

CLOSING ITEM NO.: A-6

ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AND

CHPE LLC

PAYMENT IN LIEU OF TAX AGREEMENT

DATED AS OF OCTOBER 1, 2022

RELATING TO THE REAL PROPERTY RIGHTS AND INTERESTS IN
CERTAIN PARCELS OF LAND, SUCH LAND LOCATED IN THE
TOWNS OF GUILDERLAND, NEW SCOTLAND, BETHLEHEM, AND
COEYMANS, AND THE VILLAGES OF VOORHEESVILLE AND
RAVENA, ALBANY COUNTY, NEW YORK.

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PAYMENT IN LIEU OF TAX AGREEMENT

THIS PAYMENT IN LIEU OF TAX AGREEMENT dated as of October 1, 2022 (the "Payment in Lieu of Tax Agreement") by and between ALBANY COUNTY 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 112 State Street, Albany, 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 178 of the Laws of 1975 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, as amended (the "Application") to the Agency, which 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 or interests in various parcels of land spanning across 24.2 miles of land located in the Towns of Guilderland, New Scotland, Bethlehem, and Coeymans, and the Villages of Voorheesville and Ravana, Albany 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 Chairman 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 21, 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 Public Hearing to be posted on a bulletin board located in the Towns of Guilderland, New Scotland, Bethlehem, and Coeymans, and the Villages of Voorheesville and Ravana, Albany County, New York, (C) caused notice of the Public Hearing to be published in the Times Union, a newspaper of general circulation available to the residents of the Towns of Guilderland, New Scotland, Bethlehem, and Coeymans, and the Villages of Voorheesville and Ravana, Albany County, New York, (D) conducted the Public Hearing on November 3, 2021 at 7:00 p.m., local time at the Town Halls located at the Towns of Guilderland, New Scotland, Bethlehem, and Coeymans, and (E) prepared a report of the Public Hearing (the “Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said Hearing Report to be made available to the members of the Agency; and

WHEREAS, the Agency’s Uniform Tax Exemption Policy (the “Policy”) provides a standardized method for the determination of payments in lieu of taxes for a facility similar to the Project Facility. In connection with the Application, the Company made a request to the Agency (the “PILOT Request”) that the Agency deviate from the Policy with respect to Project Facility. Pursuant to the resolution adopted by the members of the Agency on July 14, 2021 (the “PILOT Deviation Notice Resolution”), the members of the Agency authorized the Chairman of the Agency to send a notice to the chief executive officers of 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 subsequent meeting of the members of the Agency. The Chairman of the Agency caused a letter dated October 15, 2021 (the “First PILOT Deviation Notice Letter”) to be mailed to the chief executive officers of the Affected Tax Jurisdictions, informing said individuals that the Agency would at a subsequent meeting of the Agency, consider a proposed deviation from the Policy with respect to the payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility (the “Payment in Lieu of Tax Agreement”) and the reasons for said proposed deviation; and

WHEREAS, in December, 2021, the Agency received additional information from the Company with respect to the Project from the Company, which information provided the Agency with revised Project costs 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; and

WHEREAS, the Chairman 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 10, 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 published on January 13, 2022 in the Times Union, a newspaper of general circulation available to the residents of the Towns of Guilderland, New Scotland, Bethlehem, and Coeymans, and the Villages of Voorheesville and Ravana, Albany County, New York, (C) conducted the Second Public Hearing on January

25, 2022 at 7:00 p.m., local time at the Town Hall located at the Town of Coeymans, Albany County, New York and (D) 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, following the Second Public Hearing, the Chairman of the Agency caused a letter dated January 7, 2022 (the “Second PILOT Deviation Notice Letter”) to be mailed to the chief executive officers of the Affected Tax Jurisdictions, informing said individuals that the Agency would at a meeting of the Agency scheduled for February 9, 2022, consider a proposed deviation from the Policy with respect to the Payment in Lieu of Tax Agreement and the reasons for said proposed deviation; 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 resolution adopted by the members of the Agency on February 9, 2022 (the “PILOT Deviation Approval Resolution”), the members of the Agency determined to deviate from the Agency’s uniform tax exemption policy with respect to the Project; and

WHEREAS, by further resolution adopted by the members of the Agency on February 9, 2022 (the “Approving Resolution”), the Agency determined to grant the Financial Assistance and to enter into a lease agreement dated as of October 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 agree, as agent of the Agency, 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 October 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) a certain payment in lieu of tax agreement dated as of October 1, 2022 (the “Payment in Lieu of Tax Agreement”) by and between the Agency and the Company, 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 October 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, 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 Villages (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 the same proportions reflected in the table attached as Exhibit B 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.

