

**FINAL AUTHORIZING RESOLUTION**  
(Arthur May Redevelopment, LLC 2020 Project)

A special meeting of the Dutchess County Industrial Development Agency, having offices at Three Neptune Road, Poughkeepsie, New York, was convened in public session on June 24, 2020 at 8:00 a.m., local time. Because of the Novel Coronavirus (COVID-19) Emergency and State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo’s Executive Order 202.1, as extended, suspending certain requirements of the Open Meetings Law, the meeting was held electronically via webinar with teleconference access made available to the public, instead of a public meeting open for the public to attend in person.

PRESENT: Timothy Dean, Chairman  
Mark Doyle, Vice Chairman  
Kathleen M. Bauer, Secretary/ Treasurer  
Alfred D. Torreggiani  
Stacey M. Langenthal  
Donald R. Sagliano  
Ronald J. Piccone, II

ABSENT:

ALSO PRESENT: Sarah Lee, Executive Director  
Marilyn Yerks, Chief Financial Officer  
Donald Cappillino, Counsel  
Elizabeth A. Cappillino, Counsel

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to acquisition of title to, or a leasehold interest in, a certain industrial development facility (Arthur May Redevelopment, LLC 2020 Project) and the leasing of the facility as more particularly described below:

**RESOLUTION OF THE DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RECONSTRUCTION, REPAIR, RENOVATION, INSTALLATION, FURNISHING AND EQUIPPING OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY FOR ARTHUR MAY REDEVELOPMENT, LLC AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS.**

**WHEREAS**, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended and Chapter 335 of the Laws of 1977 of the State of New York (collectively, the “**Act**”), the Agency was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

**WHEREAS**, the Agency has agreed to provide certain “financial assistance” (within the meaning of the Act) with respect to the Facility (hereinafter defined), including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “**Financial Assistance**”) for the following project (the “**Project**”) in connection with the acquisition, construction, improvement, reconstruction, repair, renovation, installation, furnishing and/or equipping of a certain mixed-use commercial facility in approximately five (5) phases and consisting of the following:

- (A) the acquisition of approximately 6.8 acres of land consisting of an approximately 6.39-acre parcel of land located at 25 Raymond Avenue, Town of Poughkeepsie, County of Dutchess, State of New York, bearing Tax Map Grid No. 134689-6161-12-755735 and an approximately 0.43-acre parcel of land located at 31 Raymond Avenue, Town of Poughkeepsie, County of Dutchess, State of New York, bearing Tax Map Grid No. 134689-6161-12-784726 (the “**Land**”) and the demolition of existing buildings on the Land;
- (B) the construction, improvement, reconstruction, repair, renovation, installation, furnishing and/or equipping of the following improvements (the “**Improvements**”) on the Land:
  - a. approximately 18,279 square feet of mixed-use commercial space, including an approximately 4,000 square foot space to be used as a restaurant and retail space;
  - b. an approximately 66,300 square foot, five-story, 110-room hotel;
  - c. approximately 239,286 square feet of residential space, to include approximately 187 residential units and an approximately 6,400 square foot clubhouse with amenities;

and the acquisition and installation therein of certain equipment and personal property, not part of the Equipment (as such term is defined herein) (the “**Facility Equipment**”; and, together with the Land and the Improvements, the “**Company Facility**”); which Company Facility will be subleased and leased by the Agency to the Company and further subleased by the Company to Arthur May Redevelopment, LLC, a New York limited liability company having its principal office at 32 Pine Tree Drive, Poughkeepsie, New York 12603 (the “**Sublessee**”); and

- (C) the acquisition and installation of certain equipment, machinery and other personal property for use in the premises described above (collectively the “**Equipment**” and together with the Company Facility, the “**Facility**”) which Equipment is to be leased by the Agency to the Sublessee and which Facility will be used by the Sublessee for its use as a mixed-use commercial facility with a hotel and residential units; and

**WHEREAS**, the Project includes the following, as they relate to the acquisition, construction, improvement, reconstruction, repair, renovation, installation, furnishing, equipping, and/or completion of such Facility, whether or not any materials or supplies described below are incorporated into or become an integral part of such Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with acquisition, construction, improvement, reconstruction, repair, and renovation of the Facility; and (ii) purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in

connection with acquisition, construction, improvement, reconstruction, repair and/or renovation of the Facility and installation of the Equipment; and

