Facility and the Real Property Tax Exemption Forms are filed with the Assessors. Pursuant to the provisions of the Lease Agreement, the Company will be required to pay all taxes and assessments lawfully levied and/or assessed against the Project Facility, until the Project Facility shall be entitled to exempt classification on the tax rolls of the respective Affected Tax Jurisdictions. The Agency will cooperate with the Company to promptly obtain and preserve the tax-exempt classification of the Project Facility. Pursuant to Section 858(15) of the Act, the Agency agrees to give each Affected Tax Jurisdiction a copy of this Payment in Lieu of Tax Agreement within fifteen (15) days of the execution and delivery hereof. In the event the Company and the Agency enter into a Lease Supplement (as defined in the Lease Agreement) with respect to the Project Facility, the Agency shall promptly file with the Assessors and mail to the chief executive officer of each “affected tax jurisdiction” (within the meaning of such quoted term in Section 854(16) of the Act) a copy of a Real Property Tax Exemption Form relating to the Supplemental Land (as defined in the Lease Agreement), together with any and all Project-related improvements now or hereafter located thereon or therein, conveyed pursuant to such Lease Supplement.

(B) Special Assessments and Special Ad Valorem Levies. The parties hereto understand that the tax exemption extended to the Agency by Section 874 of the Act and Section 412-a of the Real Property Tax Law does not entitle the Agency to exemption from special assessments and special ad valorem levies. Pursuant to the Lease Agreement, the Company will be required to pay all special assessments and special ad valorem levies lawfully levied and/or assessed against the Project Facility.

SECTION 2.02. PAYMENTS IN LIEU OF TAXES. (A) Agreement to Make Payments. The Company agrees that it shall make annual payments in lieu of property taxes (“PILOT Payments”) in the amounts hereinafter provided to the Agency pursuant to the provisions hereof. PILOT Payments due hereunder shall be paid by the Company to the Agency for distribution by the Agency to the Affected Tax Jurisdictions in accordance with the provisions hereof.

(B) Valuation of the Project Facility. (1) The value of the Project Facility (hereinafter referred to as the “Assessed Value”) shall be determined by the appropriate Assessors. The parties hereto agree that the Assessors shall (a) appraise the Project Facility in the same manner as other similar properties in the general area of the Project Facility, and (b) place an Assessed Value upon the Project Facility, equalized if necessary by using the appropriate equalization rates as apply in the assessment and levy of real property taxes. The Company shall be entitled to written notice of the initial determination of the Assessed Value of the Project Facility and of any change in the Assessed Value of the Project Facility.

(2) If the Company is dissatisfied with the amount of the Assessed Value of the Project Facility as initially established or as changed by the Assessors, the Company shall be entitled to challenge the Assessed Value in accordance with the terms and conditions contained in Article 7 of the Real Property Tax Law. The Company shall be entitled to take any actions under Article 7 of the Real Property Tax Law notwithstanding the fact that the Agency has an interest in the Project Facility pursuant to the Underlying Lease.

(3) The parties acknowledge and agree that the PILOT Payments payable under this Payment in Lieu of Tax Agreement are fixed payments as described in Exhibit A attached hereto, and the Assessed Value of the Project Facility does not impact the amount of such PILOT Payments.

(C) Amount of PILOT Payments. (1) The Company shall make annual PILOT Payments to the Agency on behalf of the Affected Tax Jurisdictions in the amounts set forth in Exhibit A attached hereto.

(2) The Company shall make PILOT Payments to the Agency on behalf of the Affected Tax Jurisdictions on or before the last day of the sixth month following the month during which the Commercial Operation Date occurs (the “First Payment Due Date”) and on or before each anniversary of the First Payment Due Date during the Term (as defined below), and upon receipt shall be distributed by the Agency to the Affected Tax Jurisdictions in accordance with the formula set forth in Exhibit A hereto.

(D) Additional Amounts in Lieu of Taxes. Commencing on the first tax year following the date on which any structural addition shall be made to the Project Facility or any portion thereof or any additional building or other structure shall be constructed on the Land, other than any structural addition, additional building or other structure contemplated in the Application (such structural additions and additional buildings and other structures being hereinafter referred to as “Additional Facilities”), the Company agrees to make additional annual payments in lieu of property taxes with respect to such Additional Facilities (such additional payments being hereinafter collectively referred to as “Additional Payments”) to the Agency for the benefit of the involved Affected Tax Jurisdictions, such Additional Payments to be computed separately for each involved Affected Tax Jurisdiction as follows:

(1) Determine the amount of general taxes and general assessments (hereinafter referred to as the “Additional Normal Tax”) which would be payable to each Affected Tax Jurisdiction with respect to such Additional Facilities if such Additional Facilities were owned by the Company and not the Agency as follows: (a) multiply the Additional Assessed Value (as hereinafter defined) of such Additional Facilities determined pursuant to subsection (E) of this Section 2.02 by (b) the tax rate or rates of such Affected Tax Jurisdiction that would be applicable to such Additional Facilities if such Additional Facilities were owned by the Company and not the Agency, and (c) reduce the amount so determined by the amounts of any tax exemptions that would be afforded to the Company by such Affected Tax Jurisdiction if such Additional Facilities were owned by the Company and not the Agency.

(2) In each fiscal tax year during the Term (as defined below), commencing in the fiscal tax year when such Additional Facilities would first appear on the assessment roll of any Affected Tax Jurisdiction, if such Additional Facilities were owned by the Company and not the Agency, the amount payable by the Company to the Agency on behalf of each Affected Tax Jurisdiction as a payment in lieu of property tax with respect to such Additional Facilities pursuant to this Payment in Lieu of Tax Agreement shall be an amount equal to one hundred percent (100%) of the Additional Normal Tax due each Affected Tax Jurisdiction with respect to such Additional Facilities for such fiscal tax year (unless the Agency and the Company shall enter into a separate written agreement regarding payments in lieu of property taxes with respect to such Additional Facilities, in which case the provisions of such separate written agreement shall control).

(E) Valuation of Additional Facilities for Determining Additional Payments. (1) The value of any Additional Facilities for purposes of determining Additional Payments due pursuant to Section 2.02(D) hereof shall be determined by the Assessor of each respective Affected Tax Jurisdiction. The parties hereto agree that the Assessors shall (a) appraise the Additional Facilities in the same manner as other similar properties in the general area of the Project Facility, and (b) place a value for assessment purposes (hereinafter referred to as the "Additional Assessed Value") upon the Additional Facilities, equalized if necessary by using the appropriate equalization rates as apply in the assessment and levy of real property taxes. The Company shall be entitled to written notice of the initial establishment of such Additional Assessed Value and of any change in such Additional Assessed Value.

(2) If the Company is dissatisfied with the amount of the Additional Assessed Value of the Additional Facilities as initially established or as changed, the Company shall be entitled to challenge the Additional Assessed Value in accordance with the terms and conditions contained in Article 7 of the Real Property Tax Law. The Company shall be entitled to take any actions under Article 7 of the Real Property Tax Law notwithstanding the fact that the Agency has an interest in the Land pursuant to the Underlying Lease.

(F) Statements. The Agency shall submit to the Company annual statements specifying the amount and due date or dates of the payments due hereunder, such periodic statements to be submitted to the Company at least thirty (30) days prior to the due date.