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 REOURSE; 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 Albany County, New York, and neither the State of New York nor Albany 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 members, 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:

Albany County Industrial Development Agency
112 State Street
Albany, New York 12207
Attention: Chairman

WITH A COPY TO:

Hodgson Russ LLP
677 Broadway, Suite 401
Albany, New York 12207
Attention: A. Joseph Scott, III, 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, or the manner by 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.

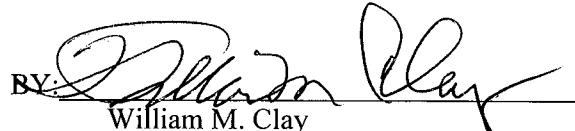
SECTION 5.09. **APPLICABLE LAW.** This Payment in Lieu of Tax Agreement shall be governed by and construed in accordance with the laws of the State of New York.

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.

ALBANY COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

BY: 
William M. Clay
Chairman

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.

ALBANY COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

BY: _____
(Vice) Chairman

CHPE LLC

BY: _____
Todd Singer
Chief Financial Officer

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

On the 30th day of September, in the year 2022, before me, the undersigned, personally appeared WILLIAM M. CLAY, 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

Shannon E. Wagner
Notary Public, State of New York
Qualified in Albany County
No. 02WA6437589
Commission Expires August 1, 2026

Massachusetts)
STATE OF NEW YORK)
COUNTY OF Barnstable)ss:
)

On the 17 day of August, 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

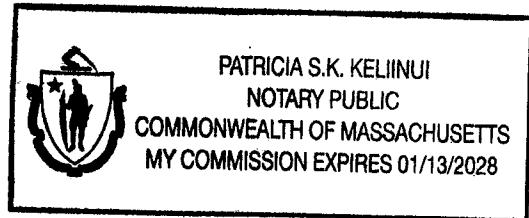


EXHIBIT A

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, Albany County, the Towns of Guilderland, New Scotland, Bethlehem, and Coeymans, and the Villages of Voorheesville and RAVENA, and the Voorheesville Central School District, Guilderland Central School District, Bethlehem Central School District and RAVENA-Coeymans-Selkirk 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	\$3,395,001
2	\$3,444,229
3	\$3,494,170
4	\$3,544,835
5	\$3,895,922
6	\$3,952,413
7	\$4,009,723
8	\$4,067,864
9	\$4,444,298
10	\$4,508,740
11	\$4,574,117
12	\$4,640,441
13	\$5,043,994
14	\$5,117,132
15	\$5,191,330
16	\$5,266,605
17	\$5,699,168
18	\$5,781,806
19	\$5,865,642
20	\$5,950,694
21	\$6,414,291
22	\$6,507,298
23	\$6,601,654
24	\$6,697,378
25	\$7,194,165
26	\$7,298,481
27	\$7,404,309
28	\$7,511,671
29	\$8,043,957
30	\$8,160,594

31 and thereafter during the Term	100% of Normal Tax
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(B) (1) 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 the respective tax rates of each of the Affected Tax Jurisdictions for the assessment roll year in which the Commercial Operation Date occurs.

(2) The Company shall deliver to the Agency a spreadsheet describing the amounts of the PILOT Payments and the allocations among the Affected Tax Jurisdictions, such amounts and allocations calculated in accordance with the provisions of (C) below, no later than ninety (90) days after the Commercial Operation Date.

(3) Attached as Exhibit B is a copy of a spread sheet describing the estimated amounts of the PILOT Payments and the allocations among the Affected Tax Jurisdictions as of the Closing Date. Following the Commercial Operation Date, the Agency shall replace the spreadsheet attached as Exhibit B with the spreadsheet delivered by the Company pursuant to the provisions of (B)(2) above.

