

**AMENDED PILOT DEVIATION APPROVAL RESOLUTION
HUME-WISCOY SOLAR II, LLC PROJECT**

A regular meeting of Allegany County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at Crossroads Commerce & Conference Center, 6087 State Route 19 North, Belmont, New York on November 12, 2020 at 10:00 o'clock a.m., local time.

The meeting was called to order by the (Vice) Chairman of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

| | |
|--------------------|---------------|
| Richard Ewell | Chairman |
| Judy Hopkins | Vice-Chairman |
| Randy Shayler | Secretary |
| Douglas Frank | Treasurer |
| Michael Johnsen | Member |
| Ward "Skip" Wilday | Member |

Each of the members present participated in the meeting telephonically pursuant to Executive Order No. 202.1, as supplemented, issued by New York State Governor Andrew M. Cuomo, suspending provisions of Article 7 of the Public Officers Law that require public in-person access to public meetings and authorizing board members to participate in said meetings by conference call or similar service.

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

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| Craig R. Clark | Executive Director |
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The following resolution was offered by S. Wilday, seconded by D. Frank, to wit:

Resolution No. 1120-02

RESOLUTION AUTHORIZING AN AMENDED DEVIATION FROM THE AGENCY'S
UNIFORM TAX EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED
PAYMENT IN LIEU OF TAX AGREEMENT TO BE ENTERED INTO BY THE
AGENCY IN CONNECTION WITH THE PROPOSED HUME-WISCOY SOLAR II, LLC
PROJECT.

WHEREAS, Allegany County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 99 the 1973 Laws of New York, as amended, constituting Section 906-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial facilities, among others, for the purpose of promoting, attracting and

developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Hume-Wiscoy Solar II, LLC, a State of Delaware 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 in a portion of an approximately 124 acre parcel of land (tax map number 16.-1-2.21) located at Mills Mills Rd in the Town of Hume, Allegany County, New York (the “Land”), (2) the construction on the Land of an approximately 5 MW AC solar energy generating facility, including panels, racking, inverters, electrical cables, battery storage, grid interconnection, site preparation, access roads and any other required improvements (all said improvements being collectively referred to as the “Facility”) and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other personal property (the “Equipment”), all of the foregoing to constitute a solar energy generating facility to be owned and operated by the Company (the Land, the Facility and the Equipment being collectively referred to as the “Project Facility”); (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 (with an obligation to purchase) or sale 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, pursuant to the authorization contained in a resolution adopted by the members of the Agency on May 14, 2020 (the “Initial Public Hearing Resolution”), the Chief Financial Officer of the Agency (A) caused notice of a public hearing of the Agency (the “Initial 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 May 15, 2020 to the chief executive officers of the county and of each town, village and school district in which the Project Facility is to be located, (B) caused notice of the Initial Public Hearing to be posted on May 27, 2020 on the Agency’s website, and caused the second notice of the Initial Public Hearing to be posted on June 9, 2020 on the Agency’s website, (C) caused notice of the Initial Public Hearing to be published on June 3, 2020, and notice of the second Public Hearing to be to be published on June 19, 2020 both in The Spectator, a newspaper of general circulation available to the residents of the Town of Hume, Allegany County, New York, (D) as a result of the ban on large meetings or gatherings pursuant to Executive Order 202.1, as supplemented, and the suspension of the Open Meetings Law relating to public hearings pursuant to Executive Order 202.15, as supplemented, each as issued by Governor Cuomo and as supplemented in response to the novel Coronavirus (COVID-19) pandemic, conducted the Initial Public Hearing on the 9th day of June, 2020 at 10:00 o’clock a.m., local time, and a second Public Hearing on the 2nd day of July, 2020 at 9:00 o’clock a.m., local time electronically via conference call rather than in person; and (E) prepared reports of the Public Hearings (collectively the “Initial Public Hearing Report”) fairly summarizing the views presented at such Public Hearings and caused copies of said Initial Public 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 (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York

(collectively with the SEQR Act, "SEQRA"), the Agency as the "lead agency" with respect to SEQRA issued a negative declaration on June 11, 2020 (the "Negative Declaration"), in which the Agency determined that the Project would not have a significant adverse environmental effect on the environment, and therefore, that an environmental statement need not be prepared with respect to the Project; and

