

CLOSING ITEM NO.: A-8

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ALBANY COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY

AND

CHPE LLC

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UNIFORM AGENCY PROJECT AGREEMENT

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DATED AS OF OCTOBER 1, 2022

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RELATING TO FINANCIAL ASSISTANCE GRANTED BY THE  
AGENCY WITH RESPECT TO CERTAIN PARCELS OF LAND,  
SUCH LANDS 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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and is for convenience of reference only.)

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## UNIFORM AGENCY PROJECT AGREEMENT

THIS UNIFORM AGENCY PROJECT AGREEMENT dated as of October 1, 2022 (the "Uniform Agency Project 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 (the "State") 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 duly organized and validly 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 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 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 Ravena, 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 Ravena, 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 Ravena, 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, (A) the Agency has established certain policies allowing denial of Financial Assistance to any project which does not deliver the public benefits promised at the time said project was approved by the Agency (the "Public Benefits"), (B) the Agency is unwilling to grant Financial Assistance to a project unless the beneficiary of such project agrees that the amount of Financial Assistance to be received by such beneficiary with respect to such project shall be contingent upon, and shall bear a direct relationship to, the success or lack of success of such project in delivering the promised Public Benefits, and (C) the Agency has created this Uniform Agency Project Agreement in order to establish the conditions under which the Agency will be entitled to recapture some or all of the Financial Assistance that has been granted to the Company under the Basic Documents if the Project is unsuccessful in whole or in part in delivering the promised Public Benefits; and

WHEREAS, the Company desires to receive certain Financial Assistance from the Agency with respect to the Project, and accordingly is willing to enter into this Uniform Agency Project Agreement in order to secure such Financial Assistance from the Agency; and

WHEREAS, all things necessary to constitute this Uniform Agency Project 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 Uniform Agency Project Agreement have in all respects been duly authorized by the Agency and the Company;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE PREMISES AND THE MUTUAL COVENANTS HEREINAFTER CONTAINED, THE PARTIES HERETO HEREBY FORMALLY COVENANT, AGREE AND BIND THEMSELVES AS FOLLOWS TO WIT:

## ARTICLE I

### DEFINITIONS

SECTION 1.01. DEFINITIONS. All capitalized terms used herein and not otherwise defined herein shall have the same meanings as set forth in the Lease Agreement. The following words and terms used in this Uniform Agency Project Agreement shall have the respective meanings set forth below unless the context or use indicates another or different meaning or intent.

“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.

“Agency Fee” means the administrative fee payable by the Company to the Agency pursuant to Section 5.3(A) of the Lease Agreement.

“Application” means the application submitted by the Company to the Agency in December 2021, as amended, with respect to the Project, a copy of which is attached as Schedule D, in which the Company (A) described the Project, (B) requested that the Agency grant certain Financial Assistance with respect to the Project, and (C) indicated the Public Benefits that would result from approval of the Project by the Agency.

“Basic Documents” shall have the meaning set forth in the Lease Agreement, and includes this Uniform Agency Project Agreement and the Payment in Lieu of Tax Agreement.

“Closing Date” means the date on which the Basic Documents are executed and delivered by the Company and the Agency.

“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.

“Completion Date” means the earlier to occur of (A) the Commercial Operations Date or (B) such date as shall be certified by the Company to the Agency as the date of completion of the Project pursuant to Section 4.2 of the Lease Agreement.

“Construction Financing” means the construction loan(s) providing financing to the Company for the purpose of undertaking the Project. The Construction Financing is anticipated to occur on or before June 30, 2022; provided, however, that if such date is to be later than June 30, 2022, 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 June 30, 2023, without the prior written consent of the Agency, which consent shall not be unreasonably withheld, conditioned or delayed. The Construction Financing shall be automatically extended beyond June 30, 2023 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.

“Construction Period” means the period of time beginning on the Closing Date and ending on the Completion Date.

“Escrow Release Date” means the date the Basic Documents are released from escrow pursuant to the IDA Document Escrow Agreement.

“Equipment” shall have the meaning set forth in the Lease Agreement.

“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.

“Financial Assistance” means exemptions from certain sales and use taxes, real property taxes, real property transfer taxes and mortgage recording taxes as more particularly described in the Basic Documents.

“Improvements” shall have the meaning set forth in the Lease Agreement.

“Initial Agency Fee” means the portion of the Agency Fee payable by the Company to the Agency on the Closing Date pursuant to Section 5.3(A)(1) of the Lease Agreement.

“Land” means the interest(s) in real property leased to the Agency pursuant to the Underlying Lease, as more particularly described on Exhibit A attached to the Lease Agreement, as may be supplemented from time to time with Supplemental Land.

“Lease Agreement” means the lease agreement dated as of October 1, 2022 by and between the Agency, as landlord, and the Company, as tenant, pursuant to which, among other things, the Agency has leased the Project Facility to the Company, as said lease agreement may be amended or supplemented from time to time.

“Payment in Lieu of Tax Agreement” means the payment in lieu of tax agreement dated as of October 1, 2022 by and between the Agency and the Company, pursuant to which the Company has agreed to make payments in lieu of taxes with respect to the Project Facility, as such agreement may be amended or supplemented from time to time.

“PILOT Payments” means the payment in lieu of tax payments payable by the Company under the Payment in Lieu of Tax Agreement, as described in Schedule A attached hereto.

“Project” shall have the meaning set forth in the Lease Agreement.

“Project Facility” means, collectively, the Land, the Improvements, and the Equipment.

“Recapture Event” shall mean the following:

(1) failure to complete the acquisition, construction, installation and equipping of the Project Facility by the Completion Date;

(2) Reserved;

(3) liquidation of substantially all of the Company’s operating assets and/or cessation of substantially all of the Company’s operations;

(4) relocation of all or substantially all of Company’s operations at the Project Facility to another site, or the sale, lease or other disposition of all or substantially all of the Project Facility in violation of the Basic Documents;

(5) Reserved;

(6) failure by the Company to comply with the annual reporting requirements or to provide the Agency with requested information;

(7) sublease of all or part of the Project Facility in violation of the Basic Documents;

(8) a change in the use of the Project Facility, other than as a portion of an electric transmission line from the U.S.-Canada border to New York City and other directly and indirectly related uses;

(9) failure by the Company to make an actual investment in the Project by the Completion Date equal to or exceeding 80% of the Total Project Costs as set forth in the Application; or

(10) any representation or warranty made by the Company in this Uniform Agency Project Agreement or in any other Basic Document proves to have been false at the time it was made.

“Recapture Period” means the period commencing on the Closing Date and ending on the first December 31 occurring after the tenth (10<sup>th</sup>) anniversary of the Commercial Operation Date. For illustrative purposes, if the Commercial Operation Date is December 15, 2025, the Recapture Period would end on December 31, 2035.

“Remaining Agency Fee” means the portion of the Agency Fee payable by the Company to the Agency on the Escrow Release Date pursuant to Section 5.3(A)(2) of the Lease Agreement.

“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).

SECTION 1.02. INTERPRETATION. In this Uniform Agency Project Agreement, unless the context otherwise requires:

(A) the terms “hereby”, “hereof”, “herein”, “hereunder” and any similar terms as used in this Uniform Agency Project Agreement, refer to this Uniform Agency Project Agreement, and the term “heretofore” shall mean before, and the term “hereafter” shall mean after, the date of this Uniform Agency Project Agreement;

(B) words of masculine gender shall mean and include correlative words of feminine and neuter genders;

(C) words importing the singular number shall mean and include the plural number, and vice versa;

(D) any headings preceding the texts of the several Articles and Sections of this Uniform Agency Project Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Uniform Agency Project Agreement nor affect its meaning, construction or effect; and

(E) any certificates, letters or opinions required to be given pursuant to this Uniform Agency Project Agreement shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Uniform Agency Project Agreement.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

SECTION 2.01. 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 to enter into this Uniform Agency Project 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 Uniform Agency Project Agreement.

(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 Uniform Agency Project 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 Uniform Agency Project Agreement. By proper corporate action on the part of its members, the Agency has duly authorized the execution, delivery, and performance of this Uniform Agency Project Agreement and the consummation of the transactions herein contemplated.

(C) Conflicts. The Agency is not prohibited from entering into this Uniform Agency Project Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Uniform Agency Project 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 2.02. 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 and has the power under the laws of the State of New York to enter into this Uniform Agency Project Agreement and to perform and 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 Uniform Agency Project Agreement, and by proper action of its member has been duly authorized to execute, deliver and perform this Uniform Agency Project Agreement.

(B) Authorization. The Company is authorized and has the power under its articles of organization, operating agreement and the laws of the State of New York to enter into this Uniform Agency Project 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 Uniform Agency Project Agreement. By proper action of its member, the Company has duly authorized the execution, delivery, and performance of this Uniform Agency Project Agreement and the consummation of the transactions herein contemplated.

(C) Conflicts. The Company is not prohibited from entering into this Uniform Agency Project Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Uniform Agency Project Agreement by (and the execution, delivery and performance of this Uniform Agency Project Agreement, the consummation of the transactions



contemplated hereby and the fulfillment of and compliance with the provisions of this Uniform Agency Project 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, 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 Uniform Agency Project Agreement nor the Company's discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Uniform Agency Project 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 Uniform Agency Project 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 Uniform Agency Project Agreement by the Company or as a condition to the validity of this Uniform Agency Project Agreement.

## ARTICLE III

### COVENANTS AND AGREEMENTS

SECTION 3.01. FINANCIAL ASSISTANCE. (A) Financial Assistance. In the Application, the Company certified to the Agency employment information with respect to the Project Facility, and the operations of the Company. In reliance on the certifications provided by the Company in the Application, the Agency agrees to provide the Company with the following Financial Assistance related to the Project:

- |   |                                      |
|---|--------------------------------------|
| (1) sales and use tax exemptions:       | \$18,289,882 (estimated)             |
| (2) a mortgage recording tax exemption: | \$2,286,235 (estimated) <sup>1</sup> |
| (3) a real property tax exemption:      | \$47,058,777 (estimated)             |

(B) Description of Project and Public Purpose of Granting Financial Assistance to the Project. In the Application and in the discussions had between the Company and the Agency with respect to the Company's request for Financial Assistance from the Agency with respect to the Project, the Company has represented to the Agency as follows:

(1) That the Project is described as follows: (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;

(2) That the Project will furnish the following benefits to the residents of Albany County, New York (the "Public Benefits"): see Exhibit A to the Approving Resolution.

(C) Payment in Lieu of Tax Agreement. A copy of the Payment in Lieu of Tax Agreement is attached as Schedule C. The attached Payment in Lieu of Tax Agreement describes the dates the PILOT Payments are to be made and includes a table describing the amount of PILOT Payments to be made.

(D) Contingent Nature of the Financial Assistance. Notwithstanding the provisions of Section 3.01(A) of this Uniform Agency Project Agreement, the Agency and the Company agree that the amount of Financial Assistance to be received by the Company with respect to the Project shall be contingent upon, and shall bear a direct relationship to, the success or lack of success of the Project in delivering the promised Public Benefits.

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<sup>1</sup> Excludes additional mortgage recording tax (0.25%) to which the Agency's exemption would not apply due to the Albany County's location within the Capital District Transportation District.

(E) Application. The Company represents and warrants that the information contained in the Application is true and correct.

SECTION 3.02. COMPANY AGREEMENTS. The Company hereby agrees as follows:

(A) PILOT Payments. The Company agrees to make the PILOT Payments.

(1) The amount of PILOT Payments is described in Schedule A attached hereto.

(2) The Company and the Agency agree that the PILOT Payments are based on an estimated cost of the Project equal to \$228,623,520 as stated in the Application. In the event that the First Payment Due Date (as defined in the Payment in Lieu of Tax Agreement) occurs in 2028 or later and the cost of the Project is higher than \$228,623,520, the PILOT Payments will be adjusted upward proportionally by the proportionate increase in the cost of the Project pursuant to the terms of the Payment in Lieu of Tax Agreement.

(a) The Agency may retain an independent consultant to verify (I) the estimated cost of the Project as stated in the Application for the purpose of finalizing the amount of the PILOT Payments, and (II) the calculations of the PILOT Payments and the allocation among the Affected Tax Jurisdictions, and (III) the amount of the Agency's administrative fee payable by the Company pursuant to Section 5.3(A) of the Lease Agreement.

(b) The costs of such consultants will be reviewed and agreed upon by the Company in advance and such costs will be the obligation of the Company.

(3) The amounts of the PILOT Payments and the dates upon which such PILOT Payments are to be made by the Company are set forth in the Payment in Lieu of Tax Agreement.

(4) In the event that the cost of the Project is less than \$228,623,520, there will not be a downward adjustment of the amount of the PILOT Payments.