(G) Time of Payments. The Company agrees to pay the amounts due under Section 2.02(C) hereof as PILOT Payments to the Agency for the benefit of the Affected Tax Jurisdictions within thirty (30) days of the date that such amounts are due. The Company agrees to pay the other amounts due as payments in lieu of taxes hereunder to the Agency for the benefit of each involved Affected Tax Jurisdiction in any fiscal tax year within the period that each such Affected Tax Jurisdiction allows payment of taxes levied in such fiscal tax year without penalty. The Company shall be entitled to receive receipts for such payments.

(H) Method of Payment. All payments by the Company hereunder shall be paid to the Agency in lawful money of the United States of America. The Agency shall in turn distribute the amounts so paid to the various Affected Tax Jurisdictions entitled to same.

(I) Effect of Termination of the Lease Agreement. The Company acknowledges that during the term of the Lease Agreement it shall not be relieved of its obligation to make the PILOT Payments due pursuant to Section 2.02(C) of this Payment in Lieu of Tax Agreement; provided, however, that if the Agency terminates the term of the Lease Agreement, either pursuant to the terms of Section 5.2, Article X or Article XI of the Lease Agreement, or if the Company terminates the Lease Agreement with the consent of the Agency, this Payment in Lieu of Tax Agreement shall also be terminated as of the date of termination of the term of the Lease Agreement and the Company shall have no further obligations hereunder.

(J) Determination of Affected Tax Jurisdictions. The actual “affected tax jurisdictions” (within the meaning of such quoted term in Section 854(16) of the Act) shall be determined by the Agency following the Commercial Operation Date. Within one hundred twenty (120) days following the Commercial Operation Date, the Company shall certify to the Agency (the “Certification”) the location of the Project Facility and, using the State’s GIS mapping tool, the indicated “affected tax jurisdictions” (within the meaning of such quoted term in Section 854(16) of the Act) in which the Project Facility is located. Following determination by the Agency of the “affected tax jurisdictions” (within the meaning of such quoted term in Section 854(16) of the Act) for the Project Facility, those determined to be involved shall be the “Affected Tax Jurisdictions” for purposes of this Payment in Lieu of Tax Agreement. Such certification shall also state the actual linear distance of the Project Facility within each group of Affected Tax Jurisdictions having common assessment(s). A form of such certification is attached hereto as Exhibit B.

(K) Allocation of PILOT Payments. Following the Commercial Operation Date, as illustrated in Exhibit A hereto and in accordance with the Act, the Agency shall allocate PILOT Payments to each Affected Tax Jurisdiction group identified in the Certification based on a percentage share established by the certified linear distance of the Project Facility within each such group, determined as of the Commercial Operation Date and adjusted for tax rate differences between Affected Tax Jurisdiction groups, in relation to the total certified linear distance of the Project Facility in the County (for each such group, the “Distance Share”). The Distance Share for each Affected Tax Jurisdiction group shall then be allocated by the Agency to each Affected Tax Jurisdiction within such group based on its respective share of the combined general ad valorem tax rate for that group’s most recent set of fiscal years based on a common assessment roll as of the Commercial Operation Date (the “Tax Rate Shares”). Because some Affected Tax Jurisdictions are in multiple Affected Tax Jurisdiction groups, the Agency shall establish a combined percentage share for each Affected Tax Jurisdiction based on the sum of the Tax Rate Shares of each such Affected Tax Jurisdiction in relation to the total PILOT Payment (the “Percentage Share of PILOT Payments”). As a final step in determining the allocation of PILOT Payments to the Affected Tax Jurisdictions, the Percentage Share of PILOT Payments for each Affected Tax Jurisdiction shall be fixed throughout the Term (as defined below) and applied by the Agency to allocate the annual PILOT Payments.

SECTION 2.03. CREDIT FOR TAXES PAID. (A) Amount of Credit. The parties hereto acknowledge and agree that the obligation of the Company to make the payments provided in Section 2.02 of this Payment in Lieu of Tax Agreement shall be in addition to any and all other taxes and governmental charges of any kind whatsoever which the Company may be required to pay under the Lease Agreement. It is understood and agreed, however, that, should the Company pay in any fiscal tax year to any Affected Tax Jurisdiction any amounts in the nature of general property taxes, general assessments, service charges or other governmental charges of a similar nature levied and/or assessed upon the Project Facility or the interest therein of the Company or the occupancy thereof by the Company (but not including, by way of example, (1) sales and use taxes, and (2) special assessments, special ad valorem levies or governmental charges in the nature of utility charges, including but not limited to water, solid waste, sewage treatment or sewer or other rents, rates or charges), then the allocated share(s) of the next annual PILOT Payment(s) under this Payment in Lieu of Tax Agreement for such Affected Tax Jurisdiction(s) hereunder shall be reduced by the amounts which the Company shall have so paid to such Affected Tax Jurisdiction in such fiscal tax year. To the extent the amounts in the nature of general property taxes, general assessments, service charges or other governmental charges of a similar nature paid by the Company to any Affected Tax Jurisdiction(s) are greater than the allocated share(s) of the next annual PILOT Payment(s) under this Payment in Lieu of Tax Agreement for such Affected Tax Jurisdiction(s), the amount of the credit insufficiency shall be carried forward and applied to the allocated share(s) of the next annual and future PILOT Payment(s) for such Affected Tax Jurisdiction(s).

(B) Method of Claiming Credits. If the Company desires to claim a credit against any particular PILOT Payment or other payment in lieu of tax due hereunder, the Company shall give the governing body of the involved Affected Tax Jurisdiction and the Agency prior written notice of its intention to claim any credit pursuant to the provisions of this Section 2.03, said notice to be given by the Company at least thirty (30) days prior to the date on which such PILOT Payment or other payment in lieu of tax is due. In the event that the governing body of the appropriate Affected Tax Jurisdiction desires to contest the Company's right to claim such credit, then said governing body, the Agency and the Company shall each select an arbitrator in accordance with the rules of the American Arbitration Association, each of whom shall be a qualified real estate appraiser, experienced in valuation for the purposes of tax assessment in the general area of the Project Facility, which arbitrators shall, at the sole cost and expense of the Company, determine whether the Company is entitled to claim any credit pursuant to the provisions of this Section 2.03 and, if so, the amount of the credit to which the Company is entitled. It is understood that the arbitrators are empowered to confirm the amount of the credit claimed by the Company or to determine a lower or higher credit. When the Company shall have given notice, as provided herein, that it claims a credit, the amount of any PILOT Payment or other payment in lieu of property taxes due hereunder against which the credit may be claimed may be withheld (to the extent of the credit claimed by the Company, but only to the extent that such credit may be claimed against said PILOT Payment or other payment in lieu of taxes pursuant to the provisions of this Section 2.03) until the decision of the arbitrators is rendered. After the decision of the arbitrators is rendered, the PILOT Payment or other payment in lieu of taxes due with respect to any reduction or disallowance by the arbitrators in the amount of the credit claimed by the Company shall, to the extent withheld as aforesaid, be immediately due and payable and shall be paid by the Company within thirty (30) days of said decision.

SECTION 2.04. LATE PAYMENTS. (A) First Month. Pursuant to Section 874(5) of the Act, if the Company shall fail to make any payment required by this Payment in Lieu of Tax Agreement when due, the Company shall pay the same, together with a late payment penalty equal to five percent (5%) of the amount due.