WHEREAS, pursuant to Section 874(4) of the Act, (A) by resolution adopted by the members of the Agency on May 14, 2020 (the "Resolution Authorizing the Pilot Deviation Letter"), the members of the Agency authorized the Executive Director of the Agency to send a letter to the chief executive officers of the Town of Hume, Allegany County and the Fillmore Central School District, being the county and each city, town, village and school district in which the Project Facility is located (collectively, the "Affected Tax Jurisdictions") notifying said chief executive officers of the proposed deviation from the Agency's uniform tax exemption policy (the "Policy") in connection with the Project, (B) by letter dated May 14, 2020 (the "Pilot Deviation Letter"), the Executive Director of the Agency notified the chief executive officers of the Affected Tax Jurisdictions of a proposed deviation from the Agency's Policy (the "Proposed Deviation"), and the reasons therefore and (C) by resolution duly adopted by the members of the Agency on July 9, 2020 (the "Pilot Deviation Approval Resolution"), the Agency determined to deviate from the Agency's Policy with respect to the Project; and

WHEREAS, by further resolution adopted by the members of the Agency on July 9, 2020 (the "Approving Resolution"), the Agency determined to grant the Financial Assistance and to enter into a lease agreement (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 agree (1) to cause the Project to be undertaken and completed, and (2) as agent of the Agency, to undertake and complete the Project and (b) the Agency has leased the Project Facility to the Company. The Lease Agreement grants to the Company certain options to acquire the Project Facility from the Agency; and

WHEREAS, the Company has requested an amendment of the Proposed Deviation from the Agency's Policy (the "Pilot Request") with respect to the payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility (the "Amendment"), and in connection therewith has requested that an amended letter be sent to the Affected Tax Jurisdictions informing them of the Amendment; and

WHEREAS, in connection with the Pilot Request and by resolution adopted by the members of the Agency on October 8, 2020 (the "Resolution Authorizing Amended Pilot Deviation Letter"), the Agency authorized the Executive Director of the Agency to send a notice to the Affected Tax Jurisdictions and pursuant to a letter dated October 8, 2020 (the "Amended Pilot Deviation Letter"), the Agency notified the "Affected Tax Jurisdictions" (as defined in the Act) pursuant to Section 874(4) of the Act, informing said individuals that the Agency had received the Pilot Request and that the members of the Agency would consider said request at a meeting of the members of the Agency scheduled to be held on November 12, 2020 to consider a proposed deviation from the Policy with respect to the payment in lieu of tax agreement and the reasons for said proposed deviation; a copy of which Amended Pilot Deviation Letter is attached hereto as Exhibit A; and

WHEREAS, as the Amendment increased the amount of Financial Assistance beyond \$100,000, pursuant to Section 859-a of the Act, prior to the Agency providing any "financial assistance" (as defined in the Act) of more than \$100,000 to any project, the Agency, among other things, must hold a public hearing pursuant to Section 859-a of the Act with respect to said project; and

WHEREAS, pursuant to the Amendment, the Executive Director of the Agency (A) caused notice of a public hearing of the Agency (the "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 9, 2020 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be published on October 18, 2020 in The Spectator, a newspaper of general circulation available to the residents of County of Allegany, New York, (C) as a result of the ban on large meetings or gatherings pursuant to Executive Order 202.1, as supplemented, and the suspension of the Open Meetings Law relating to public hearings pursuant to Executive Order 202.15, as supplemented, each as issued by Governor Cuomo and as supplemented in response to the novel Coronavirus (COVID-19) pandemic, conducted the Public Hearing on October 29, 2020 at 10:00 a.m., local time electronically via conference call rather than in person, and (D) prepared a report of the Public Hearing (the "Public Hearing Report") fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Section 856(15) of the Act, unless otherwise agreed by the Affected Tax Jurisdictions, payments in lieu of taxes must be allocated among the Affected Tax Jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each Affected Tax Jurisdiction had the Project Facility not been tax exempt due to the status of the Agency; and

WHEREAS, by the Amended Pilot Deviation Letter, the Executive Director notified the chief executive officers of the Affected Tax Jurisdictions of the proposed deviation from the Agency's uniform tax exemption policy and further notified said chief executive officers that the members of the Agency would consider whether to approve such proposed deviation at this meeting;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF ALLEGANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The Agency hereby finds and determines as follows:

(A) The Agency has considered any and all responses from the Affected Tax Jurisdictions to the Amended Pilot Deviation Letter.