**WHEREAS**, the Agency by resolution duly adopted on June 4, 2020 (the “**Preliminary Resolution**”), decided to proceed under the provisions of the Act; and

**WHEREAS**, the Agency requires, as a condition to its issuance of Financial Assistance, that the Company lease that portion of the Facility consisting of the Land and Improvements to the Agency pursuant to the terms of a certain Company Lease Agreement dated as of June 1, 2020 (the “**Company Lease**”) by and between the Company and the Agency; and

**WHEREAS**, the Company has agreed to transfer title to the Equipment to the Agency pursuant to a Bill of Sale, dated the Closing Date (the “**Bill of Sale**”); and

**WHEREAS**, the Agency has agreed to sublease and lease the Facility to the Company pursuant to a certain Lease and Project Agreement dated as of June 1, 2020 (the “**Lease Agreement**”) by and between the Agency and the Company; and

**WHEREAS**, the Company will sub-sublease the Company Facility to the Sublessee pursuant to a certain Sublease Agreement, dated a date to be determined (the “**Sublease Agreement**”), by and between the Company and the Sublessee; and

**WHEREAS**, the Company has agreed with the Agency, on behalf of the Agency and as the Agency’s agent, to complete the Project Work (as defined in the Lease Agreement) substantially in accordance with the Plans and Specifications (as defined in the Lease Agreement); and

**WHEREAS**, the Agency contemplates that it will provide financial assistance to the Company consistent with the policies of the Agency, in the form of (i) exemptions from sales and use taxes in an amount not to exceed \$2,356,250 in connection with the purchase or lease of equipment, building materials, services or other personal property with the respect to the Facility; (ii) exemptions from mortgage recording taxes for one or more mortgages securing an amount not to exceed \$62,500,000 in connection with the Project Work; and (iii) abatement of real property taxes on the Facility as set forth in the PILOT Schedule attached as Exhibit A hereof; and

**WHEREAS**, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted by the Department of Environmental Conservation of the State of New York (the laws and regulations hereinafter collectively referred to as “**SEQRA**”), the Project has undergone a coordinated review under SEQRA by the Town of Poughkeepsie Town Board (the “**Town Board**”), as Lead Agency under SEQRA and the Agency was named as an involved agency; and

**WHEREAS**, on August 21, 2019, the Town Board made a Negative Declaration and Determination of Non-Significance (the “**Negative Declaration**”) determining that the Project will not have a “significant impact” or “significant effect” on the environment as defined under SEQRA with the reasons for its determination stated therein and the Agency, as an involved agency, is bound by their determination; and

**WHEREAS**, the proposed real property tax abatement requested by the Company deviates from the Standard PILOT Schedule in the Agency’s Uniform Tax Exemption and Criteria Policy (the “**UTEF**”) but has been consented to by the May 20, 2020 Resolution of the Town of Poughkeepsie Town Board in Resolution 5:20 - # 6 of 2020 and by the School Board of the Arlington Central School District on December 10, 2019; and

**WHEREAS**, although the Project will include facilities or property that are used in making retail sales to customers who visit the Facility and would be considered a “retail facility”, based upon the representations of the Company and Sublessee and Company and Sublessee’s Counsel, the letter from Queen City Abstract dated May 12, 2020 and the report from Hudson Valley Regional Council dated October 2017, the Facility is located in a “highly distressed area” as described in Section 862(2)(b) of the Act and therefore the Facility is not subject to the prohibitions on providing financial assistance to retail facilities;

**WHEREAS**, in compliance with §859-a of the Act, the Agency on June 22, 2020 held a public hearing on the grant of financial assistance as set forth herein following publication in the *Poughkeepsie Journal* on June 7, 2020 of a notice of the public hearing; and

**WHEREAS**, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the leasing of the Facility by the Agency to the Company.

**NOW, THEREFORE, BE IT RESOLVED**, by the Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency hereby finds and determines:

(a) As set forth in the Town Board’s Negative Declaration, the Project will not have a “significant adverse impact” or “significant adverse effect” on the environment as defined under SEQRA and the Agency is bound by the Town Board’s determination.

