

CLOSING ITEM NO.: A-9

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YATES COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AND

GREENIDGE PIPELINE LLC

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UNIFORM AGENCY PROJECT AGREEMENT

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DATED AS OF OCTOBER 1, 2016

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RELATING TO FINANCIAL ASSISTANCE GRANTED BY THE  
AGENCY WITH RESPECT TO A CERTAIN PROJECT LOCATED IN  
THE TOWNS OF TORREY AND MILO, YATES COUNTY, NEW  
YORK.

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## UNIFORM AGENCY PROJECT AGREEMENT

THIS UNIFORM AGENCY PROJECT AGREEMENT dated as of October 1, 2016 (the "Uniform Agency Project Agreement") by and between YATES 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 One Keuka Business Park, Suite 104, Penn Yan, New York 14527 (the "Agency") and GREENIDGE PIPELINE LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware having an office for the transaction of business located at 590 Plant Road, Dresden, New York 14441 (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, as amended; 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 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 113 of the Laws of 1975 of the State, as amended, codified as Section 893-b of the General Municipal Law of the State (said Chapter and the Enabling Act being hereinafter collectively referred to as 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, Greenidge Pipeline LLC (the "Company"), a limited liability company duly organized and validly existing under the laws of the State of Delaware, presented an application (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 certain rights of way located in the Towns of Torrey and Milo, Yates County, New York (collectively, the "Land"), (2) the construction of an approximately 4.6 mile natural gas pipeline (the "Facility"), and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment") (the Land, the Facility and Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned and operated by the Company as a natural gas transmission line and other directly and indirectly related activities; (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 (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, pursuant to the authorization contained in a resolution adopted by the members of the Agency on November 18, 2015 (the “Public Hearing Resolution”), the Executive Director of the Agency (A) caused notice of a public hearing of the Agency (the “First 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 July 5, 2016 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the First Public Hearing to be posted on July 5, 2016 on the Agency’s website and also on public bulletin boards located at (1) Yates County Courthouse, located at 415 Liberty Street in the Village of Dresden, Yates County, New York, (2) 137 Main Street in the Village of Penn Yan, Town of Milo, Yates County, New York and (3) 3 Firehouse Avenue in the Village of Dresden, Yates County, New York, (C) caused notice of the First Public Hearing to be published on July 6, 2016 in The Chronicle Express, a newspaper of general circulation available to the residents of the Towns of Milo and Torrey, Yates County, New York, (D) conducted the First Public Hearing on July 18, 2016 at 7:00 o’clock p.m., local time at the Dresden Firehouse located at 1 Firehouse Avenue in the Village of Dresden, Yates County, New York, and (E) prepared a report of the First Public Hearing (the “First Public Hearing Report”) fairly summarizing the views presented at such First Public Hearing and caused copies of said First Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, further pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer 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 July 5, 2016 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Second Public Hearing to be posted on July 5, 2016 on the Agency’s website and also on public bulletin boards located at (1) Yates County Courthouse, located at 415 Liberty Street in the Village of Dresden, Yates County, New York, (2) 137 Main Street in the Village of Penn Yan, Town of Milo, Yates County, New York and (3) 3 Firehouse Avenue in the Village of Dresden, Yates County, New York, (C) caused notice of the Second Public Hearing to be published on July 6, 2016 in The Chronicle Express, a newspaper of general circulation available to the residents of the Towns of Milo and Torrey, Yates County, New York, (D) conducted the Second Public Hearing on July 19, 2016 at 7:00 o’clock p.m., local time at the Yates County Auditorium, 417 Liberty Street, Village of Penn Yan, Town of Milo, Yates County, New York, and (E) prepared a report of the Second Public Hearing (the “Second Public Hearing Report”) fairly summarizing the views presented at such Second Public Hearing and caused copies of said Second Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, by further resolution adopted by the members of the Agency on July 20, 2016 (the “Agency Resolution”), the Agency appointed the Company to act as its agent for the purpose of commencing the acquisition, construction and installation of the Project Facility; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on August 17, 2016 (the “SEQR Resolution”), the Agency determined that the Project constitutes a “Type II

Action” (as such quoted term is defined under SEQRA), and therefore that no further action with respect to the Project was required under SEQRA; and

WHEREAS, by resolution adopted by the members of the Agency on August 17, 2016 (the “Pilot Deviation Approval Resolution”), the members of the Agency approved the Pilot Request (as defined in said resolution) and determined to enter into the Payment in Lieu of Tax Agreement (as defined hereinafter); and

WHEREAS, by further resolution adopted by the members of the Agency on August 17, 2016 (the “Approving Resolution”), the Agency determined to grant the Financial Assistance and to enter into a lease agreement dated as of October 1, 2016 (the “Lease Agreement”) between the Agency and the Company and certain other documents related thereto and to the Project (collectively with the Lease Agreement, the “Basic Documents”). Pursuant to the terms of the Lease Agreement, (A) the Company will agree (1) to cause the Project to be undertaken and completed, and (2) as agent of the Agency, to undertake and complete the Project and (B) the Agency has leased the Project Facility to the Company. The Lease Agreement grants to the Company certain options to acquire the Project Facility from the Agency; and

WHEREAS, simultaneously with the execution and delivery of the Lease Agreement (the “Closing”), (A) the Company will execute and deliver to the Agency (1) a certain lease to agency dated as of October 1, 2016 (the “Lease to Agency”) by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company will lease to the Agency a portion of the Land and all improvements now or hereafter located on said portion of the Land (collectively, the “Leased Premises”), (2) a certain license agreement dated as of October 1, 2016 (the “License to Agency”) by and between the Company, as licensor, and the Agency, as licensee, pursuant to which the Company will grant to the Agency (a) a license to enter upon the balance of the Land (the “Licensed Premises”) for the purpose of undertaking and completing the Project and (b) in the event of an occurrence of an Event of Default by the Company, an additional license to enter upon the Licensed Premises for the purpose of pursuing its remedies under the Lease Agreement and (3) a certain bill of sale dated as of October 1, 2016 (the “Bill of Sale to Agency”), which conveys to the Agency all right, title and interest of the Company in the Equipment; (B) the Company and the Agency will execute and deliver (1) a certain payment in lieu of tax agreement dated as of October 1, 2016 (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, (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 and (3) a certain uniform agency project agreement dated as of October 1, 2016 (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; (C) 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; (D) 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 (E) 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”); 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.

“Application” means the application submitted by the Company to the Agency in November, 2015 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.

“Completion Date” means the earlier to occur of (A) September 1, 2018 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, or (C) such earlier date as shall be designated by written communication from the Company to the Agency as the date of completion of the Project.

“Contract Employee” means (A) a full-time, private-sector employee (or self-employed individual) that is not on the Company’s payroll but who has worked for the Company at the Project Facility for a minimum of 35 hours per week for not less than 4 consecutive weeks providing services that are similar to services that would otherwise be performed by a Full Time Equivalent Employee, or (B) 2 part-time, private-sector employees (or self-employed individuals) that are not on the Company’s payroll but who have worked for the Company at the Project Facility for a combined minimum of 35 hours per week for not less than 4 consecutive weeks providing services that are similar to services that would otherwise be performed by a Full Time Equivalent Employee.

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

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

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

“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.

“Full Time Equivalent Employee” means (A) a full-time, permanent, private-sector employee on the Company’s payroll, who has worked at the Project Facility for a minimum of 35 hours per week for not less than 4 consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by the Company to other employees with comparable rank and duties; or (B) two part-time, permanent, private-sector employees on Company’s payroll, who have worked at the Project Facility for a combined minimum of 35 hours per week for not less than 4 consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by the Company to other employees with comparable rank and duties; or (C) a Contract Employee.



“Land” means certain rights of way located in the Towns of Torrey and Milo, Yates County, New York.

“Lease Agreement” means the lease agreement dated as of October 1, 2016 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, 2016 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.

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

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

“Recapture Events” shall mean the following:

- (1) failure to complete the acquisition, construction, and installation of the Project Facility;
- (2) failure by the Company to meet the Local Purchases Level requirements contained in Section 3.02(D)(1) hereof;
- (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;
- (5) transfer of jobs equal to at least fifteen percent (15%) of the Company’s Employment Level out of Yates County, New York;
- (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 natural gas transmission line and other directly and indirectly related activities and other directly and indirectly related uses; or
- (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.

“Recapture Period” means an approximately fifteen (15) year period ending on December 31, 2031.

SECTION 1.2. 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 Delaware, 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 members 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 certificate of formation, operating agreement and the laws of the State of Delaware 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 members, 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 certificate of formation , 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 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:       | \$320,000 |
| (2) a mortgage recording tax exemption: | \$0       |
| (3) a real property tax exemption:      | \$620,557 |

(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 certain rights of way located in the Towns of Torrey and Milo, Yates County, New York (collectively, the "Land"), (2) the construction of an approximately 4.6 mile natural gas pipeline (the "Facility"), and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment") (the Land, the Facility and Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned and operated by the Company as a natural gas transmission line and other directly and indirectly related activities.