(B) Administrative Fee Payments to the Agency. The Company agrees to make the following administrative fee payments to the Agency:

(1) On the Closing Date, an amount equal to \$500,000 (the "Initial Agency Fee"), representing a portion of the Agency's administrative fee relating to the Project of \$2,714,660 (1.0% x \$271,465,993) (the "Agency Fee");

(2) On the Escrow Release Date, an amount equal to \$2,214,660 (the "Remaining Agency Fee"), representing the remaining balance of the Agency Fee. Such Remaining Agency Fee may be adjusted based on the estimated cost of the Project, as determined in Section 3.02(A)(2)(a)(III) above, with the prior written consent of the Company (not to be unreasonably withheld); and

(3) An annual administrative payment in an amount equal to \$7,500, with such amount increasing by five percent (5%) every five (5) years during the Lease Agreement Term, with the first such payment due on the first January 15 occurring after the Escrow Release Date, and thereafter such payment will be due annually on each January 15 during the term of this Uniform Agency Project Agreement.

(C) Project Information. The Company is required to prepare an Environmental Management and Construction Plan ("EMCP") prior to commencement of construction of the Project Facility and to provide a copy of the EMCP to Albany County. The Company shall provide a copy of the EMCP to the Agency at the same time it is provided to Albany County and in connection therewith will further provide the Agency, prior to commencement of construction of the Project Facility, with written information describing the Project, including the following: the installation of the Project Facility in any roadways in Albany County and the extent of the reconstruction of such roads in connection with such installation, in form and substance satisfactory to the Agency, to the extent such information is not already described in the EMCP.

(D) Filing – Annual. To file with the Agency as required under Applicable Law, on an annual basis, within sixty (60) days after the end of each calendar year, an annual status report (the "Annual Status Report," in substantially the form attached hereto as Schedule E and attached as Exhibit H to the Lease Agreement).

(E) Construction Labor and Project Material Purchases. The Agency and the Company acknowledge and agree with the following regarding the undertaking of the Project:

(1) That the undertaking of the Project involves the hiring of specialized construction labor and the making of specialized material purchases.

(2) That, accordingly, the Agency has not, in connection with the granting of the Financial Assistance, required the Company to satisfy any particular levels of local hiring or local material purchases.

(3) That, in any event, the hiring of local construction labor and the making of local material purchases in Albany County, New York will advance the job opportunities, health, general prosperity and economic welfare of the people of the State and Albany County, New York and improve their standard of living.

(4) Accordingly, the Company agrees to endeavor to and to use reasonable efforts to hire local labor and to make local material purchases in Albany County, New York when reasonably possible in connection with the undertaking of the Project.

(5) The Company will provide information to the Agency of its efforts regarding local hiring and local material purchases in the Annual Status Report described in Section 3.02(D) above.

(F) Employment Matters. The Agency and the Company agree and acknowledge that the Company has not agreed to maintain or create any permanent employees in connection with the undertaking of the Project. In the event that the Company does create any permanent employees in Albany County in connection with undertaking the Project, the Company agrees to comply with the following:

(1) To list new employment opportunities created as a result of the Project with the following entities (hereinafter, the "OET Entities"): (1) the New York State Department of Labor Community Services Division and (2) the Albany County Office of Employment and Training, the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (P.L. No. 97-300) in which the Project Facility is located (while currently cited in Section 858-b of the Act, the Federal Job Training Partnership Act was repealed effective June 1, 2000, and has been supplanted by the Workplace Investment Act of 1998 (P.L. No. 105-220)).

(2) Except as otherwise provided by collective bargaining agreement, the Company agrees, where practicable, to first consider for any new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the OET Entities.

(3) At all times during the term of this Uniform Agency Project Agreement, the Company shall not discriminate against any employee or applicant for employment because of race, color, creed, age, sex or national origin. The Company shall use its best efforts to ensure that employees and applicants for employment with the Company or any subtenant of the Project Facility are treated without regard to their race, color, creed, age, sex, or national origin. As used herein, the term "treated" shall mean and include, without limitation, the following: recruited, whether by advertising or other means; compensated, whether in the form of rates of pay or other forms of compensation; selected for training, including apprenticeship; promoted; upgraded; downgraded; demoted; transferred; laid off; and terminated.

(4) The Company agrees that, in all solicitations or advertisements for employees placed by or on behalf of the Company during the term of this Uniform Agency Project Agreement, the Company will state in substance that all qualified applicants will be considered for employment without regard to race, color, creed or national origin, age or sex.

(G) PILOT Reporting. Within sixty (60) days after the end of each calendar year, the Company shall furnish to the Agency a certificate of an Authorized Representative of the Company stating that all payment in lieu of tax payments for the prior calendar year have been paid on time. In the event that such payments have not been paid on time, the Company shall certify as to the nature and period of non-payment and what action the Company has taken or proposes to take with respect compliance with future payment requirements. Such certification may be made by the Company on the Annual Status Report required pursuant to Section 3.02(E) hereof.

(H) Access to the Project Facility. As provided in Section 8.3 of the Lease Agreement, the Company agrees that the Agency and its duly authorized agents shall have the right at all reasonable times during normal business hours and upon reasonable advance written notice to enter upon and to examine and inspect the Project Facility for the purpose of confirming the information and certificates provided by the Company pursuant to this Uniform Agency Project Agreement, including, but not limited to, the representations contained in the Application.

(I) Time of Payments. The Company agrees to pay the amounts due hereunder within fifteen (15) business days of the date that such amounts are due.

## ARTICLE IV

### EVENTS OF DEFAULT AND REMEDIES

SECTION 4.01. EVENTS OF DEFAULT DEFINED. (A) The following shall be “Events of Default” under this Uniform Agency Project Agreement, and the terms “Event of Default” or “default” shall mean, whenever they are used in this Uniform Agency Project Agreement, any one or more of the following events:

(1) A default in the performance or observance of any of the covenants, conditions or agreements on the part of the Company in this Uniform Agency Project Agreement and the continuance thereof for a period of sixty (60) days after written notice thereof is given by the Agency to the Company, provided that, if such default is capable of cure but cannot be cured within such sixty (60) day period, the failure of the Company to commence to cure within such sixty (60) day period and to prosecute the same with due diligence.

(2) The occurrence of an “Event of Default” under any other Basic Document.

(3) Any representation or warranty made by the Company herein or in any other Basic Document proves to have been materially false at the time it was made.

SECTION 4.02. REMEDIES ON DEFAULT. (A) Whenever any Event of Default hereunder shall have occurred, the Agency may, to the extent permitted by law, take any one or more of the following remedial steps:

(1) declare, by written notice to the Company, to be immediately due and payable, whereupon the same shall become immediately due and payable, (a) all amounts due and payable (without acceleration) at the time of such notice pursuant to Section 5.3 of the Lease Agreement, and (b) all other payments due and payable (without acceleration) at the time of such notice under this Uniform Agency Project Agreement or any of the other Basic Documents; or

(2) terminate the Lease Agreement and the Payment in Lieu of Tax Agreement and convey to the Company all the Agency’s right, title and interest in and to the Project Facility (the conveyance of the Agency’s right, title and interest in and to the Project Facility shall be effected by the delivery by the Agency of the Termination of Underlying Lease. The Company hereby agrees to pay all expenses and taxes, if any, applicable to or arising from any such termination); or

(3) take any other action at law or in equity which may appear necessary or desirable to collect any amounts then due or thereafter to become due hereunder and to enforce the obligations, agreements, or covenants of the Company under this Uniform Agency Project Agreement.

(B) No action taken pursuant to this Section 4.02 (including repossession of the Project Facility) shall relieve the Company from its obligations to make any payments required by this Uniform Agency Project Agreement and the other Basic Documents.

SECTION 4.03. RECAPTURE OF FINANCIAL ASSISTANCE. (A) General. Upon the occurrence of a Recapture Event that occurs and is continuing during the Recapture Period, the Agency may require the Company to provide for the recapture of the Project Financial Assistance provided as of the date of

determination, all in accordance with the terms of this Section 4.03. The Company hereby agrees, if requested by the Agency, to pay within thirty (30) days to the Agency the recapture of the Project Financial Assistance, as provided in this Section 4.03 if the Company does not cure such Recapture Event during such period.

(B) Project Financial Assistance to be Recaptured. The Project Financial Assistance to be recaptured, as adjusted by the provisions of Section 4.03(C) below, by the Agency from the Company upon the occurrence and continuance of a Recapture Event during the Recapture Period shall be an amount equal to a percentage (as provided in subsection (C) below) multiplied by the sum of the following:

(1) the portion of the amount of New York State sales and use taxes allocable to Albany County that the Company would have paid as of the date of determination in connection with the undertaking of the Project if the Project Facility was privately owned by the Company and not deemed owned or under the jurisdiction and control of the Agency;

(2) the amount of any mortgage recording tax exemption provided by the Agency to the Company in connection with the undertaking of the Project; and

(3) the difference between the amount of the PILOT Payments paid by the Company under the Payment in Lieu of Tax Agreement and the amount of the general real property ad valorem taxes that would have been payable by the Company to the Affected Tax Jurisdictions if the Project Facility was privately owned by the Company and not deemed owned or under the jurisdiction and control of the Agency, with such difference calculated for the period of time occurring between date of the first PILOT Payment and the date of the occurrence of such Recapture Event.

(C) Amount of Project Financial Assistance to be Recaptured. Upon the occurrence of a Recapture Event, the Company shall pay to the Agency the following amounts as recapture:

<b>Year</b>	<b>Amount of Recapture</b>
Construction Period	100% of the Project Financial Assistance
1 *	100% of the Project Financial Assistance
2	100% of the Project Financial Assistance
3	100% of the Project Financial Assistance
4	100% of the Project Financial Assistance
5	100% of the Project Financial Assistance
6	100% of the Project Financial Assistance
7	75% of the Project Financial Assistance
8	50% of the Project Financial Assistance
9	50% of the Project Financial Assistance
10	25% of the Project Financial Assistance

\* Year 1 shall be the first full calendar year following the Commercial Operation Date. For illustrative purposes, if the Commercial Operation Date is December 15, 2025, Year 1 shall be 2026.

(D) Redistribution of Project Financial Assistance to be Recaptured. Upon the receipt by the Agency of any amount of Project Financial Assistance pursuant to this Section 4.03, the Agency shall

redistribute such amount within thirty (30) days of such receipt to the Affected Tax Jurisdiction that would have received such amount but for the granting by the Agency of the Project Financial Assistance.

(E) Survival of Obligations. The Company acknowledges that the obligations of the Company in this Section 4.03 shall survive the conveyance of the Agency's interest in the Project Facility to the Company and the termination of the Lease Agreement.

(F) Agency Review of Recapture Determination. The Agency's determination to recapture all or a portion of the Project Financial Assistance shall be made by the Agency after an evaluation of the criteria for recapture set forth in the Agency's "Enforcement of Agency Projects Policy" as in effect as of the Closing Date (a copy of which policy is attached hereto as Schedule B). If the Agency determines that a Recapture Event has occurred and is continuing, it shall give notice of such determination to the Company. The Company shall have thirty (30) days from the date the notice is deemed given to submit a written response to the Agency's determination and to request a written and/or oral presentation to the Agency why the proposed recapture amount should not be paid to the Agency. The Company may make its presentation at a meeting of the Agency. The Agency shall then vote on a resolution recommending (i) a termination of Financial Assistance, (ii) a recapture of Financial Assistance, (iii) both a termination and a recapture of Financial Assistance, (iv) a modification of Financial Assistance or (v) no action.

SECTION 4.04. LATE PAYMENTS. (A) One Month. If the Company shall fail to make any payment required by this Uniform Agency Project Agreement within thirty (30) days of the date that written notice of such payment is sent from the Agency to the Company at the address provided in Section 5.05 of this Uniform Agency Project Agreement, the Company shall pay the amount specified in such notice 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 Uniform Agency Project Agreement when due and such delinquency shall continue beyond the thirty (30) days after such notice, the Company's obligation to make the payment so in default shall continue as an obligation of the Company to the Agency until such payment in default shall have been made in full, and the Company shall pay the same to the Agency 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 4.05. PAYMENT OF ATTORNEYS' FEES AND EXPENSES. If the Company should default in performing any of its obligations, covenants or agreements under this Uniform Agency Project Agreement and the Agency 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 within thirty (30) days 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 4.06. REMEDIES; WAIVER AND NOTICE. (A) No Remedy Exclusive. No remedy herein conferred upon or reserved to the Agency 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 Uniform Agency Project 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 a Recapture Event or an 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 to exercise any remedy reserved to it in this Uniform Agency Project Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required in this Uniform Agency Project Agreement.