Section 2. The Agency further hereby finds and determines:

(a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(b) The Facility constitutes a “project”, as such term is defined in the Act; and

(c) The public hearing held by the Agency on June 22, 2020, concerning the grant of Financial Assistance as set forth herein and the nature and location of the Facility was duly held in accordance with the laws of the State of New York, including but not limited to the giving of public notice of the meeting a reasonable time before the meeting and affording a reasonable opportunity for persons with differing views to be heard on Agency’s providing the financial assistance contemplated herein and the location and nature of the Facility; and

(d) The Project Work and the leasing of the Facility to the Company and the Sublessee will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of Dutchess County and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(e) the proposed real property tax abatement requested by the Company deviates from the Standard PILOT in the Agency's UTEP, but the conditions of the Agency's UTEP have been met and a deviation is warranted;

(f) Although the Project will include facilities or property that are used in making retail sales to customers who visit the Facility and would be considered a "retail facility", based upon the representations of the Company and Sublessee and Company and Sublessee's Counsel, the letter from Queen City Abstract dated May 12, 2020 and the report from Hudson Valley Regional Council dated October 2017, the Facility is located in a "highly distressed area" as described in Section 862(2)(b) of the Act and therefore the Facility is not subject to the prohibitions on providing financial assistance to retail facilities;

(g) The Project will serve the Agency's public purposes as set forth in the Act by preserving or increasing the number of permanent, private sector jobs in Dutchess County and the State of New York.

(h) Based upon representations of the Company and Sublessee and Company and Sublessee's Counsel, the Facility conforms with the local zoning laws and planning regulations of Dutchess County and all regional and local land use plans for the area in which the Facility is located; and

(i) It is desirable and in the public interest for the Agency to approve the requested Financial Assistance for this Project; and

(j) The Company Lease will be an effective instrument whereby the Agency leases the Land and Improvements from the Company; and

(k) The Lease Agreement will be an effective instrument whereby: (1) the Agency leases and subleases the Facility to the Company; (2) the Agency and the Company set forth the terms and conditions of their agreement regarding the Company's payments-in-lieu of real property taxes; (3) the Company agrees to comply with all Environmental Laws (as defined therein) applicable to the Facility and will indemnify and hold harmless the Agency for all liability under all such Environmental Laws; and (4) the Agency and the Company set forth the circumstances in which the Agency may recapture some or all of the benefits granted to the Company in the event any enumerated Recapture Event (as defined therein) occurs; and

(l) the Equipment Lease Agreement (the "**Equipment Lease Agreement**"), dated as of June 1, 2020, will be an effective instrument whereby the Agency leases the Equipment to the Sublessee; and

(m) The Agency Compliance Agreement (the “**Agency Compliance Agreement**”), dated as of June 1, 2020, by and between the Agency and the Sublessee will be an effective instrument whereby the Sublessee will provide certain assurances to the Agency with respect to the Sublease Agreement.

Section 3. Subject to (i) the Company executing the Company Lease, the Lease Agreement, and the Bill of Sale and (ii) the Sublessee executing the Sublease Agreement, the Equipment Lease Agreement, and the Agency Compliance Agreement, and (iii) the delivery to the Agency of a binder, certificate or other evidence of liability insurance policy for the Facility satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the Project Work and appoints the Company as the true and lawful agent of the Agency.

Section 4. In consequence of the foregoing, the Agency hereby determines to: (i) lease the Land and Improvements from the Company pursuant to the Company Lease, (ii) execute, deliver and perform the Company Lease, (iii) sublease and lease the Facility to the Company pursuant to the Lease Agreement, and (iv) execute, deliver and perform the Lease Agreement.

Section 5. The Agency is hereby authorized to acquire a leasehold interest in the real property and personal property described in Exhibit A and Exhibit B, respectively, to the Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 6. The form and substance of the Company Lease, the Lease Agreement and the Agency Compliance Agreement (each in substantially the forms presented to the Agency and which, prior to the execution and delivery thereof, may be redated and renamed) are hereby approved.

Section 7. Recapture Provisions. The Agency has retained certain recapture rights under the terms and conditions of the Lease Agreement, of which Section 5.4 relating to recapture rights is attached hereto and made a part hereof as Exhibit B, upon the occurrence of a Recapture Event as defined therein.

Section 8. Based upon the representation and warranties made by the Company or Sublessee in the Application, the Agency hereby authorizes and approves the Company and/or the Sublessee, as its agents, to make purchases of goods and services relating to the Facility and that would otherwise be subject to New York State and local sales and use tax in an amount up to approximately \$29,000,000 which result in New York State and local sales and use tax exemption benefits (“**sales and use tax exemption benefits**”) not to exceed \$2,356,250. The Agency agrees to consider any requests by the Company and/or the Sublessee for increases to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services, and, to the extent required, the Agency authorizes and conducts any supplemental public hearing(s).