(2) That the Project will furnish the following benefits to the residents of Yates 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 payments in lieu of taxes are to be made and includes a table describing the amount of payments in lieu of taxes 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.

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

(A) Filing – Closing Date. [Omitted][A1].

(B) Filing – Annual. To file with the Agency, on an annual basis, within sixty (60) days after the end of each calendar year, a report regarding the number of people employed at the Project Facility, if any, and certain other matters as required under Applicable Law, an annual status report (the "Annual Status Report," in substantially the form attached hereto as Schedule E).

(C) Employment Listing. To list new employment opportunities created as a result of the Project, if any, with the following entities (hereinafter, the “JTPA Entities”): (1) the New York State Department of Labor Community Services Division and (2) 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)).

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

(E) Local Purchases Level. (1) The Company hereby certifies the following with respect to employment information relating to the acquisition, construction, and installation of the Project Facility:

(a) To maintain, as described in the Application, the following employment level (the “Employment Level”) during the term of the Uniform Agency Project Agreement:

Year	Total Employees
2016	-0-
2017	-0-
2018	-0-
2019 and thereafter	0 Full Time Equivalent Employees

(b) To make purchases, or to cause to make purchases, with respect to the acquisition, construction and installation of the Project Facility from local vendors and materialmen located in Yates County (and the other counties immediately adjacent to Yates County) in an amount of at least \$100,000 [A2](the “Local Purchases Level”).

(2) To verify that the Local Purchases Level is achieved, the Company is required to submit, by February 1 of each year during the term of this Project Benefits Agreement, copies of invoices and a summary describing such invoices and the source of such purchases.

(F) Non-Discrimination. (1) 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.

(2) 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.

## 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 thirty (30) 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 thirty (30) day period, the failure of the Company to commence to cure within such thirty (30) 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 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 payable pursuant to Section 5.3 of the Lease Agreement, and (b) all other payments due 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 Lease to Agency and the Bill of Sale to Company. The Company hereby agrees to pay all expenses and taxes, if any, applicable to or arising from any such transfer of title); 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 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 (the “Project Financial Assistance”), 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.

(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 of a Recapture Event during a 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 Yates 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 payment in lieu of tax 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 Taxing Entities if the Project Facility was privately owned by the Company and not deemed owned or under the jurisdiction and control of the Agency.

(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>
2016	100% of the Project Financial Assistance
2017	100% of the Project Financial Assistance
2018	100% of the Project Financial Assistance
2019	93% of the Project Financial Assistance
2020	86% of the Project Financial Assistance
2021	79% of the Project Financial Assistance
2022	72% of the Project Financial Assistance
2023	65% of the Project Financial Assistance
2024	58% of the Project Financial Assistance
2025	51% of the Project Financial Assistance
2026	44% of the Project Financial Assistance
2027	37% of the Project Financial Assistance
2028	30% of the Project Financial Assistance
2029	23% of the Project Financial Assistance
2030	16% of the Project Financial Assistance
2031	9% of the Project Financial Assistance

(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 Taxing Entity 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 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 "Policy Respecting Recapture of Project Benefits" 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, 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 Finance 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 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 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 ATTORNEY'S 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.

## 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 December 31, 2031.

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, property 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:

Greenidge Pipeline LLC  
590 Plant Road  
PO Box 187  
Dresden, New York 14441  
Attention: Dale Irwin, President/CEO

WITH A COPY TO:

Barclay Damon, LLP  
300 S. State Street  
Syracuse, New York 13202  
Attention: Kevin R. McAuliffe, Esq.

IF TO THE AGENCY:

Yates County Industrial Development Agency  
One Keuka Business Park, Suite 104  
Penn Yan, New York 14527  
Attention: Chairman

WITH A COPY TO:

Hodgson Russ LLP  
677 Broadway, Suite 301  
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 subsequent notices, certificates and other communications shall be sent.

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.

YATES COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

BY:   
Authorized Officer

GREENIDGE PIPELINE LLC

BY: \_\_\_\_\_  
Authorized 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.

GREENIDGE PIPELINE LLC

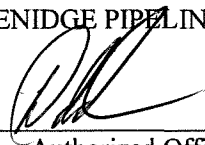
BY: \_\_\_\_\_  
Authorized Officer

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.

YATES COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

BY: \_\_\_\_\_  
Authorized Officer

GREENIDGE PIPELINE LLC

BY:  \_\_\_\_\_  
Authorized 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.

GREENIDGE PIPELINE LLC

BY:  \_\_\_\_\_  
Authorized Officer

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

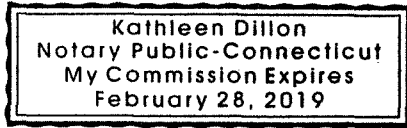
On the 17<sup>th</sup> day of October, in the year 2016, before me, the undersigned, personally appeared Gene Pierce, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed 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.

Doreen J. Jensen  
Notary Public, State of New York  
Qualified in Yates County  
No. 01JE6199490  
My Commission Expires 01/12/2017

Doreen J. Jensen  
Notary Public

Connecticut  
STATE OF ~~NEW YORK~~ )  
Hartford ) ss.:  
COUNTY OF ~~YATES~~ )

On the 19 day of October, in the year 2016, before me, the undersigned, a notary public in and for said state, personally appeared Dale Brown, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.



Kathleen Dillon  
Notary Public



SCHEDULE A  
OMITTED

**SCHEDULE B**

**POLICY RESPECTING RECAPTURE OF PROJECT BENEFITS**

YATES COUNTY INDUSTRIAL DEVELOPMENT AGENCY

POLICY RESPECTING RECAPTURE OF PROJECT BENEFITS

SECTION 1. PURPOSE AND JUSTIFICATION. (A) The purpose of this Policy is to outline the procedures utilized by Yates 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 893-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 Yates 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.

(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 a lease 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-7

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YATES COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AND

GREENIDGE PIPELINE LLC

---

PAYMENT IN LIEU OF TAX AGREEMENT

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DATED AS OF OCTOBER 1, 2016

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RELATING TO THE PREMISES LOCATED IN THE TOWNS OF  
TORREY AND MILO, YATES 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, 2016 (the "Payment in Lieu of Tax Agreement") by and between YATES 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 One Keuka Business Park, Suite 104, Penn Yan, New York (the "Agency"), and GREENIDGE PIPELINE LLC, a limited liability company organized and existing under the laws of the State of Delaware having an office for the transaction of business located at 590 Plant Road, Dresden, 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 113 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, Greenidge Pipeline LLC (the "Company"), a limited liability company duly organized and validly existing under the laws of the State of Delaware, presented an application (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 certain rights of way located in the Towns of Torrey and Milo, Yates County, New York (collectively, the "Land"), (2) the construction of an approximately 4.6 mile natural gas pipeline (the "Facility"), and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment") (the Land, the Facility and Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned and operated by the Company as a natural gas transmission line and other directly and indirectly related activities; (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 (with an obligation

to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, pursuant to the authorization contained in a resolution adopted by the members of the Agency on November 18, 2015 (the "Public Hearing Resolution"), the Executive Director of the Agency (A) caused notice of a public hearing of the Agency (the "First 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 July 5, 2016 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the First Public Hearing to be posted on July 5, 2016 on the Agency's website and also on public bulletin boards located at (1) Yates County Courthouse, located at 415 Liberty Street in the Village of Dresden, Yates County, New York, (2) 137 Main Street in the Village of Penn Yan, Town of Milo, Yates County, New York and (3) 3 Firehouse Avenue in the Village of Dresden, Yates County, New York, (C) caused notice of the First Public Hearing to be published on July 6, 2016 in The Chronicle Express, a newspaper of general circulation available to the residents of the Towns of Milo and Torrey, Yates County, New York, (D) conducted the First Public Hearing on July 18, 2016 at 7:00 o'clock p.m., local time at the Dresden Firehouse located at 1 Firehouse Avenue in the Village of Dresden, Yates County, New York, and (E) prepared a report of the First Public Hearing (the "First Public Hearing Report") fairly summarizing the views presented at such First Public Hearing and caused copies of said First Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, further pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer 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 July 5, 2016 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Second Public Hearing to be posted on July 5, 2016 on the Agency's website and also on public bulletin boards located at (1) Yates County Courthouse, located at 415 Liberty Street in the Village of Dresden, Yates County, New York, (2) 137 Main Street in the Village of Penn Yan, Town of Milo, Yates County, New York and (3) 3 Firehouse Avenue in the Village of Dresden, Yates County, New York, (C) caused notice of the Second Public Hearing to be published on July 6, 2016 in The Chronicle Express, a newspaper of general circulation available to the residents of the Towns of Milo and Torrey, Yates County, New York, (D) conducted the Second Public Hearing on July 19, 2016 at 7:00 o'clock p.m., local time at the Yates County Auditorium, 417 Liberty Street, Village of Penn Yan, Town of Milo, Yates County, New York, and (E) prepared a report of the Second Public Hearing (the "Second Public Hearing Report") fairly summarizing the views presented at such Second Public Hearing and caused copies of said Second Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, by further resolution adopted by the members of the Agency on July 20, 2016 (the "Agency Resolution"), the Agency appointed the Company to act as its agent for the purpose of commencing the acquisition, construction and installation of the Project Facility; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Agency on August 17, 2016 (the "SEQR Resolution"), the Agency determined that the Project constitutes a "Type II Action" (as such quoted term is defined under SEQRA), and therefore that no further action with respect to the Project was required under SEQRA; and