(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) Project Cost:

Project Cost per mile:	\$9,431,368
Linear distance (miles):	24.2
Project Cost:	\$ 228,623,520

(c) Affected Tax Jurisdictions:

Affected Tax Jurisdiction
Albany County
Town of Bethlehem
Town of Coeymans
Town of Guilderland
Town of New Scotland
Village of Ravena
Village of Voorheesville
Bethlehem Central School District
Guilderland Central School District
Ravena-Coeymans-Selkirk Central School District
Voorheesville Central School District

(d) Linear distance of the Project Facility within each Affected Tax Jurisdiction group:

County	Town	Village	School District	Linear Distance (Miles)
Albany	Guilderland		Guilderland CSD	4.793253
Albany	Guilderland		Voorheesville CSD	1.957888
Albany	New Scotland		Voorheesville CSD	1.960394
Albany	New Scotland	Voorheesville	Voorheesville CSD	1.781245
Albany	New Scotland		Bethlehem CSD	2.139179
Albany	New Scotland		RCS CSD	0.485352
Albany	Bethlehem		RCS CSD	6.511894
Albany	Coeymans		RCS CSD	3.605436
Albany	Coeymans	Ravena	RCS CSD	1.006118
			Total	24.240759

(e) Effective full value tax rates of the Affected Tax Jurisdictions:

County	Town	Village	School District	Roll Year	County	Town	Village	School District
Albany	Guilderland		Guilderland CSD	2020	0.35%	0.11%		1.80%
Albany	Guilderland		Voorheesville CSD	2020	0.35%	0.11%		1.91%
Albany	New Scotland		Voorheesville CSD	2020	0.35%	0.18%		1.91%
Albany	New Scotland	Voorheesville	Voorheesville CSD	2020	0.35%	0.14%	0.12%	1.91%
Albany	New Scotland		Bethlehem CSD	2020	0.35%	0.18%		2.17%
Albany	New Scotland		RCS CSD	2020	0.35%	0.18%		1.89%
Albany	Bethlehem		RCS CSD	2020	0.35%	0.26%		1.89%
Albany	Coeymans		RCS CSD	2020	0.35%	0.27%		1.89%
Albany	Coeymans	Ravena	RCS CSD	2020	0.35%	0.27%	0.51%	1.89%

(f) PILOT Payment Abatement Percentage:

Year 1 Abatement: 40%

(g) Shares of the Year 1 PILOT Payment to be allocated to the Affected Tax Jurisdictions:

County	Town	Village	School District	County	Town	Village	School District	Total
Albany	Guilderland		Guilderland CSD	\$94,356	\$30,361		\$488,582	\$613,299
Albany	Guilderland		Voorheesville CSD	\$38,541	\$12,401		\$211,290	\$262,232
Albany	New Scotland		Voorheesville CSD	\$39,065	\$19,459		\$211,560	\$270,084
Albany	New Scotland	Voorheesville	Voorheesville CSD	\$35,495	\$13,947	\$11,846	\$192,227	\$253,516
Albany	New Scotland		Bethlehem CSD	\$42,628	\$21,233		\$262,745	\$326,606
Albany	New Scotland		RCS CSD	\$9,672	\$4,818		\$51,873	\$66,362
Albany	Bethlehem		RCS CSD	\$129,358	\$94,716		\$695,991	\$920,066
Albany	Coeymans		RCS CSD	\$71,825	\$54,157		\$385,355	\$511,336
Albany	Coeymans	Ravena	RCS CSD	\$20,043	\$15,113	\$28,809	\$107,535	\$171,500
								\$3,395,001

(D) In the event that the First Payment Due Date occurs in 2028 or later, the Agency and the Company agree as follows:

(1) The Company will deliver to the Agency an executed and completed copy of the Post Completion Project Cost Affidavit attached as Exhibit C.

(2) Upon delivery of the Post Completion Project Cost Affidavit, the Agency and the Company agree that the payment table in (A) above shall be adjusted as follows:

(a)(1) First, divide the actual cost of the Project described in the Post Completion Project Cost Affidavit by the original estimate of the cost of the Project (equal to \$228,623,520). If the quotient is a number greater than 1.0 (hereinafter, the "Project Cost Increase Factor"), then the annual PILOT Payments appearing in the table in (A) above shall each be increased by the Project Cost Increase Factor.