Section 9.

(a) The Chairman, Vice Chairman, any member of the Agency or the Executive Director are hereby authorized, on behalf of the Agency, to execute and deliver the Company Lease, the Lease Agreement and the Agency Compliance Agreement (including any Mortgage and accompanying Assignment of Leases and Rents and Consents to Assignment and any other financing documents reasonably approved as to form and substance by the Executive Director and counsel to the Agency), all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, any member of the Agency or the Executive Director shall approve, and such other related documents as may be, in the judgment of the Executive Director and Agency Counsel necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “**Agency Documents**”). The execution thereof by the Chairman, Vice Chairman, any member of the Agency or the Executive Director of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Vice Chairman, any member of the Agency and the Executive Director of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement). The Agency hereby appoints each Member of the Agency, Agency Counsel and Transaction Counsel to serve as an Assistant Secretary of the Agency for purposes of this transaction.

Section 10. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 11. This resolution shall take effect immediately.

This resolution was duly moved by [ ] seconded by [ ], discussed and adopted with the following members voting:

Timothy Dean, Chairman	VOTING
Mark Doyle, Vice Chairman	VOTING
Kathleen M. Bauer, Secretary/Treasurer	VOTING
Alfred D. Torreggiani	VOTING
Stacey M. Langenthal	VOTING

Donald R. Sagliano

VOTING

Ronald J. Piccone, II

VOTING

Adopted: June 24, 2020

DRAFT



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

I, the undersigned Secretary of the Dutchess County Industrial Development Agency, **DO HEREBY CERTIFY**:

That I have compared the annexed extract of minutes of the meeting of the Dutchess County Industrial Development Agency (the “Agency”), including the resolution contained therein, held on June 24, 2020, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of and original insofar as the same related to the subject matters herein referred to.

That the Company Lease, Lease Agreement and Agency Compliance Agreement contained in this transcript of proceedings are each in substantially the form presented to the Agency and/or approved by said meeting.

**I FURTHER CERTIFY**, that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (the “Open Meetings Law”), said meeting was open to the general public, and that public notice of the time and place of said meeting was only given in accordance with such Article 7, except that because of the Novel Coronavirus (COVID-19) Emergency and State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo’s Executive Order 202.1, as extended, issued on March 12, 2020 suspending certain requirements of the Open Meetings Law, the meeting was held electronically via webinar with teleconference access made available the public, instead of a public meeting open for the public to attend in person.

**IN WITNESS WHEREOF**, I have hereunto set my hand as of the 24<sup>th</sup> day of June, 2020.

\_\_\_\_\_  
Kathleen M. Bauer, Secretary

[SEAL]

## EXHIBIT A

### PILOT SCHEDULE

The amount of payments-in-lieu-of-taxes payable annually by the Company will be allocated among the Town of Poughkeepsie, the Arlington Central School District and Dutchess County, pro-rata, based on their tax rates for the particular year.

The Company shall make payments-in-lieu of taxes in the following amounts:

Formula for Payments-In-Lieu-of-Taxes (“PILOTS”): Town of Poughkeepsie (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), Arlington Central School District, Dutchess County and Special Districts (collectively the “Taxing Jurisdictions”).

**Section 1 - Definitions:** In this PILOT Schedule, the following terms shall have the meanings specified as follows, unless the context otherwise requires:

“PILOT” shall mean the payment-in-lieu-of-taxes required hereunder to be paid by the Company to the Agency. The PILOTS are more particularly described as follows:

“Annual PILOT” shall mean the sum of PILOTS due hereunder in a PILOT year.

“Apportioned Share of the Annual PILOT” shall mean the percentage of each Annual PILOT each Taxing Jurisdiction is entitled to receive, to be determined ratably using the ratio that the Taxing Jurisdiction’s tax rate bears to the total tax rate of all of the Taxing Jurisdictions, using the tax rates from the year prior to the Taxable Status Date. The Special Districts PILOTS shall not be apportioned nor reduced by virtue of any abatement or exemption but shall be billed with the Annual PILOT invoice.

“Town PILOT” shall mean the Town of Poughkeepsie’s Apportioned Share of the Annual PILOT due on February 28 of each year.