(D) No Waiver. In the event any provision contained in this Uniform Agency Project 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 Uniform Agency Project Agreement shall be established by conduct, custom, or course of dealing.

SECTION 4.07. RIGHT TO CURE. Prior to the exercise of any remedy by the Agency hereunder following an Event of Default or the declaration by the Agency of a Recapture Event, the Company and any Lender (as defined in the Lease Agreement) shall have an absolute right to cure such Event of Default or Recapture Event during the time period allowed for curing same. If the Company at any time during the term hereof prior to the occurrence of an Event of Default or Recapture Event 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 or Recapture Event on behalf of the Company.

## ARTICLE V

### MISCELLANEOUS

SECTION 5.01. TERM. This Uniform Agency Project Agreement shall become effective and the obligations of the Company shall arise absolutely and unconditionally upon the execution and delivery of this Uniform Agency Project Agreement by the Company and the Agency. Unless otherwise provided by amendment hereof, this Uniform Agency Project Agreement shall continue to remain in effect until the termination of the term of the Lease Agreement.

SECTION 5.02. FORM OF PAYMENTS. The amounts payable under this Uniform Agency Project 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 Uniform Agency Project 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) 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 COPIES TO:

The Forman Law Firm  
68 Simmons Avenue  
Cohoes, New York 12047  
Attention: Walter J. Forman, Esq.

Hodgson Russ LLP  
677 Broadway, Suite 401  
Albany, New York 12207  
Attention: A. Joseph Scott, III, Esq.

(C) 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.

(D) 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 Uniform Agency Project Agreement.

(E) Copy to Lender. A copy of all notices to the Company hereunder shall also be served on any Lender identified pursuant to Section 4.7 hereof and in which a written notice is provided to the Agency pursuant to Section 5.05(D) 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 Uniform Agency Project 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 Uniform Agency Project Agreement are intended to be for the benefit of the Agency.

SECTION 5.07. SEVERABILITY. If any article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion of this Uniform Agency Project 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 Uniform Agency Project 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.

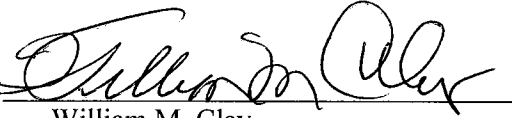
SECTION 5.08. COUNTERPARTS. This Uniform Agency Project Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 5.09. APPLICABLE LAW. This Uniform Agency Project Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 5.10. SURVIVAL OF OBLIGATIONS. The obligations of the Company to make the filings and listings required by Section 3.02 hereof shall survive the termination of this Uniform Agency Project Agreement, and all such filings and reports after such termination shall be made upon demand of the party to whom such filings and reports are due.

IN WITNESS WHEREOF, the Agency and the Company have caused this Uniform Agency Project 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

#### SPECIAL PROJECT CERTIFICATION

As required under Section 859-a(6) of the Act, the Company hereby certifies, under penalty of perjury, that the Company is in substantial compliance with all local, state and federal tax, worker protection and environmental laws, rules and regulations.

CHPE LLC


BY: \_\_\_\_\_  
Todd Singer  
Chief Financial Officer

IN WITNESS WHEREOF, the Agency and the Company have caused this Uniform Agency Project 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

SPECIAL PROJECT CERTIFICATION

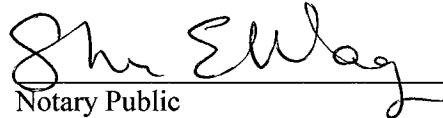
As required under Section 859-a(6) of the Act, the Company hereby certifies, under penalty of perjury, that the Company is in substantial compliance with all local, state and federal tax, worker protection and environmental laws, rules and regulations.

CHPE LLC

BY:  \_\_\_\_\_  
Todd Singer  
Chief Financial Officer

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

On the 30<sup>th</sup> 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.

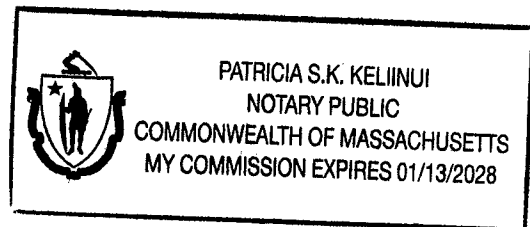
  
\_\_\_\_\_  
Notary Public

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





SCHEDULE A  
PILOT PAYMENTS

<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

SCHEDULE B

POLICY RESPECTING  
RECAPTURE OF PROJECT BENEFITS

## SCHEDULE B

### POLICY RESPECTING RECAPTURE OF PROJECT BENEFITS

SECTION 1. PURPOSE AND JUSTIFICATION. (A) The purpose of this Policy is to outline the procedures utilized by Albany County Industrial Development Agency (the "Agency") to review compliance with (1) the requirements of the Agency relating to job creation and/or retention, other expected public benefits and reporting and (2) the requirements of the State of New York (the "State") relating to sales tax exemptions and reporting.

(B) The Agency was created pursuant to Section 903-b of Title 2 of Article 18-A of the General Municipal Law and Title 1 of Article 18-A the General Municipal Law (collectively, the "Act") for the purpose of promoting employment opportunities for, and the general prosperity and economic welfare of, residents of Albany County, New York (the "County") and the State of New York (the "State"). Under the Act, the Agency was created in order to advance the job opportunities, health, general prosperity and economic welfare of the residents of the County and of the State.

(C) Chapter 59 of the Laws of 2013 (Part J), effective March 28, 2013 (the "2013 Budget Law"), enacted March 28, 2013, established new recordkeeping, reporting, and recapture requirements for industrial development agency projects that receive sales tax exemptions.

(D) The new sales tax recording and reporting requirements required by the 2013 Budget Law include the following: (1) a requirement to keep records of the amount of sales tax benefits provided to each project and make those records available to the State upon request; (2) a requirement to report to the State, within 30 days after providing financial assistance, the amount of sales tax benefits intended to be provided to a project; and (3) a requirement that the Agency post on the internet and make available without charge copies of its resolutions and agreements appointing an agent or project operator or otherwise related to any project it establishes. A project operator ("Project Operator") is appointed by the Agency through the filing of form ST-60 with the New York State Department of Taxation and Finance.

(E) The 2013 Budget Law requires that the Agency recapture State sales tax benefits where: (1) the project is not entitled to receive those benefits; (2) the exemptions exceed the amount authorized, or are claimed for unauthorized property or services; or (3) the project operator failed to use property or services in the manner required by its agreements with the Agency.

(F) For purposes of this Policy, with respect to a particular calendar year and a particular project, the term "financial assistance" shall include the following:

(1) Proceeds of debt obligations issued by the Agency with respect to said project have been disbursed during the calendar year in question.

(2) Any tax exemption or abatement (a) which may have directly or indirectly benefitted the project or project operator shall during such calendar year and (b) which resulted from (i) the Agency's title to, possession of or, control of or other interest in said project, or (ii) the designation by the Agency of said project occupant (or any sublessee, contractor, supplier or other operator of the project) as an agent of the Agency.

(3) Any grant made by the Agency with respect to said project or project operator shall during such calendar year.

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(4) Any loan made by the Agency with respect to said project or project operator shall during such calendar year.

(G) Chapter 563 of the Laws of 2015, effective June 15, 2016 (the "Reform Legislation"), requires each industrial development agency to develop policies (1) for the suspension, discontinuance, or modification of financial assistance provided for a project, (2) for the recapture of all or part of the financial assistance provided for a project, and (3) to annually monitor the progress of projects with respect to investment and job creation/retention goals.

(H) The Agency has been advised that a number of other industrial development agencies have adopted policies pursuant to the Reform Legislation that (1) contain provisions allowing the industrial development agency to recapture certain financial benefits provided by said agency to a project applicant if said project applicant does not fulfill certain job creation promises contained in its application or fails to fulfill certain other promises made to said agency and (2) allow said agency to take into account exigent circumstances in deciding whether to exercise these provisions respecting the recapture of said financial benefits.

(I) For purposes of this Policy, with respect to a particular project, the term "Project Agreements" shall mean the project documents between the Agency and an applicant with respect to the applicant's project. In addition to an installment sale agreement or installment sale agreement between the Agency and the applicant, the Project Agreements may also include a payment in lieu of tax agreement, a project agreement, and one or more recapture agreements, as well as security agreements intended to ensure compliance by the applicant with the requirements of the Project Agreements.

SECTION 2. REQUIREMENTS FOR APPLICANTS. (A) Under the Act, the Agency is required to submit certain annual reports relating to Agency projects to the New York State Office of the Comptroller. In order to satisfy its annual reporting requirements and other requirements under the Act and certain other requirements imposed by the Act, as well as the new requirements imposed upon the Agency by the 2013 Budget Law, the Agency will require each applicant for financial assistance from the Agency agree to satisfy the following requirements as a condition to the receipt of such financial assistance:

(1) Any applicant requesting a sales tax exemption from the Agency must include in the application a realistic estimate of the value of the savings anticipated to be received by the applicant. Each applicant is hereby warned to provide a realistic estimate in the application, as the 2013 Budget Law and the regulations expected to be enacted thereunder are expected to require that the Agency recapture any benefit that exceeds the greater of (a) the amount listed in said application or (b) authorized by the Agency in a separate resolution.

(2) Any applicant requesting a sales tax exemption from the Agency must agree to annually file (and cause any sublessee, contractor, supplier or other operator of the project to file annually) with the State, on a form and in such manner as is prescribed by the State, a statement of the value of all sales and use tax exemptions claimed by the applicant and all contractors, subcontractors, consultants and other agents of the applicant under the authority granted to the applicant by the Agency.

(3) Any applicant requesting a sales tax exemption from the Agency must agree to furnish to the Agency a copy of each such annual report submitted to the State by the applicant or any sublessee, contractor, supplier or other operator of the project.

(4) As required by the 2013 Budget Law, the Project Agreements will provide that any sales tax benefits determined by the Agency to be subject to recapture pursuant to the 2013 Budget Law must be remitted by the applicant to the Agency within 20 days of a request therefor by the Agency.

(5) The applicant agrees that, as required by the 2013 Budget Law, the resolutions of the Agency with respect to the project and the Project Agreements and will now be publicly available on the Agency's website. As provided in the New York Freedom of Information Law ("FOIL"), the applicant may request that certain information contained therein be redacted and, if the applicant can demonstrate to the satisfaction of the Agency that release of said information would result in substantial harm to the applicant's competitive position, the Agency may comply with such request.

(6) Except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOC") and with the administrative entity (collectively with the DOC, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA"), as replaced by the Workforce Investment Act of 1998 (Public Law 105-220), in which the Project is located.

(7) Except as otherwise provided by collective bargaining agreements, where practicable, the applicant will first consider persons eligible to participate in JTPA programs who shall be referred by JTPA Entities for new employment opportunities created as a result of the Project.

(8) The applicant agrees, whenever requested by the Agency, to provide and certify or cause to be provided and certified such information concerning the Applicant, its finances and other topics as the Agency from time to time reasonably considers necessary or appropriate, including, but not limited to, such information as to enable the Agency to make any reports required by law or governmental regulation.

(9) Within sixty (60) days after the end of each calendar year, the applicant shall furnish to the Agency a certificate of an Authorized Representative of the applicant stating that no event of default under the Project Agreements has occurred or is continuing or, if any Event of Default exists, specifying the nature and period of existence thereof and what action the applicant has taken or proposes to take with respect thereto, and setting forth the unpaid principal balance of the Bonds and accrued but unpaid interest thereon and that no defenses, offsets or counterclaims exist with respect to the indebtedness evidenced thereby.

(10) The applicant shall insure that all employees and applicants for employment with regard to the Project are afforded equal employment opportunities without discrimination.

(11) The applicant agrees to file with the Agency, no later than sixty (60) days after the end of each calendar year, reports regarding the number of people employed at the project and certain other matters.

(B) In order to ensure that the project will create the public benefits anticipated by the Agency accruing to the residents and taxpayers of the County, the Project Agreements will require that each Agency project operator agree that, annually, within 60 days of the end of each calendar year during which a project has received any financial assistance from the Agency, such Agency project operator will complete and file with the Agency an annual report (the "Operator Annual Report") describing the status

of the project during the calendar year just completed, including such information as: jobs projected to be created/retained; estimated salary of jobs to be created/retained; current number of jobs; construction jobs created through the year; exemptions from taxes and payments in lieu of tax made; and status of bond financing related to the project.

SECTION 3. ENFORCEMENT. (A) The Agency will use the information contained in the Operator Annual Report, and may use site visits and follow ups, to gauge the status of a project in relation to the original commitment of the applicant as stated in the project application.