WHEREAS, by resolution adopted by the members of the Agency on August 17, 2016 (the "Pilot Deviation Approval Resolution"), the members of the Agency approved the Pilot Request (as defined in said resolution) and determined to enter into the Payment in Lieu of Tax Agreement (as defined hereinafter); and

WHEREAS, by further resolution adopted by the members of the Agency on August 17, 2016 (the "Approving Resolution"), the Agency determined to grant the Financial Assistance and to enter into a lease agreement dated as of October 1, 2016 (the "Lease Agreement") between the Agency and the Company and certain other documents related thereto and to the Project (collectively with the Lease Agreement, the "Basic Documents"). Pursuant to the terms of the Lease Agreement, (A) the Company will agree (1) to cause the Project to be undertaken and completed, and (2) as agent of the Agency, to undertake and complete the Project and (B) the Agency has leased the Project Facility to the Company. The Lease Agreement grants to the Company certain options to acquire the Project Facility from the Agency; and

WHEREAS, simultaneously with the execution and delivery of the Lease Agreement (the "Closing"), (A) the Company will execute and deliver to the Agency (1) a certain lease to agency dated as of October 1, 2016 (the "Lease to Agency") by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company will lease to the Agency a portion of the Land and all improvements now or hereafter located on said portion of the Land (collectively, the "Leased Premises"), (2) a certain license agreement dated as of October 1, 2016 (the "License to Agency") by and between the Company, as licensor, and the Agency, as licensee, pursuant to which the Company will grant to the Agency (a) a license to enter upon the balance of the Land (the "Licensed Premises") for the purpose of undertaking and completing the Project and (b) in the event of an occurrence of an Event of Default by the Company, an additional license to enter upon the Licensed Premises for the purpose of pursuing its remedies under the Lease Agreement and (3) a certain bill of sale dated as of October 1, 2016 (the "Bill of Sale to Agency"), which conveys to the Agency all right, title and interest of the Company in the Equipment; (B) the Company and the Agency will execute and deliver (1) a certain payment in lieu of tax agreement dated as of October 1, 2016 (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, (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 and (3) a certain uniform agency project agreement dated as of October 1, 2016 (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; (C) 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; (D) 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 (E) 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"); 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"), 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 of this Payment in Lieu of Tax Agreement 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 Delaware, 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 members 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 certificate of formation, operating agreement and the laws of the State of Delaware 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 members, 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 certificate of formation 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 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 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, and for so long thereafter as the Agency shall lease the Project Facility, the Project Facility shall be assessed by the various taxing entities having jurisdiction over the Project Facility, including, without limitation, any county, city, school district, town, village or other political unit or units wherein the Project Facility is located (such taxing entities being sometimes collectively hereinafter referred to as the "Taxing Entities", and each of such Taxing Entities being sometimes individually hereinafter referred to as a "Taxing Entity") as exempt upon the assessment rolls of the respective Taxing Entities prepared subsequent to the acquisition by the Agency of the leasehold interest to the Project Facility created by 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 to the Project Facility created by the Underlying Lease, take such action as may be necessary to ensure that the Project Facility shall be assessed as exempt upon the assessment rolls of the respective Taxing Entities prepared subsequent to such acquisition by the Agency, including ensuring that a Real Property Tax Exemption Form shall be filed with the appropriate officer or officers of each respective Taxing Entity responsible for assessing properties on behalf of each such Taxing Entity (each such officer being hereinafter referred to as an "Assessor"). For so long thereafter as the Agency shall own such leasehold interest in the Project Facility, the Agency and Company shall take such further action as may be necessary to maintain such exempt assessment with respect to each Taxing Entity. The parties hereto understand that the Project Facility shall not be entitled to such tax-exempt status on the tax rolls of any Taxing Entity until the first tax year of such Taxing Entity following the tax status date of such Taxing Entity occurring subsequent to the date upon which the Agency becomes the owner of record of 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, including taxes and assessments levied for the current tax year and all subsequent tax years until the Project Facility shall be entitled to exempt status on the tax rolls of the respective Taxing Entities. The Agency will cooperate with the Company to obtain and preserve the tax-exempt status of the Project Facility.

(B) Special Assessments. 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 in the amounts hereinafter provided to the respective Taxing Entities entitled to receive same pursuant to the provisions hereof. The payments due hereunder shall be paid by the Company to the respective appropriate officer or officers of the respective Taxing Entities charged with receiving payments of taxes for such Taxing Entities (such officers being collectively hereinafter referred to as the "Receivers of Taxes") for distribution by the Receivers of Taxes to the appropriate Taxing Entities entitled to receive same pursuant to the provisions hereof.

(B) Amount of Payments in Lieu of Taxes. (1) In each tax year during the term of this Payment in Lieu of Tax Agreement through December 31, 2031, the amount payable by the Company to the Agency on behalf of all of the Taxing Entities as an aggregate payment in lieu of property tax pursuant to this Payment in Lieu of Tax Agreement with respect to the Project Facility shall be fixed and shall be in the amounts shown in the table below as the “Total Gross PILOT Payment”. The distributions to the applicable Taxing Entities shown in the table below, based on 2015 tax rates, are for illustration purposes only and the actual distributions shall fluctuate based on the then-existing tax rates applicable to the Taxing Entities in each year of the term of the Payment in Lieu of Tax Agreement and by utilizing the distribution description set forth in the attached Exhibit B.

<b>Payment Date</b>	<b>Total Gross PILOT Payment</b>	<b>Yates County (distribution shown for illustration purposes only)</b>	<b>Penn Yan Central School (distribution shown for illustration purposes only)</b>	<b>Town of Milo (distribution shown for illustration purposes only)</b>	<b>Town of Torrey (distribution shown for illustration purposes only)</b>
2017	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-
2018	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-
2019	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-
2020	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-
2021	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-
2022	\$ 2,409	\$822	\$1,241	\$213	\$133
2023	\$ 4,878	\$1,665	\$2,512	\$432	\$269
2024	\$ 12,774	\$4,361	\$6,579	\$1,131	\$703
2025	\$ 28,266	\$9,649	\$14,558	\$2,503	\$1,556
2026	\$ 47,632	\$16,260	\$24,533	\$4,217	\$2,622
2027	\$ 67,019	\$22,878	\$34,518	\$5,934	\$3,689
2028	\$ 86,426	\$29,503	\$44,514	\$7,652	\$4,757
2029	\$105,855	\$36,136	\$54,520	\$9,372	\$5,827
2030	\$125,306	\$42,775	\$64,539	\$11,094	\$6,898
2031	\$144,779	\$49,423	\$74,568	\$12,818	\$7,969

(2) In each tax year following termination of this Payment in Lieu of Tax Agreement, commencing on January 1, 2032, if the Underlying Lease and the Lease Agreement are still in effect, then the amount payable by the Company to all Taxing Entities as a payment in lieu of tax pursuant to this Payment in Lieu of Tax Agreement with respect to the Project Facility shall be an amount equal to 100% of the amounts as would result from real estate taxes being levied on the Project Facility by the Taxing Entities if the Project Facility were privately owned by the Company and not deemed owned by or under the jurisdiction, control or supervision of the Agency. The Company shall pay or cause to be paid to the Taxing Entities when due all such payments in lieu of real estate taxes with respect to the Project Facility required by this Section 2.02(B)(2).

(C) 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 (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 Receivers of Taxes with respect to such Additional Facilities, such Additional Payments to be computed separately for each Taxing Entity 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 Taxing Entity 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 (D) of this Section 2.02 by (b) the tax rate or rates of such Taxing Entity 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 Taxing Entity if such Additional Facilities were owned by the Company and not the Agency.

(2) In each fiscal tax year during the term of this Payment in Lieu of Tax Agreement (commencing in the fiscal tax year when such Additional Facilities would first appear on the assessment roll of any Taxing Entity) if such Additional Facilities were owned by the Company and not the Agency, the amount payable by the Company to the Receivers of Taxes on behalf of each Taxing Entity 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 Normal Tax due each Taxing Entity 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).