“County PILOT” shall mean the Dutchess County’s Apportioned Share of the Annual PILOT due on February 28 of each year.

“School District PILOT” shall mean the Arlington Central School District’s Apportioned Share of the Annual PILOT due on October 1 of each year.

“Special Districts PILOTS” shall mean the PILOTS for any fire district, library district, consolidation light district, sewer district, drainage improvement district, business improvement district, water improvement district, or any other special districts or improvements, in the full amount and not entitled to any reduction, abatement or exemption by virtue of the Agency’s leasehold ownership in the Property.

“PILOT Year” shall mean the first tax year following the Completion Date. For example, if the Completion Date is prior to March 1, 2021, the Initial PILOT Year would include the 2021/2021 School District PILOT, the 2022 County PILOT, the 2022 Town PILOT, the 2022 Special Districts PILOT (collectively the “Initial PILOT Year”) shall become due, and annually thereafter for a total of twenty (20) years in accordance with the Schedule of PILOT Payments.

“Schedule of Exemptions and Calculation of PILOTs” – Phased Development. This Project is being developed in five (5) phases. Separate PILOT Schedules shall be applied to each separate phase. The FULL PILOT Payment for each year for each phase shall be the sum of the Base PILOT, the Incremental PILOT and the Special District Taxes. **Upon the earlier of the end of the 20<sup>th</sup> PILOT Year or December 31, 2046, the FULL PILOT Payment shall be the equivalent of the real property taxes and Special District taxes on the property as though fully assessable and not entitled to any reduction, abatement or exemption by virtue of the Agency’s leasehold ownership in the Property. Until the PILOT Year following the Completion Date for the Phase, Incremental PILOT Payment shall be due.**

**PILOT Payments = Base PILOT Payment + Incremental PILOT Payment for the Year + Special District PILOT Amount**

**Phase I (Buildings A & B):**

**Phase I Base PILOT Schedule**

No.	PILOT Year	Base PILOT Amt.
1	2020	\$10,929
2	2021	\$11,259
3	2022	\$11,599
4	2023	\$11,949
5	2024	\$12,310
6	2025	\$12,682
7	2026	\$13,065
8	2027	\$13,459
9	2028	\$13,866
10	2029	\$14,284
11	2030	\$14,716
12	2031	\$15,160
13	2032	\$15,618
14	2033	\$16,090
15	2034	\$16,576
16	2035	\$17,076
17	2036	\$17,592
18	2037	\$18,123
19	2038	\$18,670
20	2039	\$19,234
21	2040	\$19,815
22	2041	\$20,414
23	2042	\$21,030
24	2043	\$21,665
25	2044	\$22,319
26	2045	\$22,994
27	2046	\$23,688

**Phase I Incremental PILOT Schedule**

PILOT Yr. Number	Incremental PILOT Amt.
1	\$1,345
2	\$1,386
3	\$6,287
4	\$6,570
5	\$8,843
6	\$9,801
7	\$12,300
8	\$12,779
9	\$15,281
10	\$17,383
11	\$20,289
12	\$21,042
13	\$22,825
14	\$24,699
15	\$28,806
16	\$34,531
17	\$41,038
18	\$48,461
19	\$56,412
20	\$65,340

**Phase II (Building E):**

**Phase II Base PILOT Schedule**

No.	PILOT Year	Base Amt.	PILOT
1	2020		\$4,371
2	2021		\$4,503
3	2022		\$4,639
4	2023		\$4,780
5	2024		\$4,924
6	2025		\$5,073
7	2026		\$5,226
8	2027		\$5,384
9	2028		\$5,546
10	2029		\$5,714
11	2030		\$5,886
12	2031		\$6,064
13	2032		\$6,247
14	2033		\$6,436
15	2034		\$6,630
16	2035		\$6,830
17	2036		\$7,037
18	2037		\$7,249
19	2038		\$7,468
20	2039		\$7,694
21	2040		\$7,926
22	2041		\$8,165
23	2042		\$8,412
24	2043		\$8,688
25	2044		\$8,928
26	2045		\$9,197
27	2046		\$9,475

**Phase II Incremental PILOT Schedule**

PILOT Yr. Number	Incremental PILOT Amt.
1	\$284
2	\$293
3	\$1,328
4	\$1,388
5	\$1,868
6	\$2,070
7	\$2,598
8	\$2,699
9	\$3,227
10	\$3,671
11	\$4,285
12	\$4,444
13	\$4,821
14	\$5,216
15	\$6,084
16	\$7,293
17	\$8,667
18	\$10,235
19	\$11,914
20	\$13,800