(B) Thereafter. If the Company shall fail to make any payment required by this Payment in Lieu of Tax Agreement when due and such delinquency shall continue beyond the first month, the Company's obligation to make the payment so in default shall continue as an obligation of the Company to the Agency for the benefit of the involved Affected Tax Jurisdiction(s) until such payment in default shall have been made in full, and the Company shall pay the same to the Agency for the benefit of the involved Affected Tax Jurisdiction(s) together with (1) a late payment penalty of one percent (1%) per month for each month, or part thereof, that the payment due hereunder is delinquent beyond the first month, plus (2) interest thereon, to the extent permitted by law, at the greater of (a) one percent (1%) per month, or (b) the rate per annum which would be payable if such amount were delinquent taxes, until so paid in full.

SECTION 2.05. NATURE OF THE OBLIGATIONS OF THE COMPANY HEREUNDER. (A) Except as provided herein or in the other Basic Documents, the obligations of the Company to make the payments required by this Payment in Lieu of Tax Agreement and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be general obligations of the Company and shall be absolute and unconditional irrespective of any defense or any right of set-off, recoupment, counterclaim or abatement that the Company may otherwise have against the Agency or any Affected Tax Jurisdiction.

(B) Except as permitted by this Payment in Lieu of Tax Agreement or by the other Basic Documents, the Company agrees that it will not suspend, discontinue or abate any payment required by, or fail to observe any of its other covenants or agreements contained in, this Payment in Lieu of Tax Agreement, or terminate this Payment in Lieu of Tax Agreement for any cause whatsoever, including, without limiting the generality of the foregoing, (1) failure to complete the Project Facility, (2) any defect

in the title, design, operation, merchantability, fitness or condition of the Project Facility or any part thereof or in the suitability of the Project Facility or any part thereof for the Company's purposes or needs, (3) failure of consideration for, destruction of or damage to, Condemnation of title to or the use of all or any part of the Project Facility, (4) any change in the tax or other laws of the United States of America or of the State or any political subdivision thereof, (5) any failure of the Agency or any Affected Tax Jurisdiction to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with this Payment in Lieu of Tax Agreement or any other Basic Document, or (6) any conveyance or reconveyance of the Project Facility pursuant to the Lease Agreement.

ARTICLE III

LIMITED OBLIGATION

SECTION 3.01. NO RECOURSE; LIMITED OBLIGATION. (A) No Recourse. All obligations, covenants, and agreements of the Agency contained in this Payment in Lieu of Tax Agreement shall be deemed to be the obligations, covenants, and agreements of the Agency and not of any member, officer, agent, servant or employee of the Agency in his individual capacity, and no recourse under or upon any obligation, covenant or agreement contained in this Payment in Lieu of Tax Agreement, or otherwise based upon or in respect of this Payment in Lieu of Tax Agreement, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future member, officer, agent (other than the Company), servant or employee, as such, of the Agency or any successor public benefit corporation or political subdivision or any person executing this Payment in Lieu of Tax Agreement on behalf of the Agency, either directly or through the Agency or any successor public benefit corporation or political subdivision or any person so executing this Payment in Lieu of Tax Agreement, it being expressly understood that this Payment in Lieu of Tax Agreement is a corporate obligation, and that no such personal liability whatever shall attach to, or is or shall be incurred by, any such member, officer, agent (other than the Company), servant or employee of the Agency or of any successor public benefit corporation or political subdivision or any person so executing this Payment in Lieu of Tax Agreement under or by reason of the obligations, covenants or agreements contained in this Payment in Lieu of Tax Agreement or implied therefrom; and that any and all such personal liability of, and any and all such rights and claims against, every such member, officer, agent (other than the Company), servant or employee under or by reason of the obligations, covenants or agreements contained in this Payment in Lieu of Tax Agreement or implied therefrom are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution of this Payment in Lieu of Tax Agreement by the Agency.

(B) Limited Obligation of the Agency. The obligations, covenants and agreements of the Agency contained herein shall not constitute or give rise to an obligation of the State of New York or Clinton County, New York, and neither the State of New York nor Clinton County, New York shall be liable thereon, and further such obligations, covenants and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency payable solely from the revenues of the Agency derived and to be derived from the lease, sale or other disposition of the Project Facility (except for revenues derived by the Agency with respect to the Unassigned Rights, as defined in the Lease Agreement).

(C) Further Limitation. Notwithstanding any provision of this Payment in Lieu of Tax Agreement to the contrary, the Agency shall not be obligated to take any action pursuant to any provision hereof unless (1) the Agency shall have been requested to do so in writing by the Company, and (2) if compliance with such request is reasonably expected to result in the incurrence by the Agency (or any of its members, officers, agents, servants or employees) of any liability, fees, expenses or other costs, the Agency shall have received from the Company security or indemnity and an agreement from the Company to defend and hold harmless the Agency satisfactory to the Agency for protection against all such liability, however remote, and for the reimbursement of all such fees, expenses and other costs.

(D) Limited Obligation of the Company. The obligations and agreements of the Company contained herein and in the other Basic Documents and any other instrument or document executed in connection herewith or therewith, and any other instrument or document supplemental thereto or hereto, shall be deemed the obligations and agreements of the Company, and not of any member, officer, agent, servant or employee of the Company in his individual capacity, and the member, officers, agents, servants and employees of the Company shall not be liable personally hereon or thereon or be subject to any personal

liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby.

ARTICLE IV

EVENTS OF DEFAULT

SECTION 4.01. EVENTS OF DEFAULT. Any one or more of the following events shall constitute an event of default under this Payment in Lieu of Tax Agreement, and the terms “Event of Default” or “default” shall mean, whenever they are used in this Payment in Lieu of Tax Agreement, any one or more of the following events:

(A) Failure of the Company to pay when due any amount due and payable by the Company pursuant to this Payment in Lieu of Tax Agreement and continuance of said failure for a period of fifteen (15) business days after written notice to the Company stating that such payment is due and payable;

(B) Failure of the Company to observe and perform any other covenant, condition or agreement on its part to be observed and performed hereunder (other than as referred to in paragraph (A) above) and continuance of such failure for a period of sixty (60) days after written notice to the Company specifying the nature of such failure and requesting that it be remedied; provided that if such default cannot reasonably be cured within such sixty (60) day period and if the Company shall have commenced action to cure the breach of covenant, condition or agreement within said sixty (60) day period and thereafter diligently and expeditiously proceeds to cure the same, such sixty (60) day period shall be extended for so long as the Company shall require in the exercise of due diligence to cure such default; or

(C) Any warranty, representation or other statement by or on behalf of the Company contained in this Payment in Lieu of Tax Agreement shall prove to have been false or incorrect in any material respect on the date when made or on the effective date of this Payment in Lieu of Tax Agreement and (1) shall be materially adverse to the Agency at the time when the notice referred to below shall have been given to the Company and (2) if curable, shall not have been cured within sixty (60) days after written notice of such incorrectness shall have been given to a responsible officer of the Company, provided that if such incorrectness cannot reasonably be cured within said sixty-day period and the Company shall have commenced action to cure the incorrectness within said sixty-day period and, thereafter, diligently and expeditiously proceeds to cure the same, such sixty-day period shall be extended for so long as the Company shall require, in the exercise of due diligence, to cure such default.