(2) For illustrative purposes, if the actual cost of the Project as described in the Post Completion Project Cost Affidavit is equal to \$229,000,000, then the Project Cost Increase Factor is equal to 1.001647 (rounded to 6 decimal places), and each annual PILOT Payment shall be increased by the Project Cost Increase Factor. For example, the PILOT Payment for Payment Year 1 would now equal \$3,400,593 (rounded to whole dollars).

(b)(1) Second, the PILOT Payments shall be increased by 1.4% (the "Annual Escalator") for each calendar year occurring after the 2026 calendar year.

(2) For illustrative purposes, if the First Payment Due Date occurs in 2028, then the PILOT Payment determined pursuant to (C)(2)(a)(1) above shall be increased by the Annual Escalator for each of the years 2027 and 2028. Continuing the example described in (C)(2)(a)(2) above, the PILOT Payment for Payment Year 1 would equal \$3,496,475 (rounded to whole dollars)¹.

¹ The \$3,496,475 is calculated by multiplying \$3,400,593 times 1.014, and then multiplying the product of that multiplication by 1.014 (i.e., 1.014 for each year).

EXHIBIT B

ESTIMATED ALLOCATION OF PILOT
PAYMENTS AMONG AFFECTED TAX JURISDICTIONS

[To Be Replaced following the Commercial Operation Date]

CHAMPLAIN HUDSON POWER EXPRESS

Albany County - Estimated PILOT Payments by Jurisdiction (as of the Closing Date)

(all figures in nominal \$)