(D) Valuation of Additional Facilities. (1) The value of Additional Facilities for purposes of determining payments in lieu of taxes due under Section 2.02(C) hereof shall be determined by the Assessors of each respective Taxing Entity. 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, and if the Company shall have given written notice of such dissatisfaction to the appropriate Assessor and the Agency within thirty (30) days of receipt by the Company of written notice of the initial establishment of such Additional Assessed Value, or of a change in such Additional Assessed Value, then the Company shall be entitled to protest before, and to be heard by, the appropriate Assessor and the Agency. If the Agency, the Company and any Assessor shall fail to reach agreement as to the proper Additional Assessed Value of the Additional Facilities for purposes of determining payments in lieu of taxes due under this Payment in Lieu of Tax Agreement, then such Assessor, the Company and the Agency shall each select one 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 Additional Assessed Value of the Additional Facilities has been properly established by the Assessor. It is

understood that the arbitrators are empowered to confirm the Additional Assessed Value or to determine a higher or lower Additional Assessed Value. Any payments in lieu of taxes due upon such Additional Facilities pursuant to Section 2.02(C) hereof may not be withheld by the Company pending determination of the Additional Assessed Value by the arbitrators.

(E) Statements. Pursuant to Section 858(15) of the Act, the Agency agrees to give each Taxing Entity a copy of this Payment in Lieu of Tax Agreement within fifteen (15) days of the execution and delivery hereof, together with a request that a copy hereof be given to the appropriate officer or officers of the respective Taxing Entities responsible for preparing the tax rolls for said Tax Entities (each, a "Tax Billing Officer") and a request that said Tax Billing Officers submit to the Company and to the appropriate Receiver of Taxes periodic statements specifying the amount and due date or dates of the payments due each Taxing Entity hereunder, such periodic statements to be submitted to the Company at approximately the times that tax bills are mailed by such Taxing Entities.

(F) Time of Payments. The Company agrees to pay the amounts due hereunder to the Receivers of Taxes for the benefit of each particular Taxing Entity in any fiscal tax year to the appropriate Receiver of Taxes within the period that such Taxing Entity allows payment of taxes levied in such fiscal tax year without penalty. The Company shall be entitled to receive receipts for such payments.

(G) Method of Payment. All payments by the Company hereunder shall be paid to the Receivers of Taxes in lawful money of the United States of America. The Receivers of Taxes shall in turn distribute the amounts so paid to the various Taxing Entities entitled to same.

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 Taxing Entity 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 Company's obligation to make payments in lieu of property taxes attributed to such fiscal tax year to such Taxing Entity hereunder shall be reduced by the amounts which the Company shall have so paid to such Taxing Entity in such fiscal tax year, but there shall be no cumulative or retroactive credit as to any payment in lieu of property taxes due to any other Taxing Entity or as to any payment in lieu of property taxes due to such Taxing Entity in any other fiscal tax year.

(B) Method of Claiming Credits. If the Company desires to claim a credit against any particular payment in lieu of tax due hereunder, the Company shall give the governing body of the affected Taxing Entity and the Agency prior written notice of its intention to claim any credit pursuant to the provision 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 payment in lieu of tax is due pursuant to the provisions of Section 2.02(F) hereof. In the event that the governing body of the appropriate Taxing Entity 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 purpose of tax assessment in the general area of the Project facility, and 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. In the event that the Company is determined to be entitled to the credit, then the cost of the arbitration shall be added to the amount of the credit awarded by the arbitrator. 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 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 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 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.

(C) Payment in Last Year of Payment in Lieu of Tax Agreement. In light of the inability for the Taxing Entities to grant to the Company a credit against tax bills for partial year tax liability under Sections 520 and 533 of the NYS Real Property Tax Law, the obligation of the Company to make payments under this Payment in Lieu of Tax Agreement shall be modified in the last scheduled year of the Payment in Lieu of Tax Agreement or in the last year of the Payment in Lieu of Tax Agreement pursuant to an early termination notice sent by the Company to the Agency pursuant to Section 11.1 of the Lease (in either case, the "Final PILOT Year"). The Company's payments as required under Section 2.02 of this Payment in Lieu of Tax Agreement shall be proportionately reduced for the Final PILOT Year so that the amount of the payment made under Section 2.02 is directly proportionate to the portion of tax year of each of the Taxing Entities during which this Payment in Lieu of Tax Agreement is in effect. For sake of clarity and to avoid any confusion, the Company will arrange for the County Treasurer of Yates County to calculate the payment in lieu of taxes under Section 2.02 such that the Company has no obligation to make a payment for that portion of the tax year of any Taxing Entity which occurs after the termination of the Payment in Lieu of Tax Agreement.

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 affected Taxing Entity until such payment in default shall have been made in full, and the Company shall pay the same to the affected Taxing Entity 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.

## ARTICLE III

### LIMITED OBLIGATION

SECTION 3.01. NO RECOURSE; LIMITED OBLIGATION OF THE AGENCY. (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. 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 Yates County, New York, and neither the State of New York nor Yates 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.

## 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) 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 thirty (30) 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 thirty (30) day period and if the Company shall have commenced action to cure the breach of covenant, condition or agreement within said thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for so long as the Company shall require in the exercise of due diligence to cure such default, it being agreed that no such extension shall be for a period in excess of ninety (90) days in the aggregate from the date of 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 thirty (30) 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 thirty-day period and the Company shall have commenced action to cure the incorrectness within said thirty-day period and, thereafter, diligently and expeditiously proceeds to cure the same, such thirty-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 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 Taxing Entity, then with respect to such Event of Default such Taxing Entity) 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.

SECTION 4.03. PAYMENT OF ATTORNEY'S 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 Taxing Entity 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 Taxing Entity, 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 Taxing Entity 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 Taxing Entity 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) General. 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. Unless otherwise provided by amendment hereof, this Payment in Lieu of Tax Agreement shall continue to remain in effect until the earlier to occur of (1) December 31, 2031 or (2) the date on which the Project Facility is reconveyed by the Agency to the Company pursuant to Article X or XI of the Lease Agreement.

(B) Extended Term. In the event that (1) 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 assessed as exempt upon the assessment roll of any one or more of the Taxing Entities, 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 to the Receiver of Taxes in amounts equal to those amounts which would be due from the Company to the respective Taxing Entities 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 Taxing Entities having jurisdiction over the Project Facility as the legal owner of record of the Project Facility.

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, property 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 Taxing Entities. Notwithstanding the foregoing, notices of assessment or reassessment of the Project Facility and other notices given by a Taxing Entity under Article II hereof shall be sufficiently given and shall be deemed given when given by the Taxing Entity in the same manner in which similar notices are given to owners of taxable properties by such Taxing Entity.

(C) Addresses. The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

IF TO THE COMPANY:

Greenidge Pipeline LLC  
590 Plant Road  
PO Box 187  
Dresden, New York 14441  
Attention: Dale Irwin, President/CEO

WITH A COPY TO:

Barclay Damon, LLP  
300 S. State Street  
Syracuse, New York 13202  
Attention: Kevin R. McAuliffe, Esq.

IF TO THE AGENCY:

Yates County Industrial Development Agency  
One Keuka Business Park, Suite 104  
Penn Yan, New York 14527  
Attention: Chairman

WITH A COPY TO:

Hodgson Russ LLP  
677 Broadway, Suite 301  
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 a Taxing Entity shall also be given to the chief executive officer of such Taxing Entity.

(E) Change of Address. The Agency and the Company may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

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 Taxing Entities.

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.

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.

YATES COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

BY:   
(Vice) Chairman

GREENIDGE PIPELINE LLC


BY: \_\_\_\_\_  
Authorized 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.

YATES COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

BY: \_\_\_\_\_  
(Vice) Chairman

GREENIDGE PIPELINE LLC

BY:  \_\_\_\_\_  
Authorized Officer

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

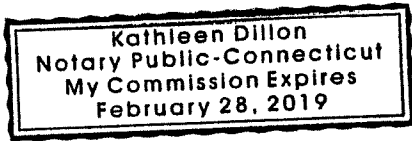
On the 17<sup>th</sup> day of October, in the year 2016, before me, the undersigned, personally appeared Gene Pierce, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed 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.

Doreen J. Jensen  
Notary Public, State of New York  
Qualified in Yates County  
No. 01JE6199490  
My Commission Expires 01/12/2017

Doreen J. Jensen  
Notary Public

Connecticut  
STATE OF NEW YORK  
Fairfield, N.Y.  
COUNTY OF YATES )

On the 19 day of October, in the year 2016, before me, the undersigned, personally appeared Dale Irwin, 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.