SECTION 4.02. REMEDIES ON DEFAULT. (A) General. Whenever any Event of Default shall have occurred and continue beyond any cure period with respect to this Payment in Lieu of Tax Agreement, the Agency (or if such Event of Default concerns a payment required to be made hereunder to any Affected Tax Jurisdiction, then with respect to such Event of Default such Affected Tax Jurisdiction) may take whatever action at law or in equity as may appear necessary or desirable to collect the amount then in default or to enforce the performance and observance of the obligations, agreements and covenants of the Company under this Payment in Lieu of Tax Agreement.

(B) Cross-Default. In addition, an Event of Default hereunder shall constitute an event of default under Article X of the Lease Agreement. Upon the occurrence of an Event of Default hereunder resulting from a failure of the Company to make any payment required hereunder, the Agency shall have, as a remedy therefor under the Lease Agreement, among other remedies, the right to terminate the Lease Agreement and convey the Project Facility to the Company, thus subjecting the Project Facility to immediate full taxation pursuant to Section 520 of the Real Property Tax Law of the State.

(C) Separate Suits. Each such Event of Default shall give rise to a separate cause of action hereunder and separate suits may be brought hereunder as each cause of action arises.

(D) Venue. The Company irrevocably agrees that any suit, action or other legal proceeding arising out of this Payment in Lieu of Tax Agreement may be brought in the courts of record of the State, consents to the jurisdiction of each such court in any such suit, action or proceeding, and waives any objection which it may have to the laying of the venue of any such suit, action or proceeding in any of such courts.

(E) No Acceleration. Upon the occurrence and during the continuation of an Event of Default hereunder, the Agency shall not have the right to accelerate future PILOT Payments not yet due and payable as of the date of such exercise of remedies.

(F) Right to Cure. Prior to the exercise of any remedy by the Agency hereunder following an Event of Default, the Company, any Successor (as defined in the Lease Agreement), and any Lender (as defined in the Lease Agreement) shall have an absolute right to cure such Event of Default during the time period allowed for curing same. If the Company at any time during the Term (as defined below) prior to the occurrence of an Event of Default provides a written request to the Agency that notices hereunder be provided to any Lender, any such Lender shall be afforded an additional sixty (60) days (beyond the time period allowed for the Company to cure) within which to cure an Event of Default on behalf of the Company.

SECTION 4.03. PAYMENT OF ATTORNEYS' FEES AND EXPENSES. Pursuant to Section 874(6) of the Act, if the Company should default in performing any of its obligations, covenants or agreements under this Payment in Lieu of Tax Agreement and the Agency or any Affected Tax Jurisdiction should employ attorneys or incur other expenses for the collection of any amounts payable hereunder or for the enforcement of performance or observance of any obligation, covenant or agreement on the part of the Company herein contained, the Company agrees that it will, on demand therefor, pay to the Agency or such Affected Tax Jurisdiction, as the case may be, not only the amounts adjudicated due hereunder, together with the late payment penalty and interest due thereon, but also the reasonable fees and disbursements of such attorneys and all other expenses, costs and disbursements so incurred, whether or not an action is commenced.

SECTION 4.04. REMEDIES; WAIVER AND NOTICE. (A) No Remedy Exclusive. No remedy herein conferred upon or reserved to the Agency or any Affected Tax Jurisdiction is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Payment in Lieu of Tax Agreement or now or hereafter existing at law or in equity or by statute.

(B) Delay. No delay or omission in exercising any right or power accruing upon the occurrence of any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

(C) Notice Not Required. In order to entitle the Agency or any Affected Tax Jurisdiction to exercise any remedy reserved to it in this Payment in Lieu of Tax Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required in this Payment in Lieu of Tax Agreement.

(D) No Waiver. In the event any provision contained in this Payment in Lieu of Tax Agreement should be breached by any party and thereafter duly waived by the other party so empowered to act, such waiver shall be limited to the particular breach so waived and shall not be deemed to be a waiver of any other breach hereunder. No waiver, amendment, release or modification of this Payment in Lieu of Tax Agreement shall be established by conduct, custom or course of dealing.

ARTICLE V
MISCELLANEOUS

SECTION 5.01. TERM. (A) Term. This Payment in Lieu of Tax Agreement shall become effective and the obligations of the Company shall arise absolutely and unconditionally upon the approval of this Payment in Lieu of Tax Agreement by resolution of the Agency and the execution and delivery of this Payment in Lieu of Tax Agreement by the Company and the Agency, and, unless otherwise provided by amendment hereof, shall continue to remain in effect until the earlier to occur of (1) December 31 of the calendar year in which the last PILOT Payment pursuant to this Payment in Lieu of Tax Agreement is due or (2) the date on which the Agency's interest in the Project Facility is conveyed by the Agency to the Company pursuant to Article X or XI of the Lease Agreement (the "Term").

(B) Extended Term. In the event that (1) the Agency's interest in the Project Facility shall be reconveyed to the Company, (2) on the date on which the Company obtains the Agency's interest in the Project Facility, the Project Facility shall be classified as exempt upon the assessment roll of any one or more of the Affected Tax Jurisdictions, and (3) the fact of obtaining title to the Agency's interest in the Project Facility shall not immediately obligate the Company to make pro-rata tax payments pursuant to legislation similar to Chapter 635 of the 1978 Laws of the State (codified as subsection 3 of Section 302 of the Real Property Tax Law and Section 520 of the Real Property Tax Law), this Payment in Lieu of Tax Agreement shall remain in full force and effect and the Company shall be obligated to make payments in lieu of taxes to the Agency for the benefit of the involved Affected Tax Jurisdictions in amounts equal to those amounts which would be due from the Company to the respective Affected Tax Jurisdictions if the Project Facility were owned by the Company and not the Agency until the first tax year in which the Company shall appear on the tax rolls of the various Affected Tax Jurisdictions having jurisdiction over the Project Facility as the legal owner of record of the Project Facility.

(C) Effect of Termination of the Lease Agreement. The Company acknowledges that Section 2.02(I) hereof shall apply in the event the Lease Agreement is terminated.

SECTION 5.02. FORM OF PAYMENTS. The amounts payable under this Payment in Lieu of Tax Agreement shall be payable in such coin and currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

SECTION 5.03. COMPANY ACTS. Where the Company is required to do or accomplish any act or thing hereunder, the Company may cause the same to be done or accomplished with the same force and effect as if done or accomplished by the Company.

SECTION 5.04. AMENDMENTS. This Payment in Lieu of Tax Agreement may not be effectively amended, changed, modified, altered or terminated except by an instrument in writing executed by the parties hereto.

SECTION 5.05. NOTICES. (A) General. All notices, certificates or other communications hereunder shall be in writing and may be personally served, telecopied or sent by courier service or United States mail and shall be sufficiently given and shall be deemed given when (1) delivered in person or by courier to the applicable address stated below, (2) when received by telecopy or (3) three business days after deposit in the United States, by United States mail (registered or certified mail, postage prepaid, return receipt requested, properly addressed), or (4) when delivered by such other means as shall provide the sender with documentary evidence of such delivery, or when delivery is refused by the addressee, as evidenced by the affidavit of the Person who attempted to effect such delivery.

(B) Notices Given by Affected Tax Jurisdictions. Notwithstanding the foregoing, notices of assessment or reassessment of the Project Facility and other notices given by an Affected Tax Jurisdiction under Article II hereof shall be sufficiently given and shall be deemed given when given by the Affected Tax Jurisdiction in the same manner in which similar notices are given to owners of taxable properties by such Affected Tax Jurisdiction.