**Phase III (Building C and Clubhouse):**

**Phase III Base PILOT Schedule**

No.	PILOT Year	Base PILOT Amt.
1	2020	\$15,300
2	2021	\$15,762
3	2022	\$16,238
4	2023	\$16,729
5	2024	\$17,234
6	2025	\$17,754
7	2026	\$18,290
8	2027	\$18,843
9	2028	\$19,412
10	2029	\$19,998
11	2030	\$20,602
12	2031	\$21,224
13	2032	\$21,865
14	2033	\$22,526
15	2034	\$23,206
16	2035	\$23,907
17	2036	\$24,629
18	2037	\$25,372
19	2038	\$26,139
20	2039	\$26,928
21	2040	\$27,741
22	2041	\$28,579
23	2042	\$29,442
24	2043	\$30,331
25	2044	\$31,247
26	2045	\$32,191
27	2046	\$33,163

**Phase III Incremental PILOT Schedule**

PILOT Yr. Number	Incremental PILOT Amt.
1	\$2,113
2	\$2,177
3	\$9,874
4	\$10,319
5	\$13,889
6	\$15,394
7	\$19,319
8	\$20,071
9	\$24,001
10	\$27,302
11	\$31,867
12	\$33,049
13	\$35,851
14	\$38,793
15	\$45,244
16	\$54,235
17	\$64,455
18	\$76,115
19	\$88,603
20	\$102,626

**Phase IV (Building C1):**

**Phase IV Base PILOT Schedule**

No.	PILOT Year	Base PILOT Amt.
1	2020	\$10,929
2	2021	\$11,259
3	2022	\$11,599
4	2023	\$11,949
5	2024	\$12,310
6	2025	\$12,682
7	2026	\$13,065
8	2027	\$13,459
9	2028	\$13,866
10	2029	\$14,284
11	2030	\$14,716
12	2031	\$15,160
13	2032	\$15,618
14	2033	\$16,090
15	2034	\$16,576
16	2035	\$17,076
17	2036	\$17,592
18	2037	\$18,123
19	2038	\$18,670
20	2039	\$19,234
21	2040	\$19,815
22	2041	\$20,414
23	2042	\$21,030
24	2043	\$21,665
25	2044	\$22,319
26	2045	\$22,994
27	2046	\$23,688

**Phase IV Incremental PILOT Schedule**

PILOT Yr. Number	Incremental PILOT Amt.
1	\$2,338
2	\$2,408
3	\$10,924
4	\$11,416
5	\$15,366
6	\$17,031
7	\$21,373
8	\$22,206
9	\$26,554
10	\$30,206
11	\$35,257
12	\$36,564
13	\$39,664
14	\$42,919
15	\$50,056
16	\$60,004
17	\$71,311
18	\$84,210
19	\$98,026
20	\$113,540

**Phase V (Building C1):**

**Phase V Base PILOT Schedule**

<b>No.</b>	<b>PILOT Year</b>	<b>Base Amt.</b>	<b>PILOT</b>
1	2020		\$21,857
2	2021		\$22,517
3	2022		\$23,197
4	2023		\$23,898
5	2024		\$24,620
6	2025		\$25,363
7	2026		\$26,129
8	2027		\$26,918
9	2028		\$27,731
10	2029		\$28,569
11	2030		\$29,431
12	2031		\$30,320
13	2032		\$31,236
14	2033		\$32,179
15	2034		\$33,151
16	2035		\$34,152
17	2036		\$35,184
18	2037		\$36,246
19	2038		\$37,341
20	2039		\$38,469
21	2040		\$39,630
22	2041		\$40,827
23	2042		\$42,060
24	2043		\$43,330
25	2044		\$44,639
26	2045		\$45,987
27	2046		\$47,376

**Phase V Incremental PILOT Schedule**

<b>PILOT Yr. Number</b>	<b>Incremental PILOT Amt.</b>
1	\$4,668
2	\$4,809
3	\$21,812
4	\$22,794
5	\$30,681
6	\$34,005
7	\$42,675
8	\$44,337
9	\$53,019
10	\$60,311
11	\$70,396
12	\$73,006
13	\$79,195
14	\$85,695
15	\$99,945
16	\$119,808
17	\$142,384
18	\$168,141
19	\$195,726
20	\$226,703



“Taxable Status Date” shall mean March 1 of each year. For School District PILOTs, Taxable Status Date shall mean March 1 of the year the PILOTs are due. For County, City and Special District PILOTs, Taxable Status Date shall mean March 1 of the year prior to the PILOTs being due.