(B) Should the staff or board members of the Agency find significant deficiencies in any area; the project will be further reviewed. Examples of situations that may trigger review and/or action by the agency include:

(1) If the project operator shifts production activity to a facility outside of the County and, as a result, fails to achieve the economic benefits projected.

(2) If the project operator moves all operations outside the County, neglects to move operations to the County, or the project does not otherwise conform to the project described in the Project Agreements.

(3) If a significant shortfalls in economic benefits is identified, as compared with the application, such as a significant shortfall in new job creation/retention and/or expected major investments in the business.

(4) Failure to comply with annual reporting requirements or provide the Agency with requested information.

(5) Sale or closure of a project within the time period the applicant receives Agency financial assistance.

(C) Should the staff or board members of the Agency find significant deficiencies in the achievement of the economic benefits promised as described in the application and the Project Agreements, the project operator will be asked to provide justification for said shortfalls. The board members of the Agency will compare these statements against industry standards, as well as the current market and economic conditions, to determine whether the project operator did all that it could to meet its obligations as outlined in the application and the Project Agreements.

(D) The board members of the Agency will determine on a case by case basis whether a hearing is appropriate to allow a project operator to be heard on the issue regarding said project operator's failure to achieve the projected economic benefits.

(E) Should the board members of the Agency find that (1) significant deficiencies in the achievement of the economic benefits promised as described in the application and the Project Agreements have occurred and (2) there appears to be no justification satisfactory to the Agency to explain these deficiencies, the Agency may determine to undertake any enforcement action available to the Agency under the Agency Agreements to seek redress for these deficiencies.

(F) Enforcement action taken by the Agency under the Project Agreements may include, but shall not be limited to, the following:

- (1) Requesting cure of the deficiency by a final notice letter.
- (2) Forwarding an event of default notice under the Project Agreements.
- (3) Notifying appropriate New York State agencies of the project operator's failure to comply with such requirements.
- (4) Terminating any or all of the Project Agreements early.
- (5) Reducing the value of financial assistance moving forward.
- (6) Terminating any future financial assistance.
- (7) Requiring that the value of all the financial assistance utilized to date to be repaid in full or in part, with interest.

(G) In connection with the undertaking of a Project and/or the preparation of Project Agreements, the Agency also reserves the right to negotiate the terms and conditions of these recapture provisions.

SECTION 4. EFFECTIVE DATE. This policy shall be effective with respect to any project undertaken by the Agency after the date of approval of this Policy, including but not limited to any Project Agreements signed or amended after such date.

SCHEDULE C

COPY OF PAYMENT IN LIEU OF TAX AGREEMENT



CLOSING ITEM NO.: A-6

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ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AND

CHPE LLC

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PAYMENT IN LIEU OF TAX AGREEMENT

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DATED AS OF OCTOBER 1, 2022

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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”);

### W I T N E S S E T H :

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 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,

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

(B) Limited Obligation of the Agency. The obligations, covenants and agreements of the Agency contained herein shall not constitute or give rise to an obligation of the State of New York or 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.

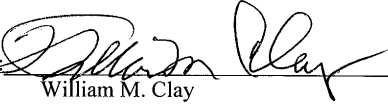
SECTION 5.09. APPLICABLE LAW. This Payment in Lieu of Tax Agreement shall be governed by and construed in accordance with the laws of the State of New York.

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

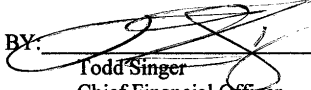
BY: \_\_\_\_\_  
Todd Singer  
Chief Financial Officer

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 30<sup>th</sup> 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

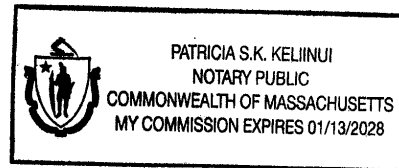
Shannon E. Wagner  
Notary Public, State of New York  
Qualified in Albany County  
No. 02WA6437589  
Commission Expires August 1, 2026



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
--------------------------------------	--------------------

(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)<sup>1</sup>.

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<sup>1</sup> 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]

B-1

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C-32

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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 Ravena	Guilderland CSD	Voorheesville CSD	Bethlehem CSD	Ravena- Coeymans- Selkirk 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

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012014.00044 Business 21682711v9



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.

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012014.00044 Business 21682711v9

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

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012014.00044 Business 21681487v9

C-35

012014.00044 Business 21682711v9

SCHEDULE A  
NOTICE OF PUBLIC HEARING  
- See Attached -

012014.00044 Business 21681487v9

C-3

012014.00044 Business 21682711v9

C-36

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 Ravena, 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.

012014.00044 Business 21645956v1

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

012014.00044 Business 21645956v1

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 25<sup>th</sup> 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.

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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

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012014.00044 Business 21952617v2

SCHEDULE B

[TO BE COMPLETED AT THE TIME OF FILING]



SCHEDULE D  
COPY OF APPLICATION

AMENDED AND RESTATED AS OF APRIL 2021

ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for financing and other assistance from Albany County Industrial Development Agency (the "Agency"). These answers will also be used in the preparation of papers in this transaction. Accordingly, all questions should be answered accurately and completely by an officer or other employee of your firm who is thoroughly familiar with the business and affairs of your firm and who is also thoroughly familiar with the proposed project. This application is subject to acceptance by the Agency.

TO: ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
112 State Street; Room 740  
Albany, New York 12207

This application by applicant respectfully states:

APPLICANT: CHPE LLC, or its designee

APPLICANT'S ADDRESS: 600 Broadway

CITY: Albany STATE: NY ZIP: 12207

PHONE NO: (518) 465-0710 E-MAIL: josh.bagnato@transmissiondevelopers.com

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO  
THIS APPLICATION: Rick Chase, Josh Bagnato, Todd Singer

IF APPLICANT IS REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING:

NAME OF ATTORNEY: Peter Swartz, Swartz Moses PLLC

ATTORNEY'S ADDRESS: 1583 East Genesee Street

CITY: Skaneateles STATE: NY ZIP: 13152

PHONE NO: (315) 554-8166 E-MAIL: phs@swartzmoses.com

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NOTE: PLEASE READ THE INSTRUCTIONS ON PAGE 2 HEREOF BEFORE FILLING  
OUT THIS FORM.  
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AMENDED AND RESTATED AS OF APRIL 2021

INSTRUCTIONS

1. The Agency will not approve any application unless in the judgment of the Agency said application contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.
2. Fill in all blanks, using “none” or “not applicable” or “N/A” where the question is not appropriate to the project which is the subject of this application (the “Project”).
3. If an estimate is given as the answer to a question, put “(est)” after the figure or answer which is estimated.
4. If more space is needed to answer any specific question, attach a separate sheet.
5. When completed, return twelve (12) copies of this application to the Agency at the address indicated on the first page of this application.
6. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the Project which is the subject of this application.
7. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant’s competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law.
8. The applicant will be required to pay to the Agency all actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the Agency’s bonds issued to finance the project). The applicant will also be expected to pay all costs incurred by general counsel and bond counsel to the Agency. The costs incurred by the Agency, including the Agency’s general counsel and bond counsel, may be considered as a part of the project and included as a part of the resultant bond issue.
9. The Agency has established an application fee of Fifteen Hundred Dollars (\$1,500) to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany each application. **THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.**

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**AMENDED AND RESTATED AS OF APRIL 2021**

**FOR AGENCY USE ONLY**

1. Project Number	_____
2. Date application received by the Agency	_____, 20____
3. Date application referred to attorney for review	_____, 20____
4. Date copy of application mailed to members	_____, 20____
5. Date notice of Agency meeting on application posted	_____, 20____
6. Date notice of Agency meeting on application mailed	_____, 20____
7. Date of Agency meeting on application	_____, 20____
8. Date Agency conditionally approved application	_____, 20____
9. Date scheduled for public hearing	_____, 20____
10. Date Environmental Assessment Form ("EAF") received	_____, 20____
11. Date Agency completed environmental review	_____, 20____
12. Date of final approval of application	_____, 20____

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AMENDED AND RESTATED AS OF APRIL 2021

**SUMMARY OF PROJECT**

Applicant: CHPE LLC, or its designee

Contact Person: Josh Bagnato, Vice President – Development

Phone Number: (802) 477-3830

Occupant: CHPE LLC, or its designee

Project Street Address: N/A

Approximate Size of Project Site: N/A

Description of Project: See Project Supplement

Type of Project:      ☐ Manufacturing                                      ☐ Warehouse/Distribution  
                                 ☐ Commercial    ☒ Other – Specify

Industrial (Transmission Line)

Employment Impact: See Project Supplement

Existing Jobs: Full Time: N/A                      Part-Time: N/A

New Jobs Full Time: N/A                      Part-Time: N/A

Project Cost: ~\$254,000,000 in Albany County; See Project Supplement

Type of Financing:      ☐ Tax-Exempt                      ☐ Taxable                      ☒ Straight Lease

Amount of Bonds Requested: \$ 0

Estimated Value of Tax-Exemptions:

N.Y.S. Sales and Compensating Use Tax:	\$	<u>TBD</u>
Mortgage Recording Taxes:	\$	<u>TBD</u>
Real Property Tax Exemptions:	\$	<u>TBD</u>
Other (please specify):	\$	<u>N/A</u>

Provide estimates for the following: See Project Supplement

Number of Full Time Employees at the Project Site before IDA Status:	<u>N/A</u>
Estimate of Jobs to be Created:	<u>N/A</u>
Estimate of Jobs to be Retained:	<u>N/A</u>
Average Estimated Annual Salary of Jobs to be Created:	<u>N/A</u>
Annualized Salary Range of Jobs to be Created:	<u>N/A</u>
Estimated Average Annual Salary of Jobs to be Retained:	<u>N/A</u>

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I. Proposed occupant of Project (hereinafter, the "Company").

A. Company Name: CHPE LLC, or its designee

Present Address: 600 Broadway, Albany, NY

Zip Code: 12207

Employer's ID No.: 84-5075255

B. If the Company differs from the Applicant, give details of relationship: N/A

C. Indicate type of business organization of Company:

1.    Corporation (If so, incorporated in what country?   ; What State?   ; Date Incorporated?   ; Type of Corporation?   ; Authorized to do business in New York?    yes    no).

2.    Partnership (If so, indicate type of partnership   , Number of general partners   , Number of limited partners   ).

3.   X   Limited liability company (If so, formed in what State? New York, Date formed? March 2, 2020, Authorized to do business in New York? Yes).

4.    Sole proprietorship.

D. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)? If so, indicate name of related organization(s) and relationship:

See Project Supplement

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E. Management of Company:

1. List all owners, officers, members, directors and partners (complete all columns for each person):

NAME (First, Middle, Last) HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS
Donald Jessome	Chief Executive Officer	N/A
Gene Martin	President & Chief Operating Officer	N/A
Todd Singer	Executive Vice President & Chief Financial Officer	N/A
William Helmer	Executive Vice President & General Counsel	N/A
Kristen Landino	Senior Vice President, Finance	N/A
Josh Bagnato	Vice President, Development	N/A
Ayokunle Kafi	Vice President, Project Services	N/A
Bob Harrison	Vice President, Engineering & Construction	N/A
Jennifer White	Vice President, External Affairs	N/A

2. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? \_\_\_\_ yes **X** no.
3. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? \_\_\_\_ yes **X** no.
4. Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? \_\_\_\_ yes **X** no. If yes to any of the foregoing, furnish details in a separate attachment.

F. Principal owners of Company: Is Company publicly held? \_\_\_\_ yes **X** no. If yes, list exchanges where stock traded: \_\_\_\_\_

\_\_\_\_\_.

If no, list all stockholders having a 5% or more interest in the Company:

NAME	ADDRESS	PERCENTAGE OF HOLDING
TDI-USA Holdings, LLC		100%
See Project Supplement for more detail		

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AMENDED AND RESTATED AS OF APRIL 2021

G. Company's Principal Bank(s) of account: TD Bank, 1290 Avenue of the Americas,  
New York, NY 10104.

II. Information concerning lease or sublease of the project. (Please complete the following  
section if the Company intends to lease or sublease the Project).

A. Does the Company intend to lease or sublease more than 10% (by area or fair  
market value) of the Project? \_\_\_ yes **X** no. If yes, please provide detail.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

B. What percentage of the space intended to be leased or subleased is now subject to  
a binding written lease or sublease? N/A.