Kathleen Dillon  
Notary Public



EXHIBIT A

**DESCRIPTION OF THE LEASED LAND**

A leasehold interest created by a certain lease to agency dated as of October 1, 2016 (the "Lease to Agency") between Greenidge Pipeline LLC (the "Company"), as landlord, and Yates County Industrial Development Agency (the "Agency"), as tenant, in an approximately 4.6 mile parcel of land (the "Leased Land") located in the Towns of Torrey and Milo, Yates County, New York, said Leased Land being more particularly described below), together with any improvements now or hereafter located on the Leased Land (the Leased Land and all such improvements being sometimes collectively referred to as the "Leased Premises"):

ALL THAT CERTAIN TRACT, PIECE OR PARCEL OF LAND situate, lying and being in Towns of Torrey and Milo, Yates County, New York, Yates County, New York, bounded and described as follows:

**- SEE ATTACHED -**

## PIPELINE PROPERTY DESCRIPTION

Those certain rights of use and occupancy of those certain lands all as more particularly set forth and described in the following agreements:

- A. Pipeline Right-of-Way Agreement made as of September 29, 2016, by and between Lockwood Hills LLC, f/k/a GMMM Lockwood LLC, as grantor, and Greenidge Pipeline LLC, as grantee, recorded in the Yates County Clerk's Office October 13, 2016, in Liber 709 of Deeds at page 27; property located in the Town of Torrey and bearing Tax Parcel Number 51.02-1-7.
- B. Pipeline Right-of-Way Agreement made as of September 29, 2016, by and between Greenidge Generation LLC, f/k/a GMMM Greenidge LLC, as grantor, and Greenidge Pipeline LLC, as grantee, recorded in the Yates County Clerk's Office October 13, 2016, in Liber 709 of Deeds at page 39; property located in the Town of Torrey and bearing Tax Parcel Number 40.03-1-1.111.
- C. Pipeline Right-of-Way Agreement made as of November 4, 2015, by and between Gary E. Henderson, as grantor, and Greenidge Pipeline LLC, as grantee, recorded in the Yates County Clerk's Office October 13, 2016, in Liber 709 of Deeds at page 57; property located in the Town of Milo and bearing Tax Parcel Number 50.04-1-6.
- D. Ground Lease Agreement made as of April 16, 2016, by and between Gary E. Henderson, as landlord, and Greenidge Pipeline LLC, as tenant, for a portion of certain property located in the Town of Milo and bearing Tax Parcel Number 50.-04-1-6, a memorandum of which was recorded in the Yates County Clerk's Office October 13, 2016, in Liber 709 of Deeds at page 69.
- E. Pipeline Right-of-Way Agreement made as of December 4, 2015, by and between Susan K. Anderson and Karen J. Hallings as trustees of The Koek Family Irrevocable Trust dated March 4, 2014, as grantor, and Greenidge Pipeline LLC, as grantee, recorded in the Yates County Clerk's Office October 13, 2016, in Liber 709 of Deeds at page 75; property located in the Town of Milo and bearing Tax Parcel Number 62.02-1-3.
- F. Pipeline Right-of-Way Agreement made as of November 10, 2015, by and between Guy R. Christiansen, as grantor, and Greenidge Pipeline LLC, as grantee, recorded in the Yates County Clerk's Office October 13, 2016, in Liber 709 of Deeds at page 85; property located in the Town of Milo and bearing Tax Parcel Number 50.04-1-5.
- G. Pipeline Right-of-Way Agreement made as of December 14, 2015, by and between The Richard H. Henderson Estate, Margaret Henderson as Executrix, and Bruce S. Henderson as Trustee of the Henderson Family Trust, as grantors, and

Greenidge Pipeline LLC, as grantee, recorded in the Yates County Clerk's Office October 13, 2016, in Liber 709 of Deeds at page 99; property located in the Town of Milo and bearing Tax Parcel Number 63.01-1-1.

- H. Pipeline Right-of-Way Agreement made as of November 5, 2015, by and between Bruce S. Henderson, as grantor, and Greenidge Pipeline LLC, as grantee, recorded in the Yates County Clerk's Office October 13, 2016, in Liber 709 of Deeds at page 116; property located in the Towns of Milo and Torrey and bearing Tax Parcel Numbers 51.03-1-1 and 5.03-1-1.2.
- I. Pipeline Right-of-Way Agreement made as of April 7, 2015, by and between Friends of the Outlet, Inc., as grantor, and Greenidge Pipeline LLC, as grantee, recorded in the Yates County Clerk's Office October 13, 2016, in Liber 709 of Deeds at page 13; property located in the Town of Torrey and bearing Tax Parcel Number 51.49-1-1.
- J. Pipeline Right-of-Way Agreement made as of August 24, 2015, by and between Titus H. Nolt and Sara H. Nolt, as grantors, and Greenidge Pipeline LLC, as grantee, recorded in the Yates County Clerk's Office October 13, 2016, in Liber 709 of Deeds at page 126; property located in the Town of Torrey and bearing Tax Parcel Number 51.04-1-5.
- K. Pipeline Right-of-Way Agreement made as of August 24, 2015, by and between Michael L. Nolt and Lena Mae Nolt, as grantors, and Greenidge Pipeline LLC, as grantee, recorded in the Yates County Clerk's Office October 13, 2016, in Liber 135 of Deeds at page 709; property located in the Town of Torrey and bearing Tax Parcel Number 51.04-1-4.
- L. Pipeline Right-of-Way Agreement made as of August 24, 2015, by and between Nathan L. Nolt and Irene S. Nolt, as grantors, and Greenidge Pipeline LLC, as grantee, recorded in the Yates County Clerk's Office October 13, 2016, in Liber 709 of Deeds at page 144; property located in the Town of Torrey and bearing Tax Parcel Number 51.04-1-1.
- M. Pipeline Right-of-Way Agreement made as of August 24, 2015, by and between Andrew L. Nolt and Ella B. Nolt, as grantors, and Greenidge Pipeline LLC, as grantee, recorded in the Yates County Clerk's Office October 13, 2016, in Liber 709 of Deeds at page 153; property located in the Town of Torrey and bearing Tax Parcel Number 51.02-1-6.111.
- N. Pipeline Right-of-Way Agreement made as of December 31, 2015, by and between William H. Moravec and Marilyn J. Moravec, as grantors, and Greenidge Pipeline LLC, as grantee, recorded in the Yates County Clerk's Office October 13, 2016, in Liber 709 of Deeds at page 164; property located in the Town of Milo and bearing Tax Parcel Number 62.02-1-2.

## EXHIBIT B

### DISTRIBUTION DESCRIPTION

In each year of this Payment in Lieu of Tax (“PILOT”) Agreement, to calculate the distribution of the annual payment in lieu of taxes (“PILOT Payment”) made by the Company to the Taxing Entities (including the Penn Yan Central School District (the “School”), Yates County (the “County”) and the Town of Milo and Town of Torrey (each a “Town”)), the following calculations shall be made using the steps set forth below:

1. Calculation of the School distribution of the PILOT Payment in September of each year of the term of the PILOT Agreement:
  - a. Calculate the average Town rate using the tax rates of the Towns of Milo and Torrey for the then current fiscal year of each Town (“Average Town Rate”), and determine the then-existing tax rates for the County and the School.
  - b. Calculate the percentage that the School tax rate represents as a portion of the total sum of the tax rates of the County, the School and the Average Town Rate.
  - c. Multiply the Total Gross PILOT Payment for the relevant year from the table in Section 2.02(B)(1) of the PILOT Agreement by the percentage realized under Paragraph 1(b) above.
2. Calculation of the County distribution of the PILOT Payment in January of each year of the term of the PILOT Agreement:
  - a. Utilize the Average Town Rate and the then-existing rate for the County described in Paragraph 1(a) above.
  - b. Calculate the percentage that County rate represents as a portion of the total sum of the tax rates of the County and the Average Town Rate.
  - c. Calculate the amount of the Total Gross PILOT Payment remaining after the distribution to the School described in Paragraph 1 above (the “PILOT Payment Balance”).
  - d. Multiply the PILOT Payment Balance by the percentage derived under Paragraph 2(b) above.
3. Calculation of the distribution to the Towns of Milo and Torrey in January of each year of the term of the PILOT Agreement:
  - a. Calculate the amount of the annual PILOT Payment remaining by subtracting the distribution to the School and the distribution to the County from the Total Gross PILOT Payment set forth in the table in Section 2.02.(B)(10) of the PILOT Agreement (the “Remaining PILOT Payment Balance”).
  - b. The distribution to the Town of Milo is sixty-two percent (62%) of the Remaining PILOT Payment Balance.
  - c. The distribution to the Town of Torrey is thirty-eight percent (38%) of the Remaining PILOT Payment Balance.
4. The distribution calculation between the Towns is based upon the fact that:
  - a. Forty-two percent (42%) of the pipeline and the entirety of the meter station included within the Project Facility shall be constructed within the Town of Milo,

and thus, as between the two Towns, sixty-two (62%) of the costs for such facilities can be attributed to the Town of Milo.

