

**PILOT DEVIATION APPROVAL RESOLUTION
NY INDEPENDENCE STATE ROUTE 248 SOLAR 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 February 11, 2021 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: None

GUESTS: Dan Spitzer-Attorney
Greg Merriam-The Harrison Studio

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Craig R. Clark, P.E., Ph.D.	Executive Director
Pamela M. Common	Recording Secretary

The following resolution was offered by S. Wilday, seconded by J. Hopkins, to wit:

Resolution No. 0221-02

RESOLUTION AUTHORIZING A 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 NY INDEPENDENCE STATE ROUTE 248 SOLAR LLC PROJECT.

WHEREAS, Allegany County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 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 of 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 manufacturing, warehousing, research, commercial and industrial 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, NY Independence State Route 248 Solar LLC, a New York State limited liability company (the “Company”), has 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 an approximately 15 acre portion of an approximately 262 acre parcel of land (portion of Tax Map Number 268.1-11.2) located at 1550 State Route 248 in the Town of Independence, Allegany County, New York (the “Land”), (2) the construction on the Land of an approximately 1.5 MWAC solar energy generating facility, associated electrical appurtenances 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; and

WHEREAS, by resolution adopted by the members of the Agency on January 14, 2021 (the “Public Hearing Resolution”), the Agency authorized a public hearing 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 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 January 25, 2021 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 posted on January 25, 2021 on the Agency’s website, (C) caused notice of the Public Hearing to be published on January 27, 2021 in The Spectator, a newspaper of general circulation available to the residents of the Town of Independence, 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 in response to the novel Coronavirus (COVID-19) pandemic, conducted the Public Hearing on the 9th day of February, 2021 at 10:00 o’clock a.m., local time, electronically via conference call rather than in person; and (E) 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 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”), by resolution adopted by the Agency on January 14, 2021, the Agency declared its intent to be “lead agency” with respect to SEQRA with respect to the Project and on February 11, 2021, the Agency, as “lead agency” issued a negative declaration (the “Negative Declaration”), in which the Agency determined the Project to be a “Type I action” that will not have a “significant environmental impact on the environment” and accordingly, that an environmental impact statement is not required to be prepared with respect to the Project (as such quoted terms are defined in SEQRA); and

WHEREAS, in connection with the Project, the Company has requested that the Agency deviate from its uniform tax exemption policy (the “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, which proposed deviation is outlined in the letter dated January 14, 2021 (the “Pilot Deviation Letter”), a copy of which Pilot Deviation Letter is attached hereto as Exhibit A; and

WHEREAS, pursuant to Section 874(4) of the Act, prior to taking final action on such request for a deviation from the Agency’s uniform tax exemption policy, the Agency must give the chief executive officers of Allegany County and each city, town, village and school district in which the Project Facility is located (collectively, the “Affected Tax Jurisdictions”) written notice of the proposed deviation from the Agency’s Policy and the reasons therefor prior to the meeting of the Agency at which the members of the Agency shall consider whether to approve such proposed deviation; and

WHEREAS, on January 14, 2021, the Executive Director caused the Pilot Deviation Letter to be sent to the Affected Tax Jurisdictions to notify the Affected Tax Jurisdictions of the proposed deviation from the Agency’s Policy; and

WHEREAS, through the Pilot Deviation Letter, the Executive Director of the Agency notified the chief executive officers of the Affected Tax Jurisdictions of the proposed deviation from the Agency’s 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 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 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 Pilot Deviation Letter. Based upon the aforementioned, the Agency hereby approves a deviation from the Agency's Policy, the terms of the approved deviation to be as described in the attached 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, Vice Chairman or Executive Director of the Agency, the Chairman, Vice Chairman or Executive Director 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, Vice Chairman or Executive Director, the execution thereof by the Chairman, Vice Chairman or Executive Director 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:

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.

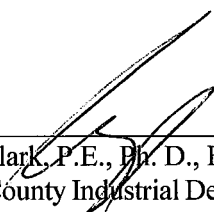
STATE OF NEW YORK)
) SS.:
COUNTY OF ALLEGANY)

I, the undersigned (Assistant) Secretary of 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 February 11, 2021 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, as supplemented, 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 11th day of February, 2021.



Craig R. Clark, P.E., Ph. D., Executive Director
Allegany County Industrial Development Agency

(SEAL)

EXHIBIT A

PILOT DEVIATION LETTER

-SEE ATTACHED-

ALLEGANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Crossroads Commerce & Conference Center
6087 State Route 19 North
Belmont, New York 14813
Tel: 585-268-7445
Fax: 585-268-7473

January 14, 2021

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

Tammy M. Emery, Superintendent
Whitesville Central School District
692 Main Street
Whitesville, New York 14897

Jeri Reichman, Town Supervisor
Town of Independence
PO Box 38
887 Marietta Avenue
Whitesville, New York 14897

Jeffrey Erdmann, Board President
Whitesville Central School District
692 Main Street
Whitesville, New York 14897

RE: Proposed Deviation from Uniform Tax Exemption Policy by
Allegany County Industrial Development Agency
in connection with its Proposed NY Independence State Route 248 Solar LLC Project

Dear Ladies and Gentlemen:

This letter is delivered to you pursuant to Section 874(4)(c) of the General Municipal Law.

Allegany County Industrial Development Agency (the "Agency") received an application (the "Application") from NY Independence State Route 248 Solar LLC (the "Company"), which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project to consist of the following: (A) (1) the acquisition of an interest in an approximately 15 acre portion of an approximately 262 acre parcel of land (portion of Tax Map Number 268.1-11.2) located at 1550 State Route 248 in the Town of Independence, Allegany County, New York (the "Land"), (2) the construction on the Land of an approximately 1.5 MWAC solar energy generating facility, associated electrical appurtenances 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.

In connection with the Application, the Company has made a request to the Agency (the "PILOT Request") to enter into a payment in lieu of tax agreement (the "Proposed PILOT Agreement") which

A-2

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A-2

terms would deviate from the Agency's Uniform Tax Exemption Policy (the "Policy"). Capitalized terms not otherwise defined herein are defined in the Policy.

The Proposed PILOT Agreement would not provide any abatements for any special assessments levied on the Project Facility. The Proposed PILOT Agreement would be 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 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 February 11, 2021 at 10 a.m., 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 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 a dairy farm.
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 Independence. 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 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 20 construction jobs.
5. **The estimated value of new tax exemptions to be provided:** Sales tax exemption: \$211,680.00; real property tax exemption (net of PILOT): \$329,459.11 and mortgage recording tax \$ \$21,262.50.
6. **The economic impact of the Proposed PILOT Agreement on affected tax jurisdictions:** The development of the Project Facility will increase revenues to the community;

supports continued farming operations through a lease stream and eventual restoration of farm property and have a positive effect on 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 hoped 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: \$3,780,000.

9. **The effect of the Proposed PILOT Agreement on the environment:** The Project is not expected to have any significant environmental impacts on the environment.

10. **Project Timing:** Completion anticipated by June 30, 2022.

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 15 years of \$ 121,918.59.

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 Independence, 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 Agency's Uniform Tax Exemption Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Agency's Uniform Tax Exemption 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


Dr. Craig M. Clark

A-4

A-4