	Affected Tax Jurisdictions										Total	
	Albany County	Town of Guilderland	Town of New Scotland	Town of Bethlehem	Town of Coeymans	Village of Voorheesville	Village of Ravana	Guilderland CSD	Voorheesville CSD	Bethlehem CSD		
Share of Pmt.	14.2%	1.3%	1.8%	2.8%	2.0%	0.3%	0.8%	14.4%	18.1%	7.7%	36.5%	100.0%
PILOT												
Agmt Yr												
PILOT Payments by Jurisdiction												
Initial Yr of Ops	\$480,984	\$42,762	\$59,457	\$94,716	\$69,270	\$11,846	\$28,809	\$488,582	\$615,076	\$262,745	\$1,240,754	\$3,395,001
2	\$487,958	\$43,382	\$60,319	\$96,089	\$70,274	\$12,018	\$29,227	\$495,667	\$623,995	\$266,555	\$1,258,745	\$3,444,229
3	\$495,034	\$44,011	\$61,194	\$97,483	\$71,293	\$12,192	\$29,650	\$502,854	\$633,043	\$270,420	\$1,276,997	\$3,494,170
4	\$502,212	\$44,649	\$62,081	\$98,896	\$72,327	\$12,369	\$30,080	\$510,145	\$642,222	\$274,341	\$1,295,513	\$3,544,835
5	\$551,952	\$49,071	\$68,229	\$108,691	\$79,490	\$13,594	\$33,059	\$560,671	\$705,829	\$301,512	\$1,423,823	\$3,895,922
6	\$559,955	\$49,783	\$69,219	\$110,267	\$80,643	\$13,791	\$33,539	\$568,800	\$716,063	\$305,884	\$1,444,469	\$3,952,413
7	\$568,074	\$50,505	\$70,222	\$111,866	\$81,812	\$13,991	\$34,025	\$577,048	\$726,446	\$310,320	\$1,465,414	\$4,009,723
8	\$576,311	\$51,237	\$71,241	\$113,488	\$82,998	\$14,194	\$34,518	\$585,415	\$736,980	\$314,819	\$1,486,662	\$4,067,864
9	\$629,642	\$55,978	\$77,833	\$123,990	\$90,679	\$15,508	\$37,713	\$639,589	\$805,179	\$343,952	\$1,624,235	\$4,444,298
10	\$638,772	\$56,790	\$78,962	\$125,788	\$91,994	\$15,733	\$38,260	\$648,863	\$816,854	\$348,939	\$1,647,787	\$4,508,740
11	\$648,034	\$57,613	\$80,107	\$127,612	\$93,328	\$15,961	\$38,814	\$658,271	\$828,698	\$353,999	\$1,671,680	\$4,574,117
12	\$657,431	\$58,449	\$81,268	\$129,462	\$94,681	\$16,192	\$39,377	\$667,816	\$840,714	\$359,132	\$1,695,919	\$4,640,441
13	\$714,604	\$63,532	\$88,336	\$140,721	\$102,915	\$17,600	\$42,802	\$725,892	\$913,826	\$390,364	\$1,843,403	\$5,043,994
14	\$724,965	\$64,453	\$89,617	\$142,761	\$104,407	\$17,855	\$43,422	\$736,418	\$927,077	\$396,024	\$1,870,133	\$5,117,132
15	\$735,477	\$65,388	\$90,916	\$144,831	\$105,921	\$18,114	\$44,052	\$747,096	\$940,519	\$401,766	\$1,897,250	\$5,191,330
16	\$746,142	\$66,336	\$92,234	\$146,931	\$107,457	\$18,377	\$44,691	\$757,929	\$954,157	\$407,592	\$1,924,760	\$5,266,605
17	\$807,425	\$71,784	\$99,810	\$158,999	\$116,282	\$19,886	\$48,361	\$820,180	\$1,032,525	\$441,069	\$2,082,847	\$5,699,168
18	\$819,133	\$72,825	\$101,257	\$161,305	\$117,969	\$20,175	\$49,062	\$832,072	\$1,047,497	\$447,464	\$2,113,048	\$5,781,806
19	\$831,010	\$73,881	\$102,725	\$163,643	\$119,679	\$20,467	\$49,774	\$844,137	\$1,062,685	\$453,952	\$2,143,687	\$5,865,642
20	\$843,060	\$74,952	\$104,215	\$166,016	\$121,414	\$20,764	\$50,496	\$856,377	\$1,078,094	\$460,535	\$2,174,771	\$5,950,694
21	\$908,739	\$80,791	\$112,334	\$178,950	\$130,873	\$22,382	\$54,429	\$923,095	\$1,162,085	\$496,413	\$2,344,199	\$6,414,291
22	\$921,916	\$81,963	\$113,963	\$181,545	\$132,771	\$22,706	\$55,219	\$936,480	\$1,178,935	\$503,611	\$2,378,190	\$6,507,298
23	\$935,284	\$83,151	\$115,615	\$184,177	\$134,696	\$23,035	\$56,019	\$950,058	\$1,196,029	\$510,914	\$2,412,674	\$6,601,654
24	\$948,845	\$84,357	\$117,291	\$186,848	\$136,649	\$23,369	\$56,832	\$963,834	\$1,213,372	\$518,322	\$2,447,657	\$6,697,378
25	\$1,019,227	\$90,614	\$125,992	\$200,707	\$146,785	\$25,103	\$61,047	\$1,035,328	\$1,303,375	\$556,769	\$2,629,216	\$7,194,165
26	\$1,034,006	\$91,928	\$127,819	\$203,618	\$148,914	\$25,467	\$61,932	\$1,050,340	\$1,322,274	\$564,842	\$2,667,340	\$7,298,481
27	\$1,048,999	\$93,261	\$129,672	\$206,570	\$151,073	\$25,836	\$62,830	\$1,065,570	\$1,341,447	\$573,033	\$2,706,016	\$7,404,309
28	\$1,064,210	\$94,614	\$131,552	\$209,565	\$153,264	\$26,211	\$63,741	\$1,081,021	\$1,360,898	\$581,342	\$2,745,253	\$7,511,671
29	\$1,139,621	\$101,318	\$140,874	\$224,415	\$164,124	\$28,068	\$68,258	\$1,157,623	\$1,457,333	\$622,536	\$2,939,785	\$8,043,957
30	\$1,156,145	\$102,787	\$142,917	\$227,670	\$166,504	\$28,475	\$69,248	\$1,174,409	\$1,478,464	\$631,563	\$2,982,412	\$8,160,594
Total PILOT Payments	\$23,195,169	\$2,062,165	\$2,867,269	\$4,567,620	\$3,340,484	\$571,283	\$1,389,288	\$23,561,581	\$29,661,691	\$12,670,729	\$59,834,639	\$163,721,918

EXHIBIT C

FORM OF POST COMPLETION PROJECT COST AFFIDAVIT

STATE OF _____)
)SS:
COUNTY OF _____)

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

1. Albany County 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 or interests in various parcels of land spanning across 24.2 miles of land located in the Towns of Guilderland, New Scotland, Bethlehem, and Coeymans, and the Villages of Voorheesville and Ravena, Albany 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 October 1, 2022 (the "Lease Agreement") by and between the Company and the Agency.