- b. Fifty-eight percent (58%) of the pipeline (and no portion of the meter station) included within the Project Facility shall be constructed within the Town of Torrey, and thus, as between the two Towns, thirty-eight (38%) of the costs for such facilities can be attributed to the Town of Torrey.

SCHEDULE D  
COPY OF APPLICATION



Application for Financial Assistance

**A) Applicant Information:**

Applicant Name: Greenidge Pipeline LLC  
Applicant Address: 590 Plant Road, P.O. Box 187, Dresden, NY 14441  
Phone: 607-423-3321 Fax: N/A  
Website: N/A E-mail: mswinnerton@greenidgellc.com  
Federal ID#: 32-0471017 NAICS: 2212  
State and Year or Incorporation/Organization: Delaware, 2015  
Will a Real Estate Holding Company be utilized to own the Project property/facility?  Yes or  No  
What is the name of the Real Estate Holding Company: N/A  
Federal ID#: N/A  
State and Year or Incorporation/Organization: N/A

**B) Individual Completing Application:**

Name: Mark Swinnerton  
Title: Vice President  
Address: : 590 Plant Road, P.O. Box 187, Dresden, NY 14441  
Phone: 607-423-3321 Fax: N/A  
E-Mail: mswinnerton@greenidgellc.com

**C) Company Contact (if different from individual completing application):**

Name: N/A  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-Mail: \_\_\_\_\_

**D) Company Counsel:**

Name of Attorney: Kevin R. McAuliffe, Esq.  
Firm Name: Barclay Damon LLP  
Address: One Park Place, 300 S. State Street, Syracuse, NY 13202  
Phone: 315-425-2875 Fax: 315-425-8593  
E-mail: kmcauliffe@barclaydamon.com

**E) Business Organization (check appropriate category):**

- |                     |                          |                           |                                     |
|---------------------|--------------------------|---------------------------|-------------------------------------|
| Corporation         | <input type="checkbox"/> | Partnership               | <input type="checkbox"/>            |
| Public Corporation  | <input type="checkbox"/> | Joint Venture             | <input type="checkbox"/>            |
| Sole Proprietorship | <input type="checkbox"/> | Limited Liability Company | <input checked="" type="checkbox"/> |

Other (please specify) \_\_\_\_\_

Year Established: 2015

State in which Organization is established: Delaware

**F) List all stockholders, members, or partners with % of ownership greater than 20%:**

<u>Name</u>	<u>% of ownership</u>
<u>Greenidge Generation Holdings LLC</u>	<u>100%</u>
_____	_____
_____	_____
_____	_____

**G) Applicant Business Description:**

Describe in detail company background, products, customers, goods and services. Description is critical in determining eligibility: \_\_\_\_\_

The Applicant company was formed to acquire the property rights and obtain permits and approvals for, and to construct, own and operate, a natural gas pipeline, which will serve the converted Greenidge electric generation facility.

Estimated % of sales within County/City/Town/Village: 100%

Estimated % of sales outside County/City/Town/Village, but within New York State: 0%

Estimated % of sales outside New York State, but within the U.S.: 0%

Estimated % of sales outside the U.S.: 0%

(\*Percentage to equal 100%)

H) Estimated percentage of your total annual supplies, raw materials and vendor services are purchased from firms within County/City/Town Village: \$300,000 (for plant and pipeline)

**Section II: Project Description & Details**

**A) Physical Project Location:**

590 Plant Road, P.O. Box 187, Dresden, NY 14441

\_\_\_\_\_  
\_\_\_\_\_



**B) Detailed Description of Project (new build, renovations, and/or equipment purchases). Identify specific uses occurring within the project. Describe any and all tenants and any/all end users (This information is critical in determining project eligibility):**

The Project involves the construction and operation of a 4.6 mile natural gas pipeline, which will connect the Greenidge electric generating facility to the Empire Connector Pipeline (owned by National Fuel Gas) and provide sufficient natural gas supply so that ultimately, the Greenidge facility can be converted from a former coal-fired facility to a natural gas-fired facility and run on up to 100% natural gas. The Greenidge facility, once supplied with such natural gas, will provide a needed a source of energy, capacity, voltage support and other value power generation-related services, at no risk to the industries, manufacturers, other business enterprises or residents of the region and the State who collectively are the captive retail power customers. The Project will result in a generating facility that produces clean, and much needed, energy for the area, and that generates fewer greenhouse gas and other emissions. The Project will also result in the creation of permanent entry level, skilled and other full time and part time jobs at the converted facility, as well as construction jobs, and generate significant tax revenue that will support the schools and vital public services in the Towns of Milo and Torrey and Yates County. The Project will also act as a catalyst for further development of industry and business enterprises in the region that will indirectly create considerable employment opportunities for individuals in all socio-economic levels.

**C) Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency?  Yes or  No**

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

N/A

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and County/City/Town/Village?

The natural gas pipeline would not be constructed, the associated Greenidge generation facility would not be modified, the taxing jurisdictions would lose millions of dollars in tax revenues and no new jobs would be created.

**D) Current Assessed Value of Property** No current assessment

Property Tax ID# TBD  
(not required if project is for equipment purchases only)

Are utilities on Site:      Water N/A                  Electric N/A  
                                         Gas N/A                  Sanitary/Storm Sewer N/A

**E) Present legal owner of site** once constructed, the Applicant

If other than Applicant by what means will the site be acquired for this Project: ROW option agreements for the Greenidge pipeline ROW and for the meter station have been executed with all of the owners (approx. 15) of the property traversed by the pipeline.

**F) Zoning of Project Site: Current:** Agricultural (majority of ROW) **Proposed:** Agricultural (majority of ROW)

Are any variances Needed: No

Principal Use of Project upon completion: Natural-gas supply pipeline, meter station and regulator station

G) Will the Project result in the removal of a facility of the Applicant from one area of the State of New York to another?

Yes or  No

Will the Project result in the removal of a facility of another proposed occupant of the Project from one area of the State of New York to another area of the State of New York?  Yes or  No

Will the Project result in the abandonment of one or more facilities located in the State of New York?  Yes or  No

If the answer to any of the questions in G were yes, indicate whether any of the following apply to the Project:

1. Is the Project reasonably necessary to preserve the competitive position of the Company or such Project Occupant in its industry?  Yes or  No If yes, please provide detail:

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2. 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 or  No If yes, please provide detail:

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**H) Estimated costs in connection with Project:**

- |                                                             |                        |
|-------------------------------------------------------------|------------------------|
| 1. Land and/or Building Acquisition:                        | \$ _____               |
| _____ acres _____ square feet                               |                        |
| 2. New Building Construction: (regulator & meter station)   | \$ <u>3,635,000.00</u> |
| 3. New Building Addition(s): _____ square feet              | \$ _____               |
| 4. Infrastructure Work (pipeline)                           | \$ <u>5,200,000.00</u> |
| 5. Reconstruction/Renovation: _____ square feet             | \$ _____               |
| 6. Manufacturing Equipment:                                 | \$ _____               |
| 7. Non-Manufacturing Equipment (furniture, fixtures, etc.): | \$ _____               |
| 8. Soft Costs: (professional services, etc.):               | \$ <u>500,000.00</u>   |
| 9. Other, Specify: _____                                    | \$ _____               |

TOTAL Capital Costs: \$ 9,335,000.00

**Project refinancing; estimated amount**  
**(for refinancing of existing debt only)**

\$ 0.00

**I) Sources of Funds for Project Costs:**

Bank Financing: \$ 0.00

Equity (excluding equity that is attributed to grants/tax credits) \$ 8,335,000.00

Tax Exempt Bond Issuance (if applicable) \$ 0.00

Taxable Bond Issuance (if applicable) \$ 0.00

Public Sources (Include sum total of all state and federal grants and tax credits) \$ 1,000,000.00

Identify each state and federal grant/credit:

ESDC – Consolidating Funding Grant (\$2 million total for Plant and Pipeline) \$ 1,000,000.00

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

Total Sources of Funds for Project Costs: \$ 9,335,000.00

Have any of the above costs been paid or incurred as of the date of this Application?  Yes or  No

If Yes, describe particulars: Legal, consulting and permitting fees

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**Mortgage Recording Tax Exemption Benefit:** Amount of mortgage that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent/bridge financing): \$ 16,000,000.00

Estimated Mortgage Recording Tax Exemption Benefit (product of Mortgage Amount as indicated above multiplied by 1%): \$ 160,000.00

**Sales and Use Tax:** Gross amount of costs for goods and services that are subject to State and local Sales and Use tax - said amount to benefit from the Agency's Sales and Use Tax exemption benefit:

\$ 4,000,000.00

Estimated State and local Sales and Use Tax Benefit (product of 8% multiplied by the figure, above):

\$ 320,000.00

**\*\* Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.**

**Real Property Tax Benefit:**

**IDA PILOT Benefit:** Agency staff will indicate the amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit year and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in Section II(I) of the Application.

