

**COUNTY OF FRANKLIN INDUSTRIAL DEVELOPMENT AGENCY
AMENDED AND RESTATED UNIFORM TAX EXEMPTION POLICY**

The New York State Industrial Development Agency Act, as amended in 1993, (the "IDA ACT") and, specifically Section 874(4) of the IDA Act found in Title 1 of Article 18-1 of the General Municipal Law ("GML") of the State of New York (the "State"), requires every industrial development agency ("IDA") of the State to adopt a uniform tax exemption policy. The IDA Act further requires that such policy shall apply to grants of financial assistance to project companies and provide guidelines to such companies with respect to claiming exemption from real property taxes, mortgage recording tax and sales tax.

A. Guidelines

1. Period Of the Exemptions.

a. Real Property Taxes: the length of the exemption will be the time period agreed upon the affected tax jurisdiction(s) ("ATJ(s)") within which the project will be located.

b. Mortgage Recording Tax: the tax exemption will be granted for the life of the project commencing upon the initial closing.

c. Sales Tax: the exemption will expire on the earlier date (i) of completion of the project or (ii) as otherwise negotiated by the County of Franklin Industrial Development Agency (the "Agency"). If the Agency negotiates an expiration date with the company, extensions of the Sales Tax Exemption Letter may be granted at the sole discretion of the Agency upon the request of the project company in the event the project is not completed prior to the expiration of the date established by the Agency.

2. Percentage Of the Exemption.

a. Real Property Taxes: the percentage of the exemption from what the real property taxes would otherwise be were title held by the project company instead of the Agency will be granted to the project company in accordance with the determination made by the ATJ(s) regarding such percentage.

b. Mortgage Recording Tax: an exemption of up to 100% shall be granted for the mortgage recording tax that would otherwise be imposed for the recordation of any mortgage document necessary as part of the financing of the project.

c. Sales Tax: an exemption of up to 100% shall be granted to the project company, developer, contractor of subcontractor, appointed by the Agency to act on its behalf as its agent, for purchases incurred by the project company or other agent in connection with the acquisition, construction (or reconstruction) and installation of the project.

3. Types Of Projects For Which Exemptions Can Be Claimed.

The Agency will provide exemptions to all projects enumerated in the IDA Act for which an IDA is authorized to provide financial assistance; provided, however, exemptions shall be granted only after the Agency considers the following issues:

- a. Extent to which a project will create or retain permanent private sector jobs.
- b. Estimated value of any tax exemptions to be provided.
- c. Whether ATJs shall be reimbursed by the project occupant if a project does not fulfill the purposes for which an exemption was provided.
- d. The impact of a proposed project on existing and proposed business and economic development projects in the vicinity.
- e. The amount of private sector investment generated or likely to be generated by the proposed project.
- f. The demonstrated public support for a proposed project.
- g. The likelihood of accomplishing the proposed project in a timely fashion.
- h. The effect of the proposed project upon the environment.
- i. The extent to which the proposed project will require the provisions of additional services.
- j. The extent to which the proposed project will provide additional sources of revenue for municipalities and school district.

4. Procedures For Payments in Lieu Of Real Property Taxes.

a. The project company shall make all payments in lieu of taxes to the County Treasurer of the County of Franklin, New York (the "County").

b. The County Treasurer of the County shall maintain accurate records of all payments in lieu of taxes (i) paid by the project company and (ii) due in the coming fiscal year.

c. Upon receipt by the County Treasurer of such payments, the County Treasurer shall immediately deposit the amount of such payments with the depositories designated by the ATJ(s).

d. Within thirty (30) days of receipt of such payments from the project company, the County Treasurer shall remit such amount to the ATJ(s).

e. Unless the PILOT Agreement provides otherwise, if the project company is delinquent in making the payments in lieu of taxes pursuant to such PILOT Agreement, the County Treasurer shall send a notice of delinquency by certified mail, return receipt requested within ten (10) days of nonreceipt of payment by the project company.

f. Unless the PILOT Agreement provides otherwise, if the project company fails to make the required payments within thirty (30) days after they are due pursuant to such PILOT Agreement, the County Treasurer shall notify the governing body(ies) of the ATJ(s) of such nonpayment.

5. Performance Of Real Property Appraisals As Part Of Application Requesting Real Property Tax Exemption.

The Agency requires real property appraisals to be performed as part of an application for tax exemption.

B. Deviation From Uniform Tax Exemption Policy

IDAs are required under the IDA Act to establish a procedure for deviation from its uniform tax exemption policy. The Agency may deviate from such policies after complying with the following:

1. Setting forth in writing the reasons for deviation from such policy; and
2. Notifying the ATJ or ATJs of the proposed deviation and the reasons therefor.

C. Recapture of Benefits

The Agency, in its sole discretion and on a case by case basis, with respect to a particular project, to require the project applicant to agree to the recapture by the Agency of the value of any or all exemption from taxation granted with respect to the project by virtue of the Agency's involvement. Events that the Agency may determine will trigger recapture may include:

1. sale or closure of a facility;
2. significant employment reduction;
3. significant change in use of facility;
4. significant change in business activities or project applicant or operator; or
5. material noncompliance with or breach of terms of Agency transaction documents or of zoning or land use laws or regulations or federal, state or local environmental laws or regulations.

D. Additional Recapture Provisions

In addition to the provisions for recapture set forth in paragraph C, the Agency may, in its sole discretion and on a case-by-case basis, require recapture benefits with respect to any project applicant for:

1. failure to respond to Agency's inquiries concerning insurance coverage or failure to provide insurance certificated when and as required by the Agency transaction documents;
2. failure to respond to the Agency's inquiries regarding PILOT payments;
3. failure to respond to Agency's inquiries or to provide facts requested by the Agency in connection with any proceedings or determinations regarding Recapture by the Agency;
4. failure to respond to the inquiries of the Agency or to provide the Agency with information or documentation requested by the Agency in order to provide any federal, state or local agency with information or reports required under applicable law, rule or regulation; or
5. failure to provide any other information concerning the project or the project applicant or any project operator requested by the Agency.

E. Amendment

The Agency by resolution of its members, and upon notice to all affected tax jurisdictions as may be required by law, may amend or modify the foregoing policy as it may, from time to time, in its sole discretion determine.