C. 1. Sublessee name: N/A

Present Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Employer's ID No.: \_\_\_\_\_

Sublessee is: \_\_\_ Corporation: \_\_\_ Partnership: \_\_\_ Sole Proprietorship

Relationship to Company: \_\_\_\_\_

Percentage of Project to be leased or subleased: \_\_\_\_\_

Use of Project intended by Sublessee: \_\_\_\_\_

Date of lease or sublease to Sublessee: \_\_\_\_\_

Term of lease or sublease to Sublessee: \_\_\_\_\_

2. Sublessee name: N/A

Present Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Employer's ID No.: \_\_\_\_\_

Sublessee is: \_\_\_ Corporation: \_\_\_ Partnership: \_\_\_ Sole Proprietorship

Relationship to Company: \_\_\_\_\_

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AMENDED AND RESTATED AS OF APRIL 2021

Percentage of Project to be leased or subleased: \_\_\_\_\_

Use of Project intended by Sublessee: \_\_\_\_\_

Date of lease or sublease to Sublessee: \_\_\_\_\_

Term of lease or sublease to Sublessee: \_\_\_\_\_

3. Sublessee name: N/A

Present Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Employer's ID No.: \_\_\_\_\_

Sublessee is: \_\_\_ Corporation: \_\_\_ Partnership: \_\_\_ Sole Proprietorship

Relationship to Company: \_\_\_\_\_

Percentage of Project to be leased or subleased: \_\_\_\_\_

Use of Project intended by Sublessee: \_\_\_\_\_

Date of lease or sublease to Sublessee: \_\_\_\_\_

Term of lease or sublease to Sublessee: \_\_\_\_\_

III. Data regarding Proposed Project

A. Summary: (Please provide a brief narrative description of the Project.)

Champlain Hudson Power Express ("CHPE") is a proposed ~335-mile, fully buried HVDC electric power transmission line sized up to 1,250 MW and designed to help New York State meet its green energy goals. The project will play a key role in the State's energy transformation, lowering greenhouse gas emissions, creating jobs, and generating billions of dollars in new investment in New York's economy while delivering low-cost renewable energy to New York State.

B. Location of Proposed Project:

1. Street Address: N/A – See Project Supplement
2. City of N/A
3. Towns of Guilderland, New Scotland, Bethlehem, and Coeymans
4. Villages of Voorheesville and Ravena
5. County of Albany

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AMENDED AND RESTATED AS OF APRIL 2021

C. Project Site:

1. Approximate size (in acres or square feet) of Project site: N/A.  
Is a map, survey, or sketch of the project site attached? X yes    no.  
See Exhibit 1 of Project Supplement for Project Map.

2. Are there existing buildings on project site?    yes X no. If yes, indicate number and approximate size (in square feet) of each existing building: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

3. Are existing buildings in operation?    yes X no.  
If yes, describe present use of present buildings: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

Are existing buildings abandoned?    yes X no. About to be abandoned?    yes    no. Attach photograph of present buildings.

4. Utilities serving project site:

Water-Municipal: N/A  
Other (describe) \_\_\_\_\_  
Sewer-Municipal: N/A  
Other (describe) \_\_\_\_\_  
Electric-Utility: N/A  
Other (describe) \_\_\_\_\_  
Heat-Utility: N/A  
Other (describe) \_\_\_\_\_

5. Present legal owner of project site: CSX Railroad (primarily). See Project Supplement.

If the Company owns project site, indicate date of purchase: \_\_\_\_\_, 20\_\_\_\_; Purchase price: \$ \_\_\_\_\_. N/A

If Company not owner, does Company have option signed with owner to purchase the project site?    yes X (lease) no. If yes, indicate date option signed with owner: \_\_\_\_\_, 20\_\_\_\_. Date option expires: \_\_\_\_\_, 20\_\_\_\_.

See Project Supplement

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AMENDED AND RESTATED AS OF APRIL 2021

If the Company does not own the project site, is there a relationship legally or by common control between the Company and the present owners of the project site? \_\_\_\_ yes X no. If yes, describe in detail on separate attachment.

6. Zoning District in which the project site is located: N/A

Are there any variances or special permits affecting the site? \_\_\_\_ yes X no. If yes, list below and attach copies of all such variances or special permits: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

D. Buildings:

1. Does part of the project consist of a new building or buildings? \_\_\_\_ yes X no. If yes, indicate number and size of new buildings: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

2. Does part of the project consist of additions and/or renovations to the existing buildings? \_\_\_\_ yes X no. If yes, indicate nature of expansion and/or renovation: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed, or expanded: N/A

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

E. Project Use:

1. What are the principal products to be produced at the Project? N/A

2. What are the principal activities to be conducted at the Project?  
Transmission of Electricity

{00002618.2}

AMENDED AND RESTATED AS OF APRIL 2021

3. Will any portion of the Project be used for any of the following purposes:

retail food and beverage services: \_\_\_\_ Yes X No  
automobile sales or service: \_\_\_\_ Yes X No  
recreation or entertainment: \_\_\_\_ Yes X No  
golf course: \_\_\_\_ Yes X No  
country club: \_\_\_\_ Yes X No  
massage parlor: \_\_\_\_ Yes X No  
tennis club: \_\_\_\_ Yes X No  
skating facility (including roller skating, skateboard and ice skating):  
\_\_\_\_ Yes X No  
racquet sports facility (including handball and racquetball court):  
\_\_\_\_ Yes X No  
hot tub facility: \_\_\_\_ Yes X No  
suntan facility: \_\_\_\_ Yes X No  
racetrack: \_\_\_\_ Yes X No

If the answer to any of the above questions is yes, please furnish details on a separate attachment.

4. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? \_\_\_\_ Yes X No. If yes, please provide detail: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

5. If the answer to question 4 is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? \_\_\_\_\_ %

6. If the answer to question 4 is yes, and the answer to question 5 is more than 33.33%, indicate whether any of the following apply to the Project:

- a. Will the Project be operated by a not-for-profit corporation?  
Yes \_\_\_\_ No \_\_\_\_.
- b. Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes \_\_\_\_; No \_\_\_\_.

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AMENDED AND RESTATED AS OF APRIL 2021

- c. Would the project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York? Yes \_\_\_\_; No \_\_\_\_.
- d. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonable accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes \_\_\_\_; No \_\_\_\_\_. If yes, please provide detail. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.
- e. Will the Project be located in one of the following: (a) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law or (b) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (i) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? Yes \_\_\_\_; No \_\_\_\_.
7. If the answers to any of subdivisions c. through e. of question 6 is yes, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? Yes \_\_\_\_ No \_\_\_\_\_. If yes, please provide detail. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.
8. Will the completion of the Project result in the removal of a plant or facility of the Company or another proposed occupant of the Project (a "Project Occupant") from one area of the State of New York to another area of the State of New York? Yes \_\_\_\_; No X. If yes, please explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.
9. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Company located in the State of New York? Yes \_\_\_\_; No X. If yes, please provide detail: \_\_\_\_\_

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AMENDED AND RESTATED AS OF APRIL 2021

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

10. If the answer to either question 8 or question 9 is yes, indicate whether any of the following apply to the Project:

- a. Is the Project reasonably necessary to preserve the competitive position of the Company on such Project Occupant in its industry? Yes \_\_\_\_; No \_\_\_\_\_. If yes, please provide detail: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_.

- b. Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes \_\_\_\_; No \_\_\_\_\_. If yes, please provide detail: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_.

11. Will the Project be owned by a not-for-profit corporation? Yes \_\_\_\_; No X. If yes, please provide detail: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_.

12. If the answer to question 11 is yes, indicate whether any of the following apply to the Project:

- a. Is the Project a housing facility primarily designed to be occupied by individuals 60 years of age or older? Yes \_\_\_\_; No \_\_\_\_\_. If yes, please explain: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_.

- b. Is the Project a dormitory for an educational institution? Yes \_\_\_\_; No \_\_\_\_\_. If yes, please explain: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_.

- c. Is the Project a facility as defined in Article 28 of the Public Health Law? Yes \_\_\_\_; No \_\_\_\_\_. If yes, please explain: \_\_\_\_\_

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13. If the answer to any of the questions contained in question 12 is yes, indicate whether the cost of the Project will exceed \$15 million. Yes \_\_\_\_; No \_\_\_\_.  
If yes, please provide detail: \_\_\_\_\_

14. Will the Project be sold or leased to a municipality? Yes \_\_\_\_; No X.  
If yes, please provide detail: \_\_\_\_\_

F. Construction Status:

1. Has construction work on this project begun? \_\_\_\_ Yes; X No. If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations; installation of footings; etc.: \_\_\_\_\_
2. Please indicate amount of funds expended on this project by the Company in the past three (3) years and the purposes of such expenditures: \_\_\_\_\_  
The Company has pursued development of the project for over 10 years and has spent millions of dollars on design, environmental review and permitting efforts.
3. Please indicate the date the applicant estimates the Project will be completed: December 31, 2025

G. Method of Construction after Agency Approval:

1. If the Agency approves the project which is the subject of this application, there are two methods that may be used to construct the project. The applicant can construct the project privately and sell the project to the Agency upon completion. Alternatively, the applicant can request to be appointed as "agent" of the Agency, in which case certain laws applicable to public construction may apply to the project. Does the applicant wish to

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be designated as “agent” of the Agency for purposes of constructing the project?   X   Yes;        No.

H. Other Involved Agencies:

1. Please indicate all other local agencies, boards, authorities, districts, commissions or governing bodies (including any city, county and other political subdivision of the State of New York and all state departments, agencies, boards, public benefit corporations, public authorities or commissions) involved in approving or funding or directly undertaking action with respect to the Project. For example, do you need a municipal building permit to undertake the Project? Do you need a zoning approval to undertake the Project? If so, you would list the appropriate municipal building department or planning or zoning commission which would give said approvals. See Project Supplement
2. Describe the nature of the involvement of the federal, state, or local agencies described above: See Project Supplement.

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IV. Employment Impact                      See Project Supplement

- A. Indicate the number of people presently employed at the Project site and the **additional** number that will be employed at the Project site at the end of the first and second years after the Project has been completed, using the tables below for (1) employees of the Applicant, (2) independent contractors, and (3) employees of independent contractors. (Do not include construction workers). Also indicate below the number of workers employed at the Project site representing newly created positions as opposed to positions relocated from other project sites of the applicant. Such information regarding relocated positions should also indicate whether such positions are relocated from other project sites financed by obligations previously issued by the Agency.

TYPE OF EMPLOYMENT Employees of Applicant					<u>See Project Supplement</u>
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time					
Present Part Time					
Present Seasonal					
First Year Full Time					
First Year Part Time					
First Year Seasonal					
Second Year Full Time					
Second Year Part Time					
Second Year Seasonal					

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<b>TYPE OF EMPLOYMENT</b> <b>Independent Contractors</b>					<u>See Project Supplement</u>
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time					
Present Part Time					
Present Seasonal					
First Year Full Time					
First Year Part Time					
First Year Seasonal					
Second Year Full Time					
Second Year Part Time					
Second Year Seasonal					

<b>TYPE OF EMPLOYMENT</b> <b>Employees of Independent Contractors</b>					<u>See Project Supplement</u>
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time					
Present Part Time					
Present Seasonal					

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First Year Full Time					
First Year Part Time					
First Year Seasonal					
Second Year Full Time					
Second Year Part Time					
Second Year Seasonal					

- B. Indicate below (1) the estimated salary and fringe benefit averages or ranges and (2) the estimated number of employees residing in the Capital Region Economic Development Region for all the jobs at the Project site, both retained and created, listed in the tables described in subsection A above for each of the categories of positions listed in the chart below.

<b>RELATED EMPLOYMENT INFORMATION</b>				
	<u>See Project Supplement</u>			
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled
Estimated Salary and Fringe Benefit Averages or Ranges				
Estimated Number of Employees Residing in the Capital Region Economic Development Region <sup>1</sup>				

- C. Please describe the projected timeframe for the creation of any new jobs with respect to the undertaking of the Project: September 30, 2021 – December 31, 2025

---

<sup>1</sup> The Capital Region Economic Development Region consists of the following counties: Albany, Schenectady, Rensselaer, Greene, Columbia, Saratoga, Warren, and Washington.