**Section 2 - Billing, Apportionment and Distribution of PILOTs**

After Taxable Status Date each year the Agency shall determine the Annual PILOT, the Apportioned Share of the Annual PILOT and the School District Annual PILOT. The Agency shall send an invoice to the Company for the Annual PILOT. Once received by the Agency, the PILOTs shall be distributed to the appropriate Taxing Jurisdiction timely in accordance with law.

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## EXHIBIT B

### EXCERPT FROM LEASE AGREEMENT

#### Section 5.4 Recapture of Agency Benefits.

(a) It is understood and agreed by the parties hereto that the Agency is entering into this Lease Agreement in order to provide financial assistance to the Company for the Facility and to accomplish the public purposes of the Act. In consideration therefor, the Company hereby agrees as follows:

- (i) If there shall occur a Recapture Event prior to the Completion Date or within the first (1<sup>st</sup>) or second (2<sup>nd</sup>) year after the Completion Date, the Company shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, one hundred percent (100%) of the Recaptured Benefits (as defined below);
- (ii) If there shall occur a Recapture Event during the third (3<sup>rd</sup>) year after the Completion Date, the Company shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, ninety percent (90%) of the Recaptured Benefits;
- (iii) If there shall occur a Recapture Event during the fourth (4<sup>th</sup>) year after the Completion Date, the Company shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, eighty percent (80%) of the Recaptured Benefits;
- (iv) If there shall occur a Recapture Event during the fifth (5<sup>th</sup>) year after the Completion Date, the Company shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, seventy percent (70%) of the Recaptured Benefits; and
- (v) If there shall occur a Recapture Event during the sixth (6<sup>th</sup>) year after the Completion Date, the Company shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, sixty percent (60%) of the Recaptured Benefits; and
- (vi) If there shall occur a Recapture Event during the seventh (7<sup>th</sup>) year after the Completion Date, the Company shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, fifty percent (50%) of the Recaptured Benefits;

- (viii) If there shall occur a Recapture Event during the eighth (8<sup>th</sup>) year after the Completion Date, the Company shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, forty percent (40%) of the Recaptured Benefits; and
- (ix) If there shall occur a Recapture Event during the ninth (9<sup>th</sup>) year after the Completion Date, the Company shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, thirty percent (30%) of the Recaptured Benefits; and
- (x) If there shall occur a Recapture Event during the tenth (10<sup>th</sup>) year after the Completion Date, the Company shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, twenty percent (20%) of the Recaptured Benefits; and
- (xi) If there shall occur a Recapture Event during the eleventh (11<sup>th</sup>) year after the Completion Date, the Company shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, ten percent (10%) of the Recaptured Benefits; and
- (xii) If there shall occur a Recapture Event during the twelfth (12<sup>th</sup>) year after the Completion Date, the Company shall not be obligated to pay to the Agency, or to the State of New York, any of the Recaptured Benefits; and
- (b) The term “**Recaptured Benefits**” shall mean all direct monetary benefits, tax exemptions and abatements and other financial assistance, if any, derived solely from the Agency’s participation in the transaction contemplated by the Lease Agreement including, but not limited to, the amount equal to 100% of:
  - (i) the Mortgage Recording Tax Exemption; and
  - (ii) Sales Tax Exemption savings realized by or for the benefit of the Company, including any savings realized by any Agent pursuant to the Lease Agreement and each Sales Tax Agent Authorization Letter issued in connection with the Facility (the “**Company Sales Tax Savings**”); and
  - (iii) real property tax abatements granted pursuant to Section 5.1 hereof (the “**Real Property Tax Abatements**”);

which Recaptured Benefits from time to time shall upon the occurrence of a Recapture Event in accordance with the provisions of subsection (c) below and the declaration of a Recapture Event by notice from the Agency to the Company be payable directly to the Agency or the State of New York if so directed by the Agency within thirty (30) days after such notice.