2. The Company has delivered an application, as amended, (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 Notice of Public Hearing 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
NOTICE OF PUBLIC HEARING

- See Attached -

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

Notice is hereby given that a public hearing pursuant to Section 859-a(2) of the General Municipal Law of the State of New York (the "Act") will be held by Albany County Industrial Development Agency (the "Agency") on the 3rd day of November, 2021 at 7:00 o'clock p.m., local time, at the Coeymans Town Hall located at 18 Russell Road in the Town of Coeymans, Albany County, New York in connection with the following matters:

CHPE LLC, a New York State limited liability company (the "Company"), has submitted an application (as amended, the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested 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 the Company's interest in certain parcels of land located in the Towns of Guilderland, New Scotland, Bethlehem, and Coeymans, and the Villages of Voorheesville and Ravana, Albany County, New York (collectively, the "Land"), (2) the acquisition and installation of two five-inch diameter high-voltage direct current ("HVDC") transmission cables and the acquisition and installation of inverters and related equipment for a potential converter station to be located in the Town of New Scotland (the "New Scotland Converter Station") and associated substation and interconnection equipment (collectively, the "Equipment"), and (3) 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 and the construction, installation and equipping on the Land of the New Scotland Converter Station and associated substation and interconnection facilities (collectively, the "Improvements") (the Land, the Equipment and the Improvements 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 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) 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 Albany County, New York or elsewhere, (2) exemption from deed transfer taxes on any real estate transfers, if any, with respect to the Project, (3) exemption from sales taxes relating to the acquisition, construction, installation and equipping 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. 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 Company will lease to and the Project Facility will be acquired, constructed, installed and equipped by the Agency and leased by the Agency to the Company or its designee pursuant to a lease agreement (the "Lease Agreement") requiring the Company to make certain payments in conformance with the requirements of a project agreement (the "Agreement").

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, 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: Honorable William M. Clay, Chairman, Albany County Industrial Development Agency, 112 State Street, Albany, New York 12207; Telephone: 518-447-7117.

Dated: October 19, 2021.

ALBANY COUNTY INDUSTRIAL DEVELOPMENT
AGENCY

BY: s/Hon. William M. Clay
Chairman

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

SUPPLEMENTAL HEARING

Notice is hereby given by the Albany County Industrial Development Agency (the "Agency") that a public hearing (the "Public Hearing") pursuant to Section 859-a of the General Municipal Law of the State of New York will be held by the Agency on the 25th day of January, 2022 at 6:00 o'clock p.m., local time, at the Town of Coeymans Town Hall located at 18 Russell Avenue in the Village of RAVENA, Town of Coeymans, Albany County, New York in connection with the following matters:

On November 3, 2021, the Agency conducted a public hearing for the benefit of CHPE LLC, a New York State limited liability company (the "Company"), with respect to a project (the "Project") outlined in an application, as subsequently amended by the Company (the "Application") submitted to the Agency, a copy of which Application is on file at the office of the Agency, said Project currently consisting of the following: (A) (1) the acquisition of an interest or interests in various parcels of land spanning across 24.2 miles of land located in the Towns of Guilderland, New Scotland, Bethlehem, and Coeymans, and the Villages of Voorheesville and RAVENA, Albany County, New York (collectively, the "Land"), (2) the acquisition and installation therein and thereon of two five-inch diameter high-voltage direct current ("HVDC") transmission cables (collectively, the "Equipment"), and (3) 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") (the Land, the Equipment and the Improvements 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(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.

Subsequently, the Agency received additional information from the Company relating to the Project (the "Additional Information"), which describes revised Project costs resulting in the need for the Agency, pursuant to Section 859-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 Albany 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. 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 made a determination pursuant to Article 8 of the Environmental Conservation Law (the "SEQR Act") that the Project constitutes a "Type II" action within the meaning of the SEQR Act.

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: Honorable William M. Clay, Chairman, Albany County Industrial Development Agency, 112 State Street, Albany, New York 12207; Telephone: 518-447-4841.

Dated: January 7, 2022.

ALBANY COUNTY INDUSTRIAL DEVELOPMENT
AGENCY

BY: s/Hon. William M. Clay

Chairman

SCHEDULE B

[TO BE COMPLETED AT THE TIME OF FILING]