(C) Addresses. The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

IF TO THE COMPANY:

CHPE LLC
600 Broadway
Albany, New York 12207
Attention: William Helmer, Esq.

WITH A COPY TO:

Swartz Moses PLLC
1583 East Genesee Street
Skaneateles, New York 13152
Attention: Peter H. Swartz, Esq.

IF TO THE AGENCY:

County of Clinton Industrial Development Agency
137 Margaret Street – Suite 209
Plattsburgh, New York 12901
Attention: Chairperson

WITH A COPY TO:

Hodgson Russ LLP
677 Broadway, Suite 401
Albany, New York 12207
Attention: Christopher C. Canada, Esq.

(D) Copies. A copy of any notice given hereunder by the Company which affects in any way an Affected Tax Jurisdiction shall also be given to the chief executive officer of such Affected Tax Jurisdiction.

(E) Change of Address. The Agency and the Company may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

(F) Written Notice of Address. The Company shall provide the Agency in writing with the address and contact information of any Lender designated by the Company to receive any notices under this Payment in Lieu of Tax Agreement.

(G) Copy to Lender. A copy of all notices to the Company hereunder shall also be served on any Lender identified pursuant to Section 4.02(F) hereof and in which a written notice is provided to the Agency pursuant to Section 5.05(F) hereof, and no such notice or other communication to the Company shall be deemed received unless a copy is so served upon any such Lender in the manner provided herein for the giving of notice.

SECTION 5.06. BINDING EFFECT. This Payment in Lieu of Tax Agreement shall inure to the benefit of, and shall be binding upon, the Agency, the Company and their respective successors and assigns. The provisions of this Payment in Lieu of Tax Agreement are intended to be for the benefit of the Agency and the respective Affected Tax Jurisdictions.

SECTION 5.07. SEVERABILITY. If any article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion of this Payment in Lieu of Tax Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion so adjudged invalid, illegal or unenforceable shall be deemed separate, distinct and independent and the remainder of this Payment in Lieu of Tax Agreement shall be and remain in full force and effect and shall not be invalidated or rendered illegal or unenforceable or otherwise affected by such holding or adjudication.

SECTION 5.08. COUNTERPARTS. This Payment in Lieu of Tax Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 5.09. APPLICABLE LAW. This Payment in Lieu of Tax Agreement shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 5.10. DEFINED TERMS. All of the capitalized terms used in this Payment in Lieu of Tax Agreement and the preambles hereto not otherwise defined shall have the meanings assigned thereto in the Lease Agreement.

SECTION 5.11. ASSIGNMENT. In the event the Lease Agreement is assigned by the Company, this Payment in Lieu of Tax Agreement shall be assigned by the Company in connection therewith.

IN WITNESS WHEREOF, the Agency and the Company have caused this Payment in Lieu of Tax Agreement to be executed in their respective names by duly authorized officers thereof, all being done as of the date first above written.

COUNTY OF CLINTON INDUSTRIAL
DEVELOPMENT AGENCY

BY: 
Authorized Officer

CHPE LLC

BY: _____
Todd Singer
Chief Financial Officer

IN WITNESS WHEREOF, the Agency and the Company have caused this Payment in Lieu of Tax Agreement to be executed in their respective names by duly authorized officers thereof, all being done as of the date first above written.

COUNTY OF CLINTON INDUSTRIAL
DEVELOPMENT AGENCY

BY: _____
Authorized Officer

CHPE LLC

BY:  _____
Todd Singer
Chief Financial Officer

STATE OF NEW YORK)
)ss:
COUNTY OF CLINTON)

On the 7th day of June, in the year 2022, before me, the undersigned, personally appeared TRENT TRAHAN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Toni M. Moffat
Notary Public

TONI M. MOFFAT
Notary Public, State of New York
No. 01MO06370345
Qualified in CLINTON County
Commission Expires 12/29/26

STATE OF CONNECTICUT)
)ss:
COUNTY OF FAIRFIELD)

On the 7th day of June, in the year 2022, before me, the undersigned, personally appeared TODD SINGER, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

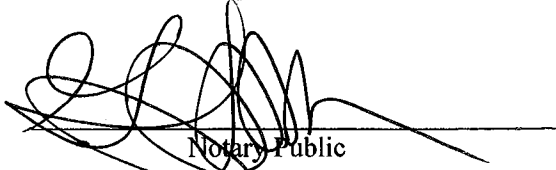

Notary Public
GLEN J. MOORE
Notary Public - State of Connecticut
MY COMMISSION EXPIRES DEC 31, 2022

EXHIBIT A

DEFINITIONS AND PILOT PAYMENT TERMS

I. Defined Terms: All capitalized terms used herein and not otherwise defined herein shall have the same meanings as set forth in the Lease Agreement.

“Affected Tax Jurisdictions” means, collectively, Clinton County, the Towns of Ausable, Beekmantown, Champlain, Chazy, Peru and Plattsburgh, the Village of Rouses Point, the Beekmantown Central School District, the Chazy Central Rural School, the Northeastern Central School District and the Peru Central School District.

“Commercial Operation Date” means the date on which the Company has completed construction and operational testing of the Project Facility and has established that the Project Facility is capable of continuous electrical transmission at its maximum capacity and has undergone line loss testing, as evidenced by the date stated in the Company’s notice to the New York Independent System Operator that the Project Facility has become or will become commercially operational. The Commercial Operation Date is anticipated to be December 31, 2025; provided, however, that if such date is to be later than December 31, 2025, the Company shall provide a written explanation regarding the basis for the delay, and except in the context of a Triggering Event, in no event shall such date be later than December 31, 2026, without the prior written consent of the Agency, which consent shall not be unreasonably withheld, conditioned or delayed. The Commercial Operation Date shall be automatically extended beyond December 31, 2026 upon the occurrence of a Triggering Event, and the period of such extension shall equal the time period of the delay actually caused by the Triggering Event (and not the time period of the delay projected to be caused by the Triggering Event). In connection with any Triggering Event, the Company shall provide the Agency with the following: (A), within thirty (30) days of the Triggering Event, a written explanation of the Triggering Event, together with a projection as to the estimated time period of the delay caused by the Triggering Event, and (B), within thirty (30) days of the end of the Triggering Event, a written notice of the end of the Triggering Event.

“Expiration Date” means December 31 of the calendar year in which the last PILOT Payment pursuant to the Payment in Lieu of Tax Agreement is due. For illustrative purposes, if the Commercial Operation Date is December 15, 2025, the last PILOT Payment would be due on June 30, 2055 and the Expiration Date would be December 31, 2055.

“Normal Tax” means the amount of general taxes and general assessments which would be payable to each Affected Tax Jurisdiction if the Project Facility were owned by the Company and not the Agency by multiplying (A) the Assessed Value by (B) the tax rate or rates of such Affected Tax Jurisdiction that would be applicable to the Project Facility if the Project Facility were owned by the Company and not the Agency.

“System” means a fully-buried, up to 1,250-megawatt HVDC electric transmission line from the U.S.-Canada border to New York City.