(B) The Agency has reviewed and responded to all written comments received from any Affected Tax Jurisdiction with respect to the proposed deviation.

(C) The Agency has given all representatives from an Affected Tax Jurisdictions in attendance at this meeting the opportunity to address the members of the Agency regarding the proposed deviation.

Section 2. Based upon (A) the findings and determinations in Section 1 above, (B) any comments received at the Public Hearing, (C) input received at this meeting from the Affected Tax Jurisdictions with respect to the proposed deviation, (D) the Agency's knowledge of the Project, (E) the recommendations of Agency staff, and (F) such further investigation of the Project and the effect of the proposed deviation as the Agency has deemed appropriate, the Agency hereby determines to deviate from the Agency's uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility for the reasons set forth in the Amended Pilot Deviation Letter. Based upon the aforementioned, the Agency hereby approves a deviation from the Agency's uniform tax exemption policy, the terms of the approved deviation to be as described in the attached Amended Pilot Deviation Letter.

Section 3. Upon preparation by counsel to the Agency of a payment in lieu of tax agreement with respect to the Project Facility reflecting the terms of this resolution (the "Payment in Lieu of Tax Agreement") and approval of same by the Chairman (or Vice Chairman) of the Agency, the Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Payment in Lieu of Tax Agreement, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in such form as is approved by the Chairman (or Vice Chairman), the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Payment in Lieu of Tax Agreement, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Payment in Lieu of Tax Agreement binding upon the Agency.

Section 5. This Resolution shall take effect immediately.

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

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| Richard Ewell | VOTING | AYE |
| Judy Hopkins | VOTING | AYE |
| Randy Shayler | VOTING | AYE |
| Douglas Frank | VOTING | AYE |
| Michael Johnsen | VOTING | AYE |
| Ward "Skip" Wilday | VOTING | AYE |

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) SS.:
COUNTY OF ALLEGANY)

I, the undersigned (Assistant) Secretary of the Allegany County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on November 12, 2020 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law") except as modified by Executive Order 202.1, as supplemented, said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present, either in-person or appearing telephonically in accordance with Executive Order 202.1, throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this ____ day of November, 2020.



(SEAL)

(Assistant) Secretary

EXHIBIT A
PILOT DEVIATION LETTER
-SEE ATTACHED-

ALLEGANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Crossroads Commerce & Conference Center
6087 State Route 19 North – Suite 100
Belmont, New York 14813
Phone: (585) 268-7445
Fax: (585) 268-7473

October 08, 2020

Curtis W. Crandall, Chairman
Allegany County Board of Legislators
County Office Building
7 Court Street
Belmont, New York 14813

Darlene Mason, Town Supervisor
Town of Hume
PO Box 302
20 N. Genesee Street
Hume NY 14735-302

Mike Dodge, Superintendent
Fillmore Central School District
104 West Main Street
Fillmore, NY 14735

RE: Proposed Amended Deviation from Uniform Tax Exemption Policy by
Allegany County Industrial Development Agency
in connection with its Proposed
Hume–Wiscoy Solar II, LLC. Project

Dear Ladies and Gentlemen:

By letter dated May 14, 2020 (the “Initial Pilot Deviation Letter”), Allegany County Industrial Development Agency (the “Agency”) informed you of the proposed deviation (the “Initial Deviation Request”) from the Agency’s uniform tax exemption policy (the “Policy”) in connection with a project for the benefit of Hume–Wiscoy Solar II, LLC, a State of Delaware limited liability company (the “Company”), 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 in a portion of an approximately 124 acre parcel of land (tax map number 16.-1-2.21) located at Mills Mills Rd in the Town of Hume, Allegany County, New York (the “Land”), (2) the construction on the Land of an approximately 5 MW AC solar energy generating facility, including panels, racking, inverters, electrical cables, battery storage, grid interconnection, site preparation, access roads and any other required improvements (all said improvements being collectively referred to as the “Facility”) and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other personal property (the “Equipment”), all of the foregoing to constitute a solar energy generating facility to be owned and operated by the Company (the Land, Facility and the Equipment being collectively referred to as the “Project Facility”); (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 (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

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The Initial Deviation Request provided that the Company be granted a payment in lieu of tax agreement (the "Proposed Pilot Agreement") for a term of fifteen (15) years with the following abatement schedule:

100% Abatement for 15 years
\$2,500 per MW AC of installed solar capacity, increasing 2% per year.