(c) The term “**Recapture Event**” shall mean any of the following events:

(1) The occurrence and continuation of an Event of Default under this Lease Agreement (other than as described in clause (4) below or in subsections (d) or (e) below) which remains uncured beyond any applicable notice and/or grace period, if any, provided hereunder; or

(2) The Facility shall cease to be a “project” within the meaning of the Act, as in effect on the Closing Date, through the act or omission of the Company; or

(3) The sale of the Facility or closure of the Facility and/or departure of the Company from Dutchess County, except as due to casualty, condemnation or force majeure as provided in subsection (e) below or as provided in Section 9.3 hereof; or

(4) Failure of the Company to create or cause to be maintained at least ninety percent (90%) of the number of FTE jobs at the Facility as provided in Section 8.11 of the Lease Agreement, which failure is not reflective of the business conditions of the Company or the subtenants of the Company, including without limitation loss of major sales, revenues, distribution or other adverse business developments and/or local, national or international economic conditions, trade issues or industry wide conditions; or

(5) Any significant deviations from the Project Application Information which would constitute a significant diminution of the Company’s activities in, or commitment to, Dutchess County, New York; or

(6) The Company receives Sales Tax Savings in connection with the Project Work in excess of the Maximum Company Sales Tax Savings Amount; provided, however, that the foregoing shall constitute a Recapture Event with respect to such excess Sales Tax Savings only. It is further provided that failure to repay the Sales Tax Savings within thirty (30) days shall constitute a Recapture Event with respect to all Recapture Benefits.

(d) Provided, however, if a Recapture Event has occurred due solely to the failure of the Company to create or cause to be maintained the number of FTEs at the Facility as provided in Section 8.11 hereof in any Tax Year but the Company has created or caused to be maintained at least 90% of such required number of FTEs for such Tax Year, then in lieu of recovering the Recaptured Benefits provided above, the Agency may, in its sole discretion, adjust the PILOT Payments due hereunder on a pro rata basis so that the amounts payable will be adjusted upward retroactively for such Tax Year by the same percentage as the percentage of FTEs that are below the required FTE level for such Tax Year. Such adjustments to the PILOT Payments may be made each Tax Year until such time as the Company has complied with the required number of FTEs pursuant to Section 8.11 hereof.

(e) Furthermore, notwithstanding the foregoing, a Recapture Event shall not be deemed to have occurred if the Recapture Event shall have arisen as a result of (i) a “force majeure” event (as more particularly defined in Section 10.1(b) hereof), (ii) a taking or condemnation by governmental authority of all or part of the Facility, or (iii) the inability or failure of the Company after the Facility shall have been destroyed or damaged in whole or in part (such occurrence a “**Loss Event**”) to rebuild, repair, restore or replace the Facility to substantially its condition prior to such Loss Event, which inability or failure shall have arisen in good faith on the part of the

Company or any of its affiliates so long as the Company or any of its affiliates have diligently and in good faith using commercially reasonable efforts pursued the rebuilding, repair, restoration or replacement of the Facility or part thereof.

(f) The Company covenants and agrees to furnish the Agency with written notification (i) within sixty (60) days of the end of each Tax Year the number of FTEs located at the Facility for such Tax Year, and (ii) within thirty (30) days of actual notice of any facts or circumstances which would likely lead to a Recapture Event or constitute a Recapture Event hereunder. The Agency shall notify the Company of the occurrence of a Recapture Event hereunder, which notification shall set forth the terms of such Recapture Event.

(g) In the event any payment owing by the Company under this Section shall not be paid on demand by the Agency, such payment shall bear interest from the date of such demand at a rate equal to one percent (1%) plus the Prime Rate, but in no event at a rate higher than the maximum lawful prevailing rate, until the Company shall have made such payment in full, together with such accrued interest to the date of payment, to the Agency (except as otherwise specified above).

(h) The Agency shall be entitled to deduct all reasonable out of pocket expenses of the Agency, including without limitation, reasonable legal fees, incurred with the recovery of all amounts due under this Section 5.4, from amounts received by the Agency pursuant to this Section 5.4.

(i) The Company acknowledges that Section 5.4 is intended to reflect the Agency's "Policy on Maintaining Performance Based Incentives (MPBI)" a copy of which is attached hereto as Exhibit G and made a part hereof. In the event of a conflict between the provisions of Section 5.4 and the provisions set forth on Exhibit G, the provisions set forth on Exhibit G shall control.