“Triggering Event” means the occurrence of any of the following: (i) a final order of the Public Service Commission of the State of New York approving the Tier 4 REC Purchase and Sale Agreement between Hydro-Québec and NYSERDA is not issued or determined to be non-appealable by April 30, 2023; (ii) all necessary real property interests for the System are not obtained or under contract by the Company by April 30, 2023; or (iii) commissioning of the System is not commenced by September 1, 2026 due to documentable third party delays or a “force majeure” event, as defined in the fourth sentence of

Section 10.01(B) of the Lease Agreement (with such definition not subject to other limitations within that Section).

II. Amount of PILOT Payments:

Prior to Commercial Operation Date of the Project:

Beginning on the effective date of this Payment in Lieu of Tax Agreement and ending on the last day of the sixth month following the month during which the Commercial Operation Date occurs, the amount of PILOT Payments shall be equal to \$0.00.

Following the Commercial Operation Date of the Project:

(A) Commencing with the last day of the sixth month following the month during which the Commercial Operation Date occurs, the Company will make PILOT Payments in accordance with the amounts set forth in the table below:

<u>Payment Year</u>	<u>PILOT Payment Amount</u>
1	\$1,150,830
2	\$1,167,517
3	\$1,184,446
4	\$1,201,621
5	\$1,219,044
6	\$1,484,064
7	\$1,505,583
8	\$1,527,414
9	\$1,549,562
10	\$1,572,030
11	\$1,860,629
12	\$1,887,608
13	\$1,914,979
14	\$1,942,746
15	\$1,970,916
16	\$2,285,136
17	\$2,318,270
18	\$2,351,885
19	\$2,385,987
20	\$2,420,584
21	\$3,069,603
22	\$3,114,113
23	\$3,159,267
24	\$3,846,092
25	\$3,901,860
26	\$3,958,437
27	\$4,685,140
28	\$5,432,086
29	\$6,199,707
30	\$6,639,026

31 and thereafter during the Term	100% of Normal Tax
--------------------------------------	--------------------

(B) The Agency and the Company acknowledge and agree that the allocation of PILOT Payments among the Affected Tax Jurisdictions will be based on the respective linear distance of the Project Facility within each of the Affected Tax Jurisdictions, determined as of the Commercial Operation Date and adjusted for tax rate differences between Affected Tax Jurisdiction groups, and the respective tax rates of each of the Affected Tax Jurisdictions within each Affected Tax Jurisdiction group for the assessment roll year in which the Commercial Operation Date occurs.

(C) For purposes of illustration, the following is a table describing the amount of the Year 1 PILOT Payment and the allocation of such payment based on the following assumptions:

(1) Assumptions:

(a) Commercial Operation Date: December 15, 2025

(b) Anticipated Tax Jurisdictions:

<u>Anticipated Tax Jurisdiction</u>
Clinton County
Town of Ausable
Town of Beekmantown
Town of Champlain
Town of Chazy
Town of Peru
Town of Plattsburgh
Village of Rouses Point
Beekmantown Central School District ("Beekmantown CSD")
Chazy Central Rural School ("Chazy CRS")
Northeastern Central School District ("Northeastern CSD")
Peru Central School District ("Peru CSD")

(c) Linear distance of the Project Facility within each Anticipated Tax Jurisdiction group:

Town	Village	School District	Linear Distance (Miles)
Ausable		Peru CSD	1.208235
Beekmantown		Beekmantown CSD	5.992502
Champlain	Rouses Point	Northeastern CSD	2.352549
Champlain		Northeastern CSD	4.156480
Chazy		Chazy CRS	0.197545
Chazy		Chazy CRS	6.980803
Peru		Peru CSD	5.064386
Plattsburgh		Beekmantown CSD	5.270296
Plattsburgh		Peru CSD	3.404590
Total			34.627386

(d) Effective full value tax rates of the Anticipated Tax Jurisdictions:

Town	Village	School District	Roll Year	County	Town	Village	School District
Ausable		Peru CSD	2021	0.25%	0.90%		1.88%
Beekmantown		Beekmantown CSD	2021	0.26%	0.44%		1.67%
Champlain	Rouses Point	Northeastern CSD	2021	0.54%	0.20%	0.40%	2.05%
Champlain		Northeastern CSD	2021	0.54%	0.21%		2.05%
Champlain		Chazy CRS	2021	0.54%	0.21%		2.11%
Chazy		Chazy CRS	2021	0.25%	0.37%		2.11%
Peru		Peru CSD	2021	0.25%	0.46%		1.88%
Plattsburgh		Beekmantown CSD	2021	0.54%	0.08%		1.67%
Plattsburgh		Peru CSD	2021	0.54%	0.08%		1.88%

(e) PILOT Payment Shares by Anticipated Tax Jurisdiction group:

Town	Village	School District	Linear Distance (Miles)	Combined Full Value Tax Rate	Weighted (by relative distance) Combined Full Value Tax Rate	Percentage Share of Total PILOT Payment	PILOT Payment Share
Ausable		Peru CSD	1.208235	3.03%	0.11%	4.05%	\$46,642
Beekmantown		Beekmantown CSD	5.992502	2.37%	0.41%	15.73%	\$180,976
Champlain	Rouses Point	Northeastern CSD	2.352549	3.19%	0.22%	8.31%	\$95,645
Champlain		Northeastern CSD	4.156480	2.81%	0.34%	12.91%	\$148,580
Champlain		Chazy CRS	0.197545	2.86%	0.02%	0.63%	\$7,200
Chazy		Chazy CRS	6.980803	2.72%	0.55%	21.03%	\$242,030
Peru		Peru CSD	5.064386	2.59%	0.38%	14.52%	\$167,080
Plattsburgh		Beekmantown CSD	5.270296	2.29%	0.35%	13.38%	\$153,985
Plattsburgh		Peru CSD	3.404590	2.51%	0.25%	9.44%	\$108,692
			34.627386		2.61%	100.00%	\$1,150,830

(f) PILOT Payment Shares by Anticipated Tax Jurisdiction:

Town	Village	School District	County	Town	Village	School District	Total
Ausable		Peru CSD	\$3,802	\$13,849	\$0	\$28,992	\$46,642
Beekmantown		Beekmantown CSD	\$19,606	\$33,805	\$0	\$127,566	\$180,976
Champlain	Rouses Point	Northeastern CSD	\$16,283	\$5,984	\$11,953	\$61,425	\$95,645
Champlain		Northeastern CSD	\$28,780	\$11,274	\$0	\$108,526	\$148,580
Champlain		Chazy CRS	\$1,368	\$536	\$0	\$5,297	\$7,200
Chazy		Chazy CRS	\$21,942	\$32,912	\$0	\$187,176	\$242,030
Peru		Peru CSD	\$15,927	\$29,633	\$0	\$121,520	\$167,080
Plattsburgh		Beekmantown CSD	\$36,484	\$5,310	\$0	\$112,192	\$153,985
Plattsburgh		Peru CSD	\$23,569	\$3,430	\$0	\$81,693	\$108,692
Total							\$1,150,830

(g) PILOT Payment Shares and Percentage Shares (fixed for term of Payment in Lieu of Tax Agreement) by Affected Tax Jurisdiction:

Affected Tax Jurisdiction	Year 1 PILOT Payment Share	Percentage Share of All PILOT Payments during term
Clinton County	\$167,761	14.6%
Town of Ausable	\$13,849	1.2%
Town of Beekmantown	\$33,805	2.9%
Town of Champlain	\$17,794	1.5%
Town of Chazy	\$32,912	2.9%
Town of Peru	\$29,633	2.6%
Town of Plattsburgh	\$8,740	0.8%
Village of Rouses Point	\$11,953	1.0%
Beekmantown CSD	\$239,757	20.8%
Chazy CRS	\$192,472	16.7%
Northeastern CSD	\$169,951	14.8%
Peru CSD	\$232,205	20.2%
Total	\$1,150,830	100.0%

(h) Year 1 PILOT Payment Amount and Due Date:

Year 1 PILOT Payment Amount: \$1,150,830
Year 1 PILOT Payment Due Date: June 30, 2026

(D) Notwithstanding anything herein to the contrary, except in the context of a Triggering Event, Payment Year 1 in the tables described above shall not in any event be later than calendar year 2027 without the prior written consent of the Agency, which consent shall not be unreasonably withheld, conditioned or delayed.