**Percentage of Project Costs financed from Public Sector sources:** Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon Sources of Funds for Project Costs as depicted above in Section II(I) of the Application.

J) What is your project timetable (Provide dates):

1. Start date: acquisition of equipment or construction of facilities: within 1 month of receipt of final permit
2. Estimated completion date of project: Q4 of 2017
3. Project occupancy – estimated starting date of operations: Q1 of 2017
4. Have construction contracts been signed?  Yes or  No
5. Has Financing been finalized?  Yes or  No N/A

**\*\* If constructions contracts have been signed, please provide copies of executed construction contracts and a complete project budget. The complete project budget should include all related construction costs totaling the amount of the new building construction, and/or new building addition(s), and/or renovation.**

Employment Plan (Specific to the proposed project location):

	Current # of jobs at proposed project location or to be relocated to project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be CREATED upon THREE Years after Project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PTE jobs to be created upon THREE Years after Project Completion **
Full time (FTE)	0	0	0	0
Part Time (PTE)				
Total				

**\*\* For purposes of this question, please estimate the number of FTE and PTE jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column. The Labor Market Area includes Yates, Seneca, Ontario, Monroe, Wayne, Livingston, Orleans, Genesee, Wyoming (or six other contiguous counties, including Steuben County, chosen at the Agency’s discretion).**

K) How many construction jobs will be created: 50-80 (for pipeline and plant)

**L) Salary and Fringe Benefits for Jobs to be Retained and/or Created:**

Category of Jobs to be Retained and Created	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Management		
Professional		
Administrative		
Production		
Independent Contractor		
Other		

**M) Employment at other locations in County/City/Town/Village: (provide address and number of employees at each location):**

	Address	Address	Address
Full time			
Part Time			
Total			

**N) Will any of the facilities described above be closed or subject to reduced activity?  Yes or  No**

**\*\* If any of the facilities described above are located within the State of New York, and you answered Yes to the question, above, you must complete Section IV of this Application.**

**\*\* Please note that the Agency may utilize the foregoing employment projections, among other items, to determine the Financial Assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.**

**Section III: Retail Questionnaire**

**To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.**

**Please answer the following:**

- A. Will any portion of the project (including that portion of the cost to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?**

Yes or  No. If the answer is yes, please continue. If no, proceed to section V

For purposes of Question A, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in

Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

B. What percentage of the cost of the Project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? \_\_\_\_\_%. **If the answer is less than 33% do not complete the remainder of the retail determination and proceed to section V.**

If the answer to A is Yes **AND** the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the project:

1. Will the project be operated by a not-for-profit corporation?  Yes or  No

2. Is the Project location or facility likely to attract a significant number of visitors from outside the economic development region (list specific County or ED region) in which the project will be located?  Yes or  No

If yes, please provide a third party market analysis or other documentation supporting your response.

3. Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality within which the proposed project would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services?  Yes or  No

If yes, please provide a third party market analysis or other documentation supporting your response.

4. 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 or  No

If yes, explain \_\_\_\_\_

\_\_\_\_\_

5. Is the project located in a Highly Distressed Area?  Yes or  No

**Section IV: Inter-Municipal Move Determination**

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency Financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Will the Project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state?  Yes or  No

Will the Project result in the abandonment of one or more plants or facilities of the Project occupant located within the state?  Yes or  No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Does the Project involve relocation or consolidation of a project occupant from another municipality?

Within New York State

Yes or  No

Within County/City/Town/Village

Yes or  No

If Yes to either question, please, explain: \_\_\_\_\_

\_\_\_\_\_

**Section V: Estimate of Real Property Tax Abatement Benefits & Percentage of Project Costs financed from Public Sector sources**

**\*\* Section V of this Application will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.**

**PILOT Estimate Table Worksheet**

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
\$9,335,000.00	\$4,000,000.00	7.18% (avg)	3.13% (avg)	10.46% (avg)

\*Apply equalization rate to value

PILOT Year	% Payment (% abatement)	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	100%	\$-	\$-	\$-	\$-	\$83,060	\$83,060
2	100%	\$-	\$-	\$-	\$-	\$83,060	\$83,060
3	100%	\$-	\$-	\$-	\$-	\$83,060	\$83,060
4	100%	\$-	\$-	\$-	\$-	\$83,060	\$83,060
5	100%	\$-	\$-	\$-	\$-	\$83,060	\$83,060
6	97%	\$822	\$346	\$1,241	\$2,409	\$83,060	\$80,651
7	94%	\$1,665	\$701	\$2,512	\$4,878	\$83,060	\$78,182
8	85%	\$4,361	\$1,834	\$6,579	\$12,774	\$83,060	\$70,286
9	66%	\$9,649	\$4,059	\$14,558	\$28,266	\$83,060	\$54,794
10	43%	\$16,620	\$6,839	\$24,533	\$47,632	\$83,060	\$35,428
11	19%	\$22,878	\$9,623	\$34,518	\$67,019	\$83,060	\$16,041
12	0%	\$29,503	\$12,409	\$44,514	\$86,246	\$83,060	\$-
13	0%	\$36,136	\$15,199	\$54,520	\$105,855	\$83,060	\$-
14	0%	\$42,775	\$17,992	\$64,539	\$125,306	\$83,060	\$-
15	0%	\$49,423	\$20,786	\$74,568	\$144,779	\$83,060	\$-
<b>TOTAL</b>		<b>\$213,473</b>	<b>\$89,788</b>	<b>\$322,082</b>	<b>\$625,343</b>	<b>\$1,245,900</b>	<b>\$620,557</b>

\*Estimates provided are based on current property tax rates and assessment values

## Section VI: Representations, Certifications and Indemnification

**\*\* This Section of the Application can only be completed upon the Applicant receiving, and must be completed after the Applicant receives, IDA Staff confirmation that Section I through Section V of the Application are complete.**

Mark Swinnerton (name of CEO or other authorized representative of Applicant) confirms and says that he/she is the Vice President (title) of Greenidge Pipeline LLC (name of corporation or other entity) named in the attached Application (the "Applicant"), that he/she has read the foregoing Application and knows the contents thereof, and hereby represents, understands, and otherwise agrees with the Agency and 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 "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") 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. Copies of all filings shall be provided to the Agency.
- D. **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, at least annually or as otherwise required by the Agency, reports regarding the number of people employed at the project site, salary levels, contractor utilization and such other information (collectively, "Employment Reports") that may be required from time to time on such appropriate forms as designated by the Agency. Failure to provide Employment Reports within 30 days of an Agency request shall be an Event of Default under the PILOT Agreement between the Agency and Applicant and, if applicable, an Event of Default under the Agent Agreement between the Agency and Applicant. In addition, a Notice of Failure to provide the Agency with an Employment Report may be reported to Agency board members, said report being an agenda item subject to the Open Meetings Law.
- E. **The Applicant acknowledges that certain environmental representations will be required at closing.** The Applicant shall provide with this Representation, Certification and Indemnification Form copies of any known environmental reports, including any existing Phase I Environmental Site Assessment Report(s) and/or Phase II Environmental Investigations. The Agency may require the Company and/or owner of the premises to prepare and submit an environmental assessment and audit report, including but not necessarily limited to, a Phase I Environmental Site Assessment Report and a Phase II Environmental Investigation, with respect to the Premises at the sole cost and expense of the owner and/or the Applicant. All environmental assessment and audit reports shall be completed in accordance with ASTM Standard Practice E1527-05, and shall be conformed over to the Agency so that the Agency is authorized to use and rely on the reports. The Agency, however, does not adopt, ratify, confirm or assume any representation made within reports required herein.