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- D. Please prepare a separate attachment describing in detail the types of employment at the Project site. Such attachment should describe the activities or work performed for each type of employment. See Project Supplement

V. Project Cost

- A. Anticipated Project Costs. State the costs reasonably necessary for the acquisition of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Cost</u>	<u>Amount</u>
Land	\$ _____
Buildings	\$ _____
Machinery and equipment costs	\$ _____
Utilities, roads and appurtenant costs	\$ _____
Architects and engineering fees	\$ _____
Costs of Bond Issue (legal, financial and printing)	\$ _____
Construction loan fees and interest (if applicable)	\$ _____
Other (specify)	
_____	\$ _____
_____	\$ _____
_____	\$ _____
<b>TOTAL PROJECT COSTS</b>	\$ ~254,000,000
	<b>See Project Supplement</b>

- B. Anticipated Project Financing Sources. State the sources reasonably necessary for the financing of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

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<u>Description of Sources</u>	<u>Amount</u>
Private Sector Financing	\$ _____ TBD _____
Public Sector	\$ _____ 0 _____
Federal Programs	\$ _____ 0 _____
State Programs	\$ _____ 0 _____
Local Programs	\$ _____ 0 _____
Applicant Equity	\$ _____ TBD _____
Other (specify, e.g., tax credits)	
_____	\$ _____ TBD _____
_____	\$ _____
_____	\$ _____
<b>TOTAL AMOUNT OF PROJECT FINANCING SOURCES</b>	<b>See Project Supplement</b>

- C. Have any of the above expenditures already been made by the applicant?  
Yes X; No \_\_\_\_\_. If yes, indicate particulars.

The Company has pursued development of the project for over 10 years and has spent millions of dollars on design, environmental review and permitting efforts.

- D. Amount of loan requested: \$ TBD;

Maturity requested: 30 years.

- E. Has a commitment for financing been received as of this application date, and if so, from whom?

Yes \_\_\_\_\_; No   **X**  . Institution Name: \_\_\_\_\_

Provide name and telephone number of the person we may contact.

Name: N/A Phone: \_\_\_\_\_

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- F. The percentage of Project costs to be financed from public sector sources is estimated to equal the following: 0 %
- G. The total amount estimated to be borrowed to finance the Project is equal to the following: \$ TBD

VI. Benefits expected from the Agency

- A. Is the applicant requesting that the Agency issue bonds to assist in financing the project?      Yes   X   No.
- B. Is the interest on such bonds intended to be exempt from federal income taxation?      Yes      No.   N/A
- C. Is the applicant requesting any real property tax exemption that would not be available to a project that did not involve the Agency?   X   Yes      No.\*  
If yes, is the real property tax exemption being sought consistent with the Agency's Uniform Tax Exemption Policy? Yes     ; No   X  .  
\*TBD: PILOT payment terms have not yet been determined
- D. Is the applicant expecting that the financing of the Project will be secured by one or more mortgages?   X   Yes      No. If yes, what is the approximate amount of financing to be secured by mortgages? \$   TBD  .
- E. Is the applicant expecting to be appointed agent of the Agency for purposes of avoiding payment of N.Y.S. Sales Tax or Compensating Use Tax?   X   Yes      No. If yes, what is the approximate amount of purchases which the applicant expects to be exempt from the N.Y.S. Sales and Compensating Use Taxes? \$   TBD  .
- F. What is the estimated value of each type of tax-exemption being sought in connection with the Project? Please detail the type of tax-exemption and value of the exemption.
1. N.Y.S. Sales and Compensating Use Taxes:   TBD
  2. Mortgage Recording Taxes:   TBD
  3. Real Property Tax Exemptions:   TBD
  4. Other (please specify):   N/A

- G. Please list the affected taxing jurisdictions for the Project.

1. Villages (if any): Voorheesville and Ravena
2. Towns: Guilderland, New Scotland, Bethlehem and Coeymans
3. City (if any): none
4. School Districts: Guilderland, Voorheesville, Bethlehem and Ravena-Coeymans-Selkirk

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- H. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's Uniform Tax Exemption Policy?  
X Yes \_\_\_ No. If yes, please explain. TBD: PILOT payment terms have yet to be determined.

- I. Project Benefit Information. Complete the attached Cost/Benefit Analysis so that the Agency can perform a cost/benefit analysis of undertaking the Project. Such information should consist of a list and detailed description of the benefits of the Agency undertaking the Project (e.g., number of jobs created, types of jobs created, economic development in the area, etc.). Such information should also consist of a list and detailed description of the costs of the Agency undertaking the Project (e.g., tax revenues lost, buildings abandoned, etc.).

- VII. Agreements by Applicant: The applicant understands and agrees with the Agency as follows:

A. Job Listings. In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOC") and with the administrative entity (collectively with the DOC, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA"), as replaced by the Workforce Investment Act of 1998 (Public Law 105-220), in which the Project is located.

B. First Consideration for Employment. In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.

C. Annual Sales Tax Filings. In accordance with Section 874(8) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant.

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- D. Annual Employment Reports. The applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the Project site, including (1) the NYS-45 – Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return – for the quarter ending December 31 (the “NYS-45”), and (2) the US Dept. of Labor BLS 3020 Multiple Worksite report if applicable.
- E. Uniform Agency Project Agreement. The applicant agrees to enter into a project benefits agreement with the Agency where the applicant agrees that (1) the amount of Financial Assistance to be received shall be contingent upon, and shall bear a direct relationship to the success or lack of success of such project in delivering certain described public benefits (the “Public Benefits”) and (2) the Agency will be entitled to recapture some or all of the Financial Assistance granted to the applicant if the project is unsuccessful in whole or in part in delivering the promised Public Benefits.
- F. Representation of Financial Information. Neither this Application nor any other agreement, document, certificate, project financials, or written statement furnished to the Agency or by or on behalf of the applicant in connection with the project contemplated by this Application contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading. There is no fact within the special knowledge of any of the officers of the applicant which has not been disclosed herein or in writing by them to the Agency and which materially adversely affects or in the future in their opinion may, insofar as they can now reasonably foresee, materially adversely affect the business, properties, assets or condition, financial or otherwise, of the applicant.
- G. Agency Financial Assistance Required for Project. The Project would not be undertaken but for the Financial Assistance provided by the Agency or, if the Project could be undertaken without the Financial Assistance provided by the Agency, then the Project should be undertaken by the Agency for the following reasons:
- See Project Supplement
- H. Compliance with Article 18-A of the General Municipal Law: The Project, as of the date of this Application, is in substantial compliance with all provisions of article 18-A of the General Municipal including, but not limited to, the provisions of Section 859-a and subdivision one of Section 862; and the provisions of subdivision one of Section 862 of the General Municipal Law will not be violated if Financial Assistance is provided for the Project.
- I. Compliance with Federal, State, and Local Laws. The applicant is in substantial compliance with applicable local, state, and federal tax, worker protection, and environmental laws, rules, and regulations.

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- J. **False or Misleading Information.** The applicant understands that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemptions claimed by reason of Agency involvement in the Project.
- K. **Absence of Conflicts of Interest.** The applicant acknowledges that the members, officers, and employees of the Agency are listed on the Agency's website. No member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

N/A

- L. L. **Additional Information.** Additional information regarding the requirements noted in this Application and other requirements of the Agency are included in the Agency's Additional Documents which can be accessed at:

<http://www.albanycounty.com/Businesses/ACIDA/ACIDA-Documents.aspx> .

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I affirm under penalty of perjury that all statements made on this application are true, accurate, and complete to the best of my knowledge.

By: CHPE LLC  
Title: Applicant

NOTE: APPLICANT MUST COMPLETE THE APPROPRIATE VERIFICATION APPEARING ON PAGES 26 THROUGH 29 HEREOF BEFORE A NOTARY PUBLIC AND MUST SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 30.

AMENDED AND RESTATED AS OF APRIL 2021

VERIFICATION

(If applicant is a limited liability company)

STATE OF NEW YORK )

) SS.:

COUNTY OF ALBANY )

William Helmer deposes and says that he is one of the officers of the firm of CHPE LLC , the limited liability company named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as a member of and from the books and papers of said limited liability company.

William Helmer

Sworn to before me this

28<sup>th</sup> day of April, 2021

Tracie A. Chase

(Notary Public)

TRACIE A. CHASE  
Notary Public, State of New York  
Qualified in Albany Co. No. 01CH4989574  
My Commission Expires 12/9/2021

-----  
NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS THE  
HOLD HARMLESS AGREEMENT APPEARING ON PAGE 30 IS SIGNED BY THE  
APPLICANT.

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HOLD HARMLESS AGREEMENT

Applicant hereby releases Albany County Industrial Development Agency and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (i) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the application or the project described therein or the issuance of bonds requested therein are favorably acted upon by the Agency, (ii) the Agency's financing of the Project described therein; and (iii) any further action taken by the Agency with respect to the Project, including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing.. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to find buyers willing to purchase the total bond issue requested, then, and in that event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

CHPE, LLC

(Applicant)

*William Helmer*

BY: William Helmer

Sworn to before me this  
28<sup>th</sup> day of April, 2021.

*Tracie A. Chase*  
(Notary Public)

TRACIE A. CHASE  
Notary Public, State of New York  
Qualified in Albany Co. No. 01CH4989574  
My Commission Expires 12/9/2021

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**AMENDED AND RESTATED AS OF APRIL 2021**

TO: Project Applicants  
FROM: Albany County Industrial Development Agency  
RE: Cost/Benefit Analysis

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In order for the Albany County Industrial Development Agency (the “Agency”) to prepare a Cost/Benefit Analysis for a proposed project (the “Project”), the Applicant must answer the questions contained in this Project Questionnaire (the “Questionnaire”) and complete the attached Schedules. This Questionnaire and the attached Schedule will provide information regarding various aspects of the Project, and the costs and benefits associated therewith.

This Questionnaire must be completed before we can finalize the Cost/Benefit Analysis, please complete this Questionnaire and forward it to us at your earliest convenience.

**PROJECT QUESTIONNAIRE**

1. Name of Project Beneficiary (“Company”):	CHPE LLC, or its designee
2. Brief Identification of the Project:	Champlain Hudson Power Express (“CHPE”) is a proposed ~335-mile, fully buried HVDC electric power transmission line sized up to 1,250 MW and designed to help New York State meet its green energy goals. The project will play a key role in the State’s energy transformation, lowering greenhouse gas emissions, creating jobs, and generating billions of dollars in new investment in New York’s economy while delivering low-cost renewable energy to New York State.
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$ 0
B. Value of Sales Tax Exemption Sought	\$ TBD
C. Value of Real Property Tax Exemption Sought	\$ TBD
D. Value of Mortgage Recording Tax Exemption Sought	\$ TBD
4. Likelihood of accomplishing the Project in a timely fashion:	High

**PROJECTED PROJECT INVESTMENT**

See Project Supplement

A. Land-Related Costs	
1. Land acquisition	\$

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2.	Site preparation	\$
3.	Landscaping	\$
4.	Utilities and infrastructure development	\$
5.	Access roads and parking development	\$
6.	Other land-related costs (describe)	\$
B. Building-Related Costs		
1.	Acquisition of existing structures	\$
2.	Renovation of existing structures	\$
3.	New construction costs	\$
4.	Electrical systems	\$
5.	Heating, ventilation and air conditioning	\$
6.	Plumbing	\$
7.	Other building-related costs (describe)	\$
C. Machinery and Equipment Costs		
1.	Production and process equipment	\$
2.	Packaging equipment	\$
3.	Warehousing equipment	\$
4.	Installation costs for various equipment	\$
5.	Other equipment-related costs (describe)	\$
D. Furniture and Fixture Costs		
1.	Office furniture	\$
2.	Office equipment	\$
3.	Computers	\$
4.	Other furniture-related costs (describe)	\$
E. Working Capital Costs		
1.	Operation costs	\$
2.	Production costs	\$
3.	Raw materials	\$
4.	Debt service	\$
5.	Relocation costs	\$
6.	Skills training	\$
7.	Other working capital-related costs (describe)	\$
F. Professional Service Costs		
1.	Architecture and engineering	\$
2.	Accounting/legal	\$
3.	Other service-related costs (describe)	\$
G. Other Costs		
1.		\$
2.		\$

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H.	Summary of Expenditures	
1.	Total Land-Related Costs	\$
2.	Total Building-Related Costs	\$
3.	Total Machinery and Equipment Costs	\$
4.	Total Furniture and Fixture Costs	\$
5.	Total Working Capital Costs	\$
6.	Total Professional Service Costs	\$
7.	Total Other Costs	\$

**PROJECTED CONSTRUCTION EMPLOYMENT IMPACT**

- I. Please provide estimates of total construction jobs and the total annual wages and benefits of construction jobs at the Project:

**See Project Supplement**

Year	Number of Construction Jobs	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year		\$	\$
Year 1		\$	\$
Year 2		\$	\$
Year 3		\$	\$
Year 4		\$	\$
Year 5		\$	\$

**PROJECTED PERMANENT EMPLOYMENT IMPACT**

**See Project Supplement**

- I. Estimates of the total number of existing permanent jobs to be preserved or retained as a result of the Project are described in the tables in Section IV of the Application.
- II. Estimates of the total new permanent jobs to be created at the Project are described in the tables in Section IV of the Application.
- III. Please provide estimates for the following:
- A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.
- IV. Provide the projected percentage of employment that would be filled by Albany County residents: \_\_\_\_\_
- A. Provide a brief description of how the project expects to meet this percentage:

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**PROJECTED OPERATING IMPACT**

I. Please provide estimates for the impact of Project operating purchases and sales:

Additional Purchases (1 <sup>st</sup> year following project completion)	\$ N/A
Additional Sales Tax Paid on Additional Purchases	\$ N/A
Estimated Additional Sales (1 <sup>st</sup> full year following project completion)	\$ N/A
Estimated Additional Sales Tax to be collected on additional sales (1 <sup>st</sup> full year following project completion)	\$ N/A

II. Please provide estimates for the impact of Project on existing real property taxes and new payments in lieu of taxes ("Pilot Payments"):

Year	Existing Real Property Taxes (Without involvement) IDA	New Pilot Payments (With IDA)	Total (Difference)
Current Year			
Year 1			
Year 2			
Year 3			
Year 4	<b>TBD: PILOT payment terms have not yet been determined</b>		
Year 5			
Year 6			
Year 7			
Year 8			
Year 9			
Year 10			

III. Please provide a detailed description for the impact of other economic benefits and all anticipated community benefits expected to be produced as a result of the Project (attach additional pages as needed for a complete and detailed response):

**See Project Supplement**



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**CERTIFICATION**

I certify that I have prepared the responses provided in this Questionnaire and that, to the best of my knowledge; such responses are true, correct, and complete.