EXHIBIT B

FORM OF CERTIFICATION OF AFFECTED TAX JURISDICTIONS AND LINEAR DISTANCE OF THE PROJECT FACILITY WITHIN EACH AFFECTED TAX JURISDICTION

CHPE LLC hereby certifies that the Champlain Hudson Power Express electric transmission facility (the "Project") commenced commercial operation on _____, ____ (the "Commercial Operation Date"), and that, as of the Commercial Operation Date, the Project is located within the jurisdictional boundaries of the following "affected tax jurisdictions" (as such term is defined in the New York General Municipal Law) and has the following linear distances within the following groups of affected tax jurisdictions sharing common assessment(s) on a portion of the Project:

Clinton County
Town of Ausable
Town of Beekmantown
Town of Champlain
Town of Chazy
Town of Peru
Town of Plattsburgh
Village of Rouses Point
Beekmantown Central School District ("Beekmantown CSD")
Chazy Central Rural School ("Chazy CRS")
Northeastern Central School District ("Northeastern CSD")
Peru Central School District ("Peru CSD")
[Any additional affected tax jurisdiction(s)]

Linear Distance within each affected tax jurisdiction group:

Town	Village	School District	Linear Distance (Miles)
Ausable		Peru CSD	
Beekmantown		Beekmantown CSD	
Champlain	Rouses Point	Northeastern CSD	
Champlain		Northeastern CSD	
Champlain		Chazy CRS	
Chazy		Chazy CRS	
Peru		Peru CSD	
Plattsburgh		Beekmantown CSD	
Plattsburgh		Peru CSD	
Total			

CHPE LLC

BY: _____
Authorized Representative

EXHIBIT C

FORM OF POST COMPLETION
PROJECT COST AFFIDAVIT

STATE OF _____)
)SS:
COUNTY OF _____)

I, the undersigned, an Authorized Member of CHPE LLC (the “Company”), do hereby depose and state as follows:

1. County of Clinton Industrial Development Agency (the “Agency”) may rely on the contents of this Affidavit in connection with its review of the completion by the Company of the Project, consisting of (A) (1) the acquisition of an interest in the Company’s interim permit and easement issued by the New York State Office of General Services in relation to submerged State-owned land, such submerged lands located in the Towns of Ausable, Beekmantown, Champlain, Chazy, Peru and Plattsburgh and the Village of Rouses Point, Clinton County, New York (collectively, the “Land”), (2) the construction, installation and equipping on or under the Land of a fully-buried, up to 1,250-megawatt (“MW”) high-voltage direct current (“HVDC”) electric transmission line and related infrastructure (collectively, the “Improvements”) and (3) the acquisition and installation thereon and therein of certain related machinery and equipment, including but not limited to, two (2) five-inch diameter HVDC transmission cables (collectively, the “Equipment”) (the Land, the Improvements and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be used and operated by the Company as a portion of an electric transmission line from the U.S.-Canada border to New York City; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real property transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease of the Project Facility to the Company pursuant to the terms of a lease agreement dated as of June 1, 2022 (the “Lease Agreement”) by and between the Company and the Agency.

2. The Company has delivered an application (the “Application”) to the Agency for consideration of the Project.

3. The acquisition, construction, installation and equipping of the Project is complete.

4. The scope of the Project has not otherwise varied significantly from the description published in the Notices of Public Hearings attached hereto as Schedule A.

5. The total Project Costs, as of the date of this Affidavit, is equal to \$_____.

6. There has been no significant change or variation in the Project from the information contained in the Application, except as set forth on Schedule B attached hereto and made a part hereof.

IN WITNESS WHEREOF, the undersigned has set forth their hand as of the ____ day of _____, 20__.

CHPE LLC

BY: _____
Authorized Representative

Sworn to before me this ____ day
of _____, 20__.

Notary Public

SCHEDULE A
NOTICES OF PUBLIC HEARINGS

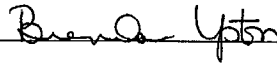
- SEE ATTACHED -

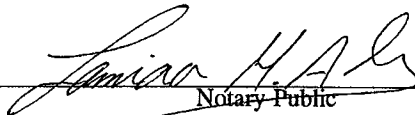
State of New York
Clinton County, ss.:

COUNTY OF CLINTON IDA
STE. 209
137 MARGARET ST
PLATTSBURGH NY 12901-2993

Legal Advertising

Brenda Upton of the City of Plattsburgh, in said county, being duly sworn, doth depose and say that (s)he is the clerk of The Plattsburgh Publishing Co., publishers and printers of the newspaper entitled The Press Republican, printed and published daily and Sunday in the City of Plattsburgh, in said county, and that the advertisements covered on the attached copy have appeared in said newspaper on the dates indicated.





Notary Public

LAMIAA H. ALY
Notary Public-State of New York
No. 01AL6236322
Qualified in Clinton County
Commission Expires February 28, 2023

PUBLICATION	EXPIRE DATE	AD CAPTION	# TIMES	AMOUNT
PRESS REPUBLICAN	10/28/2021	NOTICE OF PUBLIC HEARING	1	123.30

START DATE: 10/28/2021 END DATE: 10/28/2021

**NOTICE OF
PUBLIC HEARING
ON PROPOSED
PROJECT AND
FINANCIAL
ASSISTANCE
RELATING THERE TO**

Notice is hereby given that a public hearing pursuant to Section 859-a(2) of Article 18-A of the General Municipal Law of the State of New York (the "Act") will be held by County of Clinton Industrial Development Agency (the Agency) on the 10th day of November 2021, at 10:00 o'clock a.m., local time, at the Town of Plattsburgh Town Hall located at 151 Banker Road in the Town of Plattsburgh, Clinton County, New York in connection with the following matters:

CHPE LLC, a New York State limited liability company (the "Company"), submitted an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A)(1) the acquisition of an interest or interests in the Company's interest in various parcels of land spanning across approximately 35 miles of land in the Village of Rouses Point, Town of Champlain, Town of Chazy, Town of Beekmantown, Town of Plattsburgh, Town of Peru, and Town of Ausable, Clinton County, New York, (collectively, the "Land"), (2) the construction, installation and equipping on or under the Land of a fully-buried, up to 1,250-megawatt ("MW") HVDC electric transmission line and related infrastructure (collectively, the "improvements") and (3) the acquisition and installation thereon and therein of certain related machinery and equipment, including but not limited to, two (2) five-inch diameter high-voltage direct current ("HVDC") trans-

mission cables (collectively, the "Equipment") (the Land, the improvements and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to be used and operated by the Company as a portion of an electric power transmission line from the U.S.-Canada border to New York City; (B) the granting of certain "financial assistance" (within the meaning of Section 854(4) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