- F. The Applicant and/or the owner, and their successors and assigns, hereby release, defend and indemnify the Agency from any and all suits, causes of action, litigations, damages, losses, liabilities, obligations, penalties, claims, demands, judgments, costs, disbursements, fees or expenses of any kind or nature whatsoever (including, without limitation, attorneys', consultants' and experts' fees) which may at any time be imposed upon, incurred by or asserted or awarded against the Agency, resulting from or arising out of any inquiries and/or environmental assessments, investigations and audits performed on behalf of the Applicant and/or the owner pursuant hereto, including the scope, level of detail, contents or accuracy of any environmental assessment, audit, inspection or investigation report completed hereunder and/or the selection of the environmental consultant, engineer or other qualified person to perform such assessments, investigations, and audits.
- G. **Hold Harmless Provision:** The Applicant acknowledges and agrees that the Applicant shall be and is responsible for all costs of the Agency incurred in connection with any actions required to be taken by the Agency in furtherance of the Application including the Agency's costs of general counsel and/or the Agency's bond/transaction counsel whether or not the Application, the proposed Project it describes, the attendant negotiations, or the issue of bonds or other transaction or agreement are ultimately ever carried to successful conclusion and 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 Application, regardless of whether or not the Application or the proposed Project described herein or the tax exemptions and other assistance requested herein are favorably acted upon by the Agency; (ii) the Agency's acquisition, construction and/or installation of the proposed Project described herein; and (iii) any further action taken by the Agency with respect to the proposed Project including, without limiting the generality of the foregoing, all causes of action and attorney's fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. Applicant hereby understands and agrees, in accordance with Section 875(3) of the New York General Municipal Law and the policies of the Agency that any New York State and local sales and use tax exemption claimed by the Applicant and approved by the Agency, any mortgage recording tax exemption claimed by the Applicant and approved by the Agency, and/or any real property tax abatement claimed by the Applicant and approved by the Agency, in connection with the Project, may be subject to recapture and/or termination by the Agency under such terms and conditions as will be established by the Agency and set forth in transaction documents to be entered into by and between the Agency and the Applicant. The Applicant further represents and warrants that the information contained in this Application, including without limitation information regarding the amount of the New York State and local sales and use tax exemption benefit, the amount of the mortgage recording tax exemption benefit, and the amount of the real property tax abatement, if and as applicable, to the best of the Applicant's knowledge, is true, accurate and complete.
- H. This obligation includes an obligation to submit an Agency Fee Payment to the Agency in accordance with the Agency Fee policy effective as of the date of this Application
- I. By executing and submitting this Application, the Applicant covenants and agrees to pay the following fees to the Agency and the Agency's general counsel and/or the Agency's bond/transaction counsel, the same to be paid at the times indicated:
- (i) a non-refundable \$250 application and publication fee (the "Application Fee");
  - (ii) a \$\_\_\_\_\_ expense deposit for the Agency's Counsel Fee.
  - (iii) Unless otherwise agreed to by the Agency, an amount equal to One percent (1%) of the total project costs. The FLEDC will collect its participation fee at the time of closing, based on the capital investment costs stated in this application. (Should the actual costs exceed those estimates by more than 25%, an additional fee will apply.)
  - (iv) All fees, costs and expenses incurred by the Agency for (1) legal services, including but not limited to those provided by the Agency's general counsel and/or the Agency's bond/transaction counsel, thus note that the Applicant is entitled to receive a written estimate of fees and costs of the Agency's general counsel and the Agency's bond/transaction counsel; and (2) other consultants retained by the Agency in connection with the proposed project, with all such charges to be paid by the Applicant at the closing.

- J. If the Applicant fails to conclude or consummate the 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 Applicant is unable to find buyers willing to purchase the bond issue requested, or if the Applicant is unable to facilitate the sale/leaseback or lease/leaseback transaction, then, upon the presentation of an invoice, Applicant shall pay to the Agency, its agents, or assigns all actual costs incurred by the Agency in furtherance of the Application, up to that date and time, including but not necessarily limited to, fees of the Agency's general counsel and/or the Agency's bond/transaction counsel.
- K. The Applicant acknowledges and agrees that all payment liabilities to the Agency and the Agency's general counsel and/or the Agency's bond and/or transaction counsel as expressed in Sections H and I are obligations that are not dependent on final documentation of the transaction contemplated by this Application.
- L. The cost incurred by the Agency and paid by the Applicant, the Agency's general counsel and/or bond/transaction counsel fees and the processing fees, may be considered as a cost of the Project and included in the financing of costs of the proposed Project, except as limited by the applicable provisions of the Internal Revenue Code with respect to tax-exempt bond financing.
- M. The Applicant acknowledges that the Agency is subject to New York State's Freedom of Information Law (FOIL). **Applicant understands that all Project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.**
- N. The Applicant acknowledges that it has been provided with a copy of the Agency's Policy for Termination of Agency Benefits and Recapture of Agency Benefits Previously Granted (the "Termination and Recapture Policy"). The Applicant covenants and agrees that it fully understands that the Termination and Recapture Policy is applicable to the Project that is the subject of this Application, and that the Agency will implement the Termination and Recapture Policy if and when it is so required to do so. The Applicant further covenants and agrees that its Project is potentially subject to termination of Agency financial assistance and/or recapture of Agency financial assistance so provided and/or previously granted.
- O. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:
- § 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.
- P. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.
- Q. The Applicant confirms and acknowledges 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 exemption claimed by reason of the Agency's involvement the Project.
- R. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.
- S. The Applicant and the individual executing this Application on behalf of Applicant acknowledge that the Agency and its counsel will rely on the representations and covenants made in this Application when acting hereon and hereby represents that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.


The Applicant and the individual executing this Application on behalf of the Applicant acknowledge that:

- A) The FLEDC will rely on the representations made herein when acting on this Application and hereby represent that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.
- B) Failure of the Applicant to file appropriate Sales Tax and Employment reports will result in the revocation of tax benefits and require repayment of benefits previously claimed.

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

Mark Swinnerton, being first duly sworn, deposes and says:

- 1. That I am the Vice President (Corporate Office) of Greenidge Pipeline LLC (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.
- 2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.

  
\_\_\_\_\_  
(Signature of Officer)  
7-19-2016  
\_\_\_\_\_  
(Date)

Subscribed and affirmed to me under penalties of perjury this 19th day of July, 2016.

  
\_\_\_\_\_  
(Notary Public)

KEVIN R. McAULIFFE  
Notary Public, State of New York  
No. 01MC4572421  
Qualified in Onondaga County  
Commission Expires 12/31/2017

**This Application should be submitted with:**

- A) A \$250 Application fee to: Finger Lakes Economic Development Center  
One Keuka Business Park  
Penn Yan, New York 14527  
(Attn: CEO).
- B) A certificate of insurance as follows:
  - 1. Worker's Compensation Insurance (FLEDC named as additional insured).
  - 2. General Liability Insurance with limits not less than \$1,000,000 per occurrence /accident and a blanket excess liability not less than \$3,000,000 (FLEDC named as additional insured).
  - 3. Insurance against loss/damage by fire, lightning or other casualties with a uniform standard extended coverage endorsement in an amount not less than the full replacement value of the Facility. (FLEDC named as named insured).

**The FLEDC encourages the use of Yates County contractors/suppliers and asks that they be allowed to bid your project!**

SCHEDULE E  
ANNUAL STATUS REPORT

January \_\_, 20\_\_

Re: New Project Verification

Dear:

The Yates County Industrial Development Agency (the "Agency") is currently providing assistance in connection with your project in the Towns of Torrey and Milo, Yates County, New York, Yates 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 Agency 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\_\_: \_\_\_\_\_

**Job Information**

Number of full time equivalent employees (“FTE”) existing jobs by category **before IDA status:**

	<b>Professional</b>	<b>Skilled</b>	<b>Semi-Skilled</b>	<b>Un-Skilled</b>	<b>Total</b>
<b>Full Time</b>					
<b>Part Time</b>					
<b>Seasonal</b>					
<b>Independent Contractors</b>					
<b>Employees of Independent Contractors</b>					

Current number of FTE employees for 20\_\_ by category:

	<b>Professional</b>	<b>Skilled</b>	<b>Semi-Skilled</b>	<b>Un-Skilled</b>	<b>Total</b>
<b>Full Time</b>					
<b>Part Time</b>					
<b>Seasonal</b>					
<b>Independent Contractors</b>					
<b>Employees of Independent Contractors</b>					

Number of FTE jobs **created** during 20\_\_ as a result of the assistance received through the IDA by category:

	<b>Professional</b>	<b>Skilled</b>	<b>Semi-Skilled</b>	<b>Un-Skilled</b>	<b>Total</b>
<b>Full Time</b>					
<b>Part Time</b>					
<b>Seasonal</b>					
<b>Independent Contractors</b>					
<b>Employees of Independent Contractors</b>					

Number of FTE jobs **retained** during 20\_\_ by category:

	Professional	Skilled	Semi-Skilled	Un-Skilled	Total
<b>Full Time</b>					
<b>Part Time</b>					
<b>Seasonal</b>					
<b>Independent Contractors</b>					
<b>Employees of Independent Contractors</b>					

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

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

**Salary and Fringe Benefits**

Is the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created described in the Application still complete, true, and accurate:      Yes                  No

If not, please provide the revised amounts using the table below:

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

**Capital Investment Information**

20\_\_ Capital Investment \_\_\_\_\_  
     Real Estate \_\_\_\_\_  
     Construction \_\_\_\_\_  
     Machinery and Equipment \_\_\_\_\_

<sup>1</sup> The Finger Lakes Economic Development Region consists of the following counties: Genesee, Livingston, Monroe, Ontario, Orleans, Seneca, Wayne, Wyoming, Yates.

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, 2016 by and between the Company and Yates 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: \_\_\_\_\_