I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information, and such information is true and complete to the best of my knowledge. I further agree that I will advise the Agency of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

I affirm under penalty of perjury that all statements made on this application are true, accurate, and complete to the best of my knowledge.

Date Signed: April 28, 2021

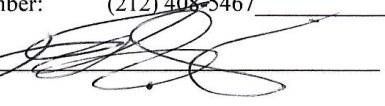
**Name of Person Completing Project  
Questionnaire on behalf of the Company.**

Name: Todd Singer

Title: Chief Financial Officer

Address: 1301 6<sup>th</sup> Ave, New York, NY 10019

Phone Number: (212) 408-5467

Signature: 

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## SCHEDULE A

## CREATION OF NEW JOB SKILLS

Please list the projected new job skills for the new permanent jobs to be created at the Project as a result of the undertaking of the Project by the Company.

[illegible]

Should you need additional space, please attach a separate sheet.

CHPE LLC, or its designee (the "Company")  
Project Supplement to Application for Financial Assistance to  
Albany County Industrial Development Agency (the "Agency")

## SUMMARY OF PROJECT

(Page 4)

### Description of Project:

The project covered by this Application (the "Project") will consist of: (a)(1) the acquisition of an interest in certain parcels 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 of two five-inch diameter high-voltage direct current ("HVDC") transmission cables and the acquisition 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"), and together with the Land and Equipment, the "Project Facility"), all of the foregoing for use 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 General Municipal Law) with respect to the foregoing, including exemptions from sales and use taxes, mortgage recording taxes, and real property taxes for the Project Facility (but not including special district taxes) (collectively, the "Financial Assistance"); and (c) the lease of the Project Facility by the Agency back to the Company; all as contemplated by and in furtherance of the purposes of the General Municipal Law.

The Project is the Albany County portion of a fully-buried, HVDC electric transmission line from the U.S.-Canada border to New York City (the "Transmission System") that will be up to 1,250-MW. The Transmission System will play a key role in New York's energy transformation, lowering greenhouse gas emissions, creating jobs, and generating billions of dollars in new investment in New York's economy while delivering low-cost renewable energy to New York State.

The New York State Energy Research and Development Authority ("NYSERDA") has issued a request for proposals (the "RFP") for long term contracts to bring renewable power directly into New York City via new transmission lines. The Company, in partnership with its generation partner, Hydro Quebec ("HQ"), is participating in the RFP. The RFP will be competitive, and if the Transmission System is the winning bidder, the resulting commercial contract will enable the Transmission System to be built and resulting PILOT revenue to flow to Albany County tax jurisdictions. The RFP also requires alternate bid responses. The Company's alternative bid (the "Alternate Bid") will propose an additional feature to the Transmission System involving construction of the New Scotland Converter Station and associated substation and interconnection facilities in the Town of New Scotland, which would serve as an "on-ramp" to the Transmission System for renewable power generated in upstate New York to be transmitted to and sold in New York City.

### Employment Impact:

There are no people presently employed at the Project site. The Company does not have a breakdown of anticipated employment figures by county once construction begins.

The Transmission System is anticipated to create more than 1,100 direct full-time jobs in New York State over the approximate 4-year construction period, with total wages of approximately \$0.6 billion

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during that period.<sup>1</sup> Using economic multipliers, those jobs are expected to create approximately 1,100 secondary jobs (indirect and induced) as well as \$1.5 billion in new economic output during construction focused on materials providers, trucking, hospitality, food service, transportation, fuel and clothing, among other sectors.<sup>2</sup> If the New Scotland Converter Station is built, it will create further opportunities for renewable generation development and construction in the Capital District, amplifying the tax revenue and employment benefits associated with the Project.

As a buried transmission line with no moving parts, the Project will not require day-to-day operations and maintenance efforts. Accordingly, the Project will not create permanent employment at the Project site. However, the Transmission System is anticipated to induce the creation of more than 800 long-term jobs in New York State once operational. Those induced jobs are anticipated to generate approximately \$5.6 billion in wages during the first 30 years of operation on a statewide basis.<sup>3</sup> If the Alternate Bid is successful, the New Scotland Converter Station will create up to 3 permanent employment positions at the New Scotland Converter Station site.

**Project Cost:**

The Company does not have estimated costs per mile for the portion of the Transmission System to be located within each county. However, based on estimated average costs for the land-based portion of the Transmission System, the cost of acquiring the Land and Equipment and of constructing, installing, and equipping the Improvements, including the New Scotland Converter Station, can be estimated to be approximately \$254 million<sup>4</sup>, the anticipated breakdown of which is as follows:

- \$173 million for the underground portion;
- \$80 million for the converter station (real property component only); and
- \$1 million for the converter station land in New Scotland.

The cost of the New Scotland Converter Station and land represents \$81 million of the total Project Cost and would only be built if the Alternate Bid is successful.

**Estimates of Employees, Jobs, Salaries, etc.:**

See above response to Employment Impact.

**Section I. Proposed occupant of Project**

**D. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)?:** (Page 5)

CHPE LLC, a New York State entity, is 100% owned by TDI-USA Holdings LLC, a Delaware entity. TDI-USA Holdings LLC is ~88% owned by New York Clean Power Holdings LLC, which is 100% owned by the Blackstone Group; ~10% owned by Transmission Developers, Inc., a Canadian corporation; and ~2% owned by National Resources Energy LLC. New York-based Blackstone is a

<sup>1</sup> See “Analysis of Economic, Environmental, and Reliability Impacts to the State of New York,” PA Consulting, a copy of which is available for review at [https://chpexpress.com/wp-content/uploads/2020/03/PA\\_Analysis\\_Report\\_on\\_Champlain\\_Hudson\\_Power\\_Express\\_Benefits.pdf](https://chpexpress.com/wp-content/uploads/2020/03/PA_Analysis_Report_on_Champlain_Hudson_Power_Express_Benefits.pdf). Figures do not include the potential impact of the New Scotland Converter Station.

<sup>2</sup> Id.

<sup>3</sup> Id.

<sup>4</sup> Figure to be revised as capital cost estimates are further refined.

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global leader in alternative asset management with \$619 billion of assets under management as of December 31, 2020.

**F. List all Stockholders having 5% or more interest in the Company: (Page 6)**

See above response to D. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)?

**Section III. Data regarding Proposed Project**

**B. Location of Proposed Project: (Page 8)**

The Project will run ~24 miles through the Towns of Guilderland, New Scotland, Bethlehem, and Coeymans, and the Villages of Voorheesville and Ravena entirely underground and primarily within CSX Railway’s right-of-way. The New Scotland Converter Station would be located in the Town of New Scotland.

**C. Present legal owner of project site: (Page 9)**

**5. If Company not owner, does Company have option signed with owner to purchase the project site?**

The Company intends to acquire lease, easement, or license interests in the Land. The Company may acquire a fee simple interest in the parcel(s) upon which the New Scotland Converter Station would be built.

**H. Other Involved Agencies: (Page 15)**

The Transmission System will pass through fifteen (15) different counties in New York State (see Project Map in Exhibit 1). In addition to the Agency, the Company has reached out to twelve (12) other county industrial development agencies along the route with similar PILOT proposals.

The Company has obtained all necessary municipal consents for the Project, except in the Town of Bethlehem where the Town Board passed a resolution indicating it has no objections to the Project routing in the town.

In New York State, the Transmission System has been issued permits pursuant to laws relating to coastal zone management (Department of State), historic preservation (State Historic Preservation Officer), and stormwater discharge management (Department of Environmental Conservation). It has been issued a Certificate of Environmental Compatibility and Public Need, under New York Public Service Law Article VII, and as such is a Type II action under the State Environmental Quality Review Act, requiring no further review. A copy of the certificate from the New York Public Service Commission is available at <https://chpexpress.com/wp-content/uploads/2020/03/permit-PSC.pdf>.

The Company has also received all Federal permits and approvals to construct the Project. Copies of the Federal permits and approvals, including the Department of Energy-issued Presidential Permit for electric transmission facilities that connect at an international border, the Army Corps of Engineers-issued permits for activities that implicate U.S. navigable waters and related infrastructure, and the Federal Energy Regulatory Commission’s approval for the Company to sell transmission rights at negotiated rates, are all available at <https://chpexpress.com/overview-of-public-documents/permits/>.

If the Alternate Bid is successful, the Company will seek a modification of any necessary permits, including its Certificate of Environmental Compatibility and Public Need, under New York Public

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Service Law Article VII, to cover the New Scotland Converter Station. The Company anticipates such permit/certification modifications would be granted in due course.

#### **Section IV. Employment Impact**

##### A, B and D: (Pages 16-19)

See response to Employment Impact under SUMMARY OF PROJECT.

#### **Section V. Project Cost**

##### A. Anticipated Project Costs: (Page 19)

See response to Project Cost under SUMMARY OF PROJECT.

##### B. Anticipated Project Financing Sources: (Pages 19-20)

The Transmission System will be financed through a combination of private sector financing and Applicant equity. Amounts and terms of each source of financing have not yet been determined, but it may include a mortgage on the Project Facility in Albany County and on Transmission System land and improvements in other counties; a mortgage on the Transmission System converter station site located in New York City; a mortgage on the New Scotland Converter Station site (if the Alternate Bid is successful); an assignment of contracts, such as the Transmission Services Agreement and construction contracts; an assignment of options on real estate; UCC filings; and a pledge of the equity interest in CHPE LLC held by TDI-USA Holdings, LLC.

Private sector financing will be sought for the entire Transmission System and not on a county-by-county basis. Accordingly, the total amount to be borrowed to finance the Project has not yet been determined. For purposes of this Application, the Company estimates that the portion of the total borrowing to be allocated to the Albany County portion of the Transmission System is up to 100% of the \$254 million<sup>5</sup> in capital costs, for which mortgage recording tax exemption is sought. If the Alternate Bid is not successful, the Company estimates that the portion of the total borrowing to be allocated to the Albany County portion of the Transmission System is up to 100% of the \$173 million<sup>6</sup> in capital costs, for which mortgage recording tax exemption is sought.

#### **Section VII. Agreements by Applicant**

##### G. Agency Financial Assistance Required for Project: (Page 23)

The value proposition of the Transmission System to its customers is largely based on a guaranteed, predictable, price over a 30-year period. Consequently, annual operating costs, including tax responsibilities, must be predictable over the 30-year term of its financing for the Project to be viable and financeable. As a merchant transmission line, the Transmission System consequently cannot rely on captive ratepayers to absorb its costs. Key considerations for the Project include:

- Need for broad-based cost certainty, including:

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<sup>5</sup> Figure to be revised as capital cost estimates are further refined.

<sup>6</sup> Figure to be revised as capital cost estimates are further refined.