The Agency is considering whether (A) to undertake the Project, and (B) to provide certain exemptions from taxation with respect to the Project, including (1) exemptions from mortgage recording taxes with respect to any documents, if any, recorded by the Agency with respect to the Project, in the office of the County Clerk of Clinton County, New York or elsewhere, (2) exemption from transfer taxes on any real estate transfers, if any, with respect to the Project, (3) exemption from sales taxes relating to the acquisition, construction, equipping and installation of the Project Facility, and (4) in the event that the Project Facility would be subject to real property taxation if owned by the Company but shall be deemed exempt from real property taxation due to the involvement of the Agency therewith, exemption from real property taxes (but not including special assessments and special ad valorem levies), if any, with respect to the Project Facility, subject to the obligation of the Company to make payments in lieu of taxes

With respect to the Project Facility, (any portion of the Financial Assistance to be granted by the Agency with respect to the Project is not consistent with the Agency's uniform tax exemption policy, the Agency will follow the procedures for deviation from such policy set forth in Section 874(4) of the Act prior to granting such portion of the Financial Assistance.

If the Agency determines to proceed with the Project, the Project Facility will be acquired, constructed, equipped and installed by the Agency and will be leased by the Agency to the Company or its designee pursuant to a lease agreement requiring the Company or its designee to make certain payments to the Agency (the "Lease Agreement") and consistent with a project agreement (the "Project Agreement") regarding the terms of the granting by the Agency of the Financial Assistance to the Company.

The Agency has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law (the "SEQR Act") regarding the potential environmental impact of the Project.

The Agency will at said time and place hear all persons with views on either the location and nature of the proposed Project, or the Financial Assistance being contemplated by the Agency in connection with the proposed Project. A copy of the Application filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the offices of the Agency. A transcript or summary report of the hearing will be made available to the members of the Agency.

Additional information can be obtained from, and written comments may be addressed to: Michael E. Zurlo, Interim Executive Director, County of Clinton Industrial Development Agency, 137 Margaret Street, Suite 203, Plattsburgh, New York 12901. Telephone: 618-565-4600.

Dated:
October 28, 2021.

COUNTY OF
CLINTON
INDUSTRIAL
DEVELOPMENT
AGENCY

/s/ Michael E. Zurlo,
Interim Executive
Director

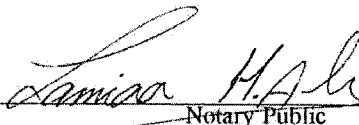
State of New York
Clinton County, ss.:

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Legal Advertising

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Notary Public

LAMIAA H. ALY
Notary Public-State of New York
No. 01AL6236322
Qualified in Clinton County
Commission Expires February 28, 2023

PUBLICATION	EXPIRE DATE	AD CAPTION	# TIMES	AMOUNT
PRESS REPUBLICAN	01/07/2022	NOTICE OF SUPPLEMENTAL PU	1	150.19
START DATE: 01/07/2022 END DATE: 01/07/2022				

NOTICE OF SUPPLEMENTAL PUBLIC HEARING ON PROPOSED AND FINANCIAL ASSISTANCE RELATING THERETO

Notice is hereby given that a public hearing pursuant to Section 839-a(2) of Article 16-A of the General Municipal Law of the State of New York (the "Act") will be held by County of Clinton Industrial Development Agency (the "Agency") on the 18th day of January 2022 at 5:00 o'clock a.m., local time, at the Town of Plattsburgh located at 151 Banker Road in the Town of Plattsburgh, Clinton County, New York in connection with the following matters:

On November 10, 2021, the Agency conducted a public hearing for the benefit of CHPE LLC (the "Company") with respect to a project (the "Project") outlined in an application (the "Application") submitted to the Agency, a copy of which Application is on file at the office of the Agency, said Project consisting of the following: (A) the acquisition of an interest or interests in the Company's interest in various parcels of land spanning across approximately 35 miles of land in the Village of Rousseau Point, Town of Champlain, Town of Chazy, Town of Beekmantown, Town of Plattsburgh, Town of Peru, and Town of Ausable, Clinton County, New York (collectively, the "Land"); (2) the construction, installation

and equipping on or under the Land of the megawatt ("MW") HVDC electric transmission line and related infrastructure (collectively, the "Improvements"); (3) the acquisition and installation thereon and in of certain related machinery and equipment, including but not limited to, two (2) five-inch diameter high-voltage direct current ("HVDC") transmission cables (collectively, the "Equipment") (the "Land, the Improvements and the Equipment" hereinafter collectively referred to as the "Project Facility"); all of the foregoing to be used and operated by the Company as a portion of an electric power transmission line from the United States/Canada border to New York City; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

Subsequently, the Agency received an amendment to the Application (the "Amendment") which describes revised Project costs resulting in the need for the Agency's consent to Section 839-a of the Act, to hold a supplemental public hearing with respect to the Project and the amount of the Financial Assistance.

The Agency is considering whether (A) to undertake the Project; and (B) to provide certain exemptions from taxation with respect to the Project, including (1) exemption from mortgage recording taxes with respect to any documents, if any, recorded by the Agency with respect to the Project in the office of the County Clerk of Clinton County, New York or elsewhere; (2) exemption from transfer taxes on any real estate transfers, if any, with respect to the Project; (3) exemption from sales taxes relating to the acquisition, construction, equipping and installation of the Project Facility; and (4) in the event that the Project Facility would be subject to real property taxation if owned by the Company but

shall be deemed exempt from real property taxation due to the involvement of the Agency therein, exemption from real property taxes (but not including special assessments and special ad valorem taxes), if any, with respect to the Project Facility, subject to the obligation of the Company to make payments in lieu of taxes with respect to the Project Facility. If any portion of the Financial Assistance to be granted by the Agency with respect to the Project is not consistent with the Agency's uniform tax exemption policy, the Agency will follow the procedures for deviation from such policy set forth in Section 874(4) of the Act prior to granting such portion of the Financial Assistance.

If the Agency determines to proceed with the Project, the Project Facility will be acquired, constructed, equipped and installed by the Agency and will be leased by the Agency to the Company or its designee pursuant to a lease agreement requiring the Company or its designee to make certain payments to the Agency (the "Lease Agreement") and consistent with a project agreement (the "Project Agreement") regarding the terms of the granting by the Agency of the Financial Assistance to the Company.

The Agency has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law (the "SEQR Act") regarding the potential environmental impact of the Project.

The Agency will at said time and place hear all persons with views on either the location and nature of the proposed Project or the Financial Assistance being contemplated by the Agency in connection with the proposed Project. A copy of the Application as amended, filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the office of the Agency. A transcript of the hearing will be made available to the members of the Agency.

Additional information can be obtained from, and written comments may be addressed to: Molly F. Ryan, Executive Director, County of Clinton Industrial Development Agency, 137 Margaret Street, Suite 209, Plattsburgh, New York 12901; Telephone: 518-565-4600.

Dated: January 6, 2022.
COUNTY OF CLINTON INDUSTRIAL DEVELOPMENT AGENCY
BY: /s/ Molly F. Ryan, Executive Director

SCHEDULE B

[TO BE COMPLETED AT THE TIME OF FILING]