The Proposed Pilot Agreement would not provide any abatements for any special assessments levied on the Project Facility.

The Company is now requesting (the "Pilot Request") that the Agency enter into the Proposed Pilot Agreement, which terms would deviate from the Agency's Policy and which terms amend the Initial Deviation Request. The Proposed Pilot Agreement, as amended would not provide any abatement for any special assessments levied on the Project Facility.

The Proposed Pilot Agreement, as amended, would be for a term of thirty (30) years with the following abatement schedule:

100% Abatement for 30 years
\$2,500 per MW AC of installed solar capacity, increasing 1% per year.

The Policy provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: the Company would have the benefit of a 100% abatement in real property taxes on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law (collectively with the Facility, the "Improvements") in years 1 to 5 of the payment in lieu of tax agreement with a ten percent per year increase over the remaining term of the fifteen year payment in lieu of tax agreement.

The purpose of this letter is to inform you of such Pilot Request and that the Agency is considering whether to grant the Pilot Request and to approve the Proposed Pilot Agreement conforming to the terms of the Pilot Request. The Agency expects to consider whether to approve the terms of the Proposed Pilot Agreement at its meeting scheduled for October 08, 2020 at 10:00 am., local time at the offices of the Agency located at Crossroads Commerce & Conference Center, 6087 State Route 19 North – Suite 100, Belmont, New York 14813 (the "Meeting"). As described later in this letter, during the Meeting the Agency will review the terms of the Pilot Request and, based on the discussions during such Meeting, the terms of the Pilot Request may be modified.

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

1. **The nature of the Project:** Construction of a solar energy generating facility on the Land, including the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property.
2. **The present use of the property:** The property is currently vacant.
3. **The economic condition of the area at the time of the request of the Company and the economic multiplying effect that the Project will have on the area:** The Project is located in the Town of Hume. At the time of the filing of the Application, the economic condition of the area in which the Project Facility is located is generally average to poor. The Project is expected to create construction jobs, some part time new jobs and reduce carbon emissions. Additional benefits created by the Project are described in the Application.

4. **The extent to which the Project will create or retain permanent, private sector jobs and the number of jobs to be created or retained and the salary range of such jobs.** The Project is expected to create construction jobs.

5. **The estimated value of new tax exemptions to be provided:** Sales tax exemption: \$387,400.00; real property tax exemption (net of PILOT and new Fire District taxes): \$928,845.98. Mortgage recording tax \$57,868.31

6. **The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions:** The development of the Project Facility will provide increased tax revenue on the land and PILOT payment revenue to the affected tax jurisdictions.

7. **The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity:** It is expected that the Project will have a positive effect on existing and proposed businesses and economic development projects in the vicinity of the Project as the Project will rely on local services and procure construction materials locally.

8. **The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement:** Estimated private sector equity: \$8,417,500.

9. **The effect of the Proposed Pilot Agreement on the environment:** The Agency has not yet made adopted a determination, but similar projects have been found to not have any significant environmental impacts on the environment, and therefore the Agency issued a negative declaration pursuant to the State Environmental Quality Review Act.

10. **Project Timing:** Completion anticipated by December 31, 2020.

11. **The extent to which the Proposed Pilot Agreement will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency medical or fire services:** It is not anticipated that any additional educational, transportation, police, emergency medical or fire services will be required as a result of the Project.

12. **Anticipated tax revenues/Host Community Benefit Agreements:** It is expected that revenues will increase due to the undertaking of the Project, including PILOT/Host payments the first 30 years of \$216,167.71, plus new Fire District taxes of \$35,778.37.

13. **The extent to which the Proposed Pilot Agreement will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the Project Facility is located:** The benefit is a positive one economically, in that the Project will promote the development of the Town of Hume, and residents will benefit from reduced energy costs if they subscribe to the Project.

The Agency will consider the Proposed Pilot Agreement (and the proposed deviation from the Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Policy. In accordance with Section 874(4)(c) of the General Municipal Law, prior to taking final action at the Meeting, the Agency will review and respond to any written comments received from any affected tax jurisdiction with respect to the proposed deviation. The Agency will also

allow any representative of any affected tax jurisdiction present at the Meeting to address the Agency regarding the proposed deviation.

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

Sincerely yours,

Craig M. Clark
Executive Director

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