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- Operating expenses: Property taxes will be significant and would be uncertain, and long-term certainty is required for project viability and financing.
- High and increasing transmission cable costs.
- High and unpredictable installation costs due to fluctuating labor and commodity markets, and cost risks associated with underground installation.
- Financing costs: Project difficult to finance with uncertain operating expenses; risk of rising interest rates and future financial market uncertainty.
- Because of the high number of tax jurisdictions along the route (including in Albany County), if PILOTs are not utilized, uniformity of treatment and long-term certainty associated with the tax obligations of the project cannot be achieved.
  - Albany County: Eleven tax jurisdictions (one county, four towns, two villages, and four school districts)<sup>7</sup>
  - Entire route: More than 150 tax jurisdictions (15 counties, 5 cities, 60 towns, 11 villages, and 60 school districts)
- Fixed, market-competitive pricing must be offered to execute commercial agreements required to finance and construct the project.
- PILOT facilitates the Project’s viability and financing, which helps achieve NY State environmental mandates and goals.
- Project provides long-term and predictable Agency and tax jurisdiction benefits for the region from an “invisible” project with no use of public infrastructure or services.
- Helps provide uniformity of treatment across all affected tax jurisdictions in NY State (i.e., creates a fair, efficient, streamlined process which enables the Company to reach agreements benefitting the multitude of tax jurisdictions). The only anticipated variability will be to account for the lower construction impacts in counties where (and to the extent) the cable will be installed underwater.

If the Company is unable to obtain Financial Assistance for the Project, it is likely that New York State will encounter difficulty meeting its green energy goals. The Transmission System will comprise a significant portion of the renewable energy needed to meet New York State’s 70x30 green energy goal. It is expected to induce creation of significant jobs and economic activity on a Transmission System-wide basis including more than 1,100 direct full-time jobs and \$0.6 billion in wages in New York State over the approximately 4-year construction period, more than 800 long-term jobs in New York state once operational, and \$5.6 billion in wages during the first 30 years of operations on a statewide basis. The majority of workforce will be sourced with union labor. Furthermore, it is expected that the Transmission System will induce \$1.5 billion in higher economic output during the approximately 4-year construction period and \$14.8 billion during the first 30 years of operations on a statewide basis. Without the Project and the Agency’s assistance, this statewide economic impact would not occur.<sup>8</sup>

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<sup>7</sup> Towns of Guilderland, New Scotland, Bethlehem and Coeymans; Villages of Voorheesville and Ravena; School districts of Guilderland CSD, Voorheesville CSD, Bethlehem CSD and Ravena-Coeymans-Selkirk CSD. Involved tax jurisdictions subject to change based on final construction plans. The New Scotland Converter Station would be located in the Albany County, Town of New Scotland, and Voorheesville Central School District tax jurisdictions.

<sup>8</sup> Figures do not include the potential impact of the New Scotland Converter Station (if the Alternate Bid is successful).

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**Cost/Benefit Analysis**

Projected Project Investment (Pages 31-32)

The Company does not have a detailed breakdown of the estimated cost of acquiring and constructing the Project Facility.

Projected Construction Employment Impact (Page 33)

Construction of the Transmission System is currently expected to take place from 2021 to 2025. The Project’s construction period will be of a more limited nature. The exact construction seasons are still to be determined based on direction from contractors. However, significant coordination and communication with the Agency and involved municipalities will occur prior to construction.

Projected Permanent Employment Impact (Page 33)

See response to Employment Impact under SUMMARY OF PROJECT.

Projected Operating Impact

III. Please provide a detailed description for the impact of other economic benefits and all anticipated community benefits expected to be produced as a result of the Project: (Page 34)

Key Project and Transmission System Benefits:

- Approximately \$254 million of new capital investment in Albany County, of which \$173 million relates to the transmission line improvements, and \$81 million relates to the New Scotland Converter Station improvements (real property component only) and land costs (if the Alternate Bid is successful).<sup>9</sup> If the New Scotland Converter Station is built, it will create further opportunities for renewable generation development and construction in the Capital District, amplifying the tax revenue and employment benefits associated with the Project.
- Substantial and sustained increase in revenue for involved tax jurisdictions – depending on the PILOT proposal selected, this represents at a minimum ~\$119 million, for the transmission line improvements, and an additional \$59 million, for the New Scotland Converter Station improvements (if the Alternate Bid is successful), in new revenue for involved Albany County tax jurisdictions during the first 30 years of operation.
- Requires no municipal or school district services since cable will be buried underground.
- Project improvements are “invisible” due to installation underground and therefore minimally invasive, natural views are preserved, and a minimal, short-term impact on the environment and community during construction.
- Significant Agency administrative fee payable at 100% of amount due by Agency policy (i.e., no discount requested).
- Special district taxes paid in addition to PILOT payments.
- Significant job creation and spending on a Transmission System-wide basis, including:
  - More than 1,100 direct full-time jobs in New York State over the 4-year construction period.
  - Induces more than 800 long-term jobs in New York state once operational.
  - \$0.6 billion in wages during the approximately 4-year construction period and \$5.6 billion in wages during the first 30 years of operations on a statewide basis. Majority of workforce to be sourced with union labor.

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<sup>9</sup> Figures to be revised as capital cost estimates are further refined.



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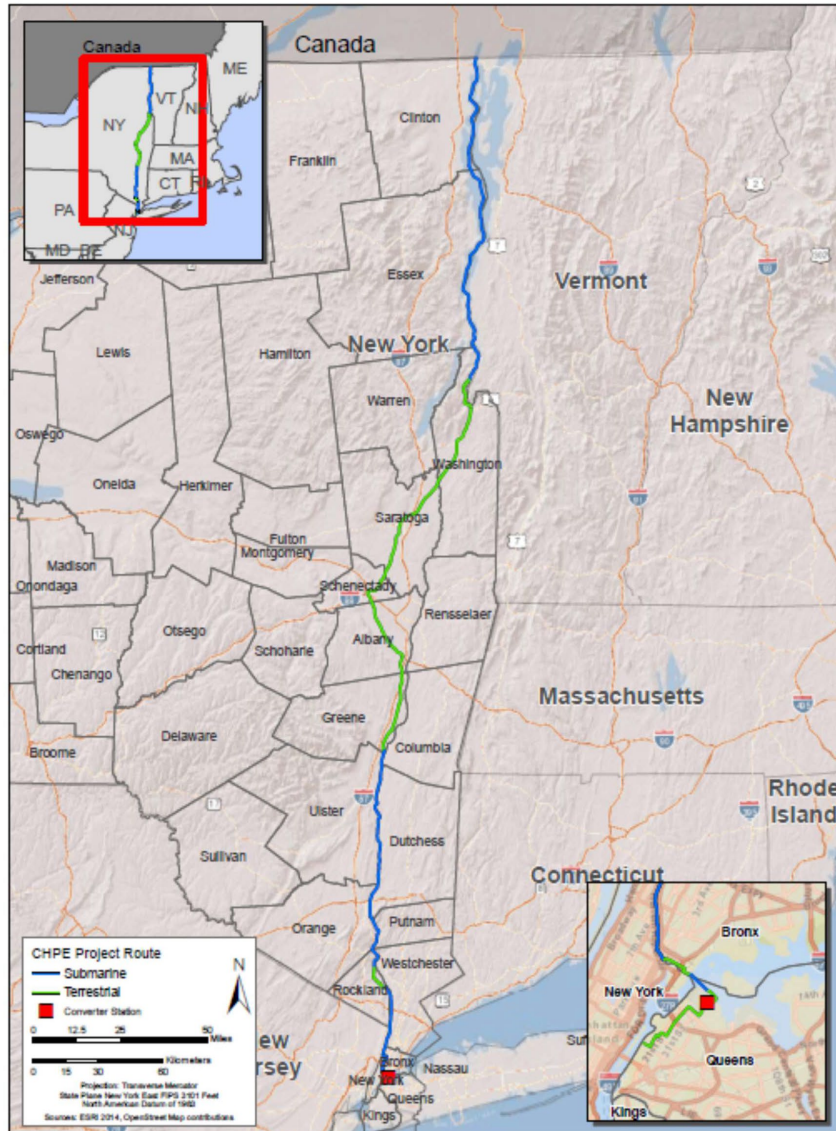
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- \$1.5 billion in higher economic output during the approximately 4-year construction period and \$14.8 billion during the first 30 years of operations on a statewide basis.
- Forecast to reduce wholesale energy costs outside New York City by \$5.1 billion during the first 30 years of operations due to lower-cost hydropower generation displacing less-efficient, and costlier fossil fuel generation.
- Creates an estimated \$10.6 billion in CO<sub>2</sub> reduction benefits in New York State, while creating environmentally sustainable energy infrastructure.
- Provides a solution to New York’s green energy goals, including New York’s goal of 70% renewable energy by 2030, as well as the state’s mandate to reduce CO<sub>2</sub> emissions 40% by 2030 and 80% by 2050.
- Hardened infrastructure will make New York’s aging energy grid safer, more secure, and more reliable, as well as provide energy supply that is geographically separated from New York, maximizing the grid’s resilience to natural disasters, and black-start capability to quickly help restore the grid after power outages.
- If the Alternate Bid is successful, the Transmission System would provide an “on-ramp” for renewable power generated in upstate New York to be transmitted to and sold in New York City.
- Project has significant community, labor, and environmental support in New York State.

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**Exhibit 1 - Project Map**



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SCHEDULE E  
ANNUAL STATUS REPORT

\_\_\_\_\_, 20\_\_

Re: New Project Verification

Dear \_\_\_\_\_:

The Albany County Industrial Development Agency (the “Agency”) is currently providing assistance in connection with your project in the Towns of Guilderland, New Scotland, Bethlehem, and Coeymans, and the Villages of Voorheesville and Ravena, Albany County, New York.

The Agency is required to file an annual report with the New York State Comptroller providing information on its activities, and the activities of projects that are assisted by the Agency. In order for the Agency to compile that report, it is necessary that we obtain information relating to assistance provided and benefits derived from all entities that receive such assistance. Failure by the Agency to file the report information required by New York State could result in the Agency losing its ability to provide future assistance or the entity suffering claw-back provisions and forfeiting benefits previously received. Therefore, it is important that this information be provided in an accurate and timely manner.

Attached please find a questionnaire to be completed and returned to the IDA by \_\_\_\_\_. If you have any questions regarding the required information, please do not hesitate to call our office.

We appreciate your assistance in this matter. A self-addressed stamped envelope is enclosed for your convenience.

Very truly yours,

Company name and address:

Project Name:

Company contact:

Contact phone number:

(Please-correct any information above)

### **Financing Information**

Has the Agency provided project financing assistance through issuance of a bond or note?

Yes                  No

If financing assistance was provided, please provide:

- Original principal balance of bond or note issued \_\_\_\_\_
- Outstanding principal balance of such bond or note  
at December 31, 20\_\_ \_\_\_\_\_
- Principal paid during 20\_\_ \_\_\_\_\_
- Outstanding principal balance of such bond or note  
at December 31, 20\_\_ \_\_\_\_\_

Interest rate on mortgage as of December 31, 20\_\_ \_\_\_\_\_

Final maturity date of the bond or note \_\_\_\_\_

Is the Company a not-for-profit? \_\_\_\_\_

### **Sales Tax Abatement Information**

Did your company receive Sales Tax Abatement on your Project during 20\_\_?

Yes                  No

If so, please provide the amount of sales tax savings received for each year \_\_\_\_\_

**(A copy of the ST-340 sales tax report submitted to New York State for the reporting period is required to be attached with this report)**

### **Mortgage Recording Tax Information**

Did your company receive Mortgage Tax Abatement on your Project during 20\_\_?

Yes                  No

The amount of the mortgage recording tax that was abated during 20\_\_ : \_\_\_\_\_

**PILOT Payment Information**

Pursuant to Section 3.02(E) of the Uniform Agency Project Agreement, the Company hereby certifies to the following:

Were all PILOT Payments for the prior calendar year paid on time?

Yes      No

If not, when were all PILOT Payments made? \_\_\_\_\_

If not, what action the Company has taken or proposes to take with respect compliance with future payment requirements? \_\_\_\_\_

**Job Information**

Number of permanent jobs

N/A

Number of FTE construction jobs created during 20\_\_ \_\_\_\_\_

Number of FTE construction jobs during 20\_\_ \_\_\_\_\_

**Local Construction Hiring and Material Purchases**

Describe the number of local construction hires

Describe the amount of local material purchases

**Capital Investment Information**

20\_\_ Capital Investment \_\_\_\_\_

Real Estate \_\_\_\_\_

Construction \_\_\_\_\_

Machinery and Equipment \_\_\_\_\_

Other Taxable Expenses \_\_\_\_\_

Other Non-Taxable Expenses \_\_\_\_\_

**Total Capital Investment** \_\_\_\_\_

### **Officer's Certification**

I certify that to the best of my knowledge and belief all of the information on this form is correct. I also understand that failure to report completely and accurately may result in enforcement of provisions of the Uniform Agency Project Agreement dated as of October 1, 2022 by and between the Company and Albany County Industrial Development Agency (the "Project Agreement"), including but not limited to the suspension, discontinuance, and potential claw back of financial assistance provided for the project.

Signed: \_\_\_\_\_  
(Authorized Company Representative)

Date: \_\_\_\_\_