

# Dutchess County **DCida** Industrial Development Agency

3 Neptune Road, Suite A21, Poughkeepsie, NY 12601  
Tel. # - (845) 463-5400 / Fax # - (845) 463-0100

## **NOTICE AND CONFIRMATION** **BOARD OF DIRECTORS SPECIAL MEETING**

**Thursday, December 16, 2021**  
8:00 a.m.

**DATE:** December 8, 2021

**TO:** Mark Doyle, Vice Chair  
Kathleen Bauer, Secretary/Treasurer  
Amy Bombardieri  
Jamie Piccone II  
Don Sagliano  
Al Torreggiani

**FROM:** Tim Dean, Chairman

---

A special meeting of the Dutchess County Industrial Development Agency [DCIDA] has been scheduled for **Thursday, December 16, 2021 at 8:00 a.m.** via Zoom or in-person at 3 Neptune Road, Suite A21, Poughkeepsie, NY 12601.

**In compliance with NYS Senate Bill S88**, signed into law on August 27, 2019 and effective as of January 2020, this meeting will be recorded.

**PLEASE TAKE NOTICE** that the Dutchess County Industrial Development Agency (the "Agency") Board Meeting scheduled for December 16, 2021 can also be viewed electronically via conference call by the public. Members of the public may listen to the Board meeting by logging into the Zoom Platform at <https://zoom.us/j/82867348569> or calling 1-929-436-2866 Meeting ID: 828 6734 8569. The meeting will be recorded and will be posted to the Agency's website.

The purpose of the meeting is to consider the following:

1. Conflict of Interest Disclosures
2. Proof of Meeting Notice
3. Bills and Communications
4. Approval of Minutes
5. Report of the Treasurer
6. Reports of Committees
7. Unfinished Business
8. New Business
  - A. Consideration and Approval of a Resolution for Arthur May Redevelopment Holdings, LLC (Town of Poughkeepsie) authorizing an amendment to the project description to reflect recent changes made to the Site Plan, including 1) increasing the residential apartments by 10 units (total 197 units) 2) removing the 66,300 square foot hotel; and 3) adjusting the square footage of the residential and commercial portions of the Project, reflecting a 5.7% reduction in total square footage for the Project.

### Information Copy

Marcus J. Molinaro, DC Executive  
A. Gregg Pulver, Chairman, DC Legislators  
Ronald Hicks, Dutchess County

Sarah Lee, Executive Director  
Jane Denbaum, CFO  
Donald Cappillino, Counsel  
Elizabeth Cappillino, Counsel

B. Hunter, WEOK/WPDH  
H. Gross, MidHudson News

Dutchess County **DCida** Industrial Development Agency

3 Neptune Road, Suite A21, Poughkeepsie, NY 12601  
Tel. # - (845) 463-5400 / Fax # - (845) 463-0100

**BOARD OF DIRECTORS SPECIAL MEETING**

**Thursday, December 16, 2021**  
8:00 a.m.

**AGENDA**

1. Roll Call
2. Conflict of Interest Disclosures
3. Proof of Meeting Notice
4. Bills and Communications
5. Approval of Minutes
6. Report of the Treasurer
7. Reports of Committees
8. Unfinished Business
9. New Business
  - A. Consideration and Approval of a Resolution for Arthur May Redevelopment Holdings, LLC (Town of Poughkeepsie) authorizing an amendment to the project description to reflect recent changes made to the Site Plan, including 1) increasing the residential apartments by 10 units (total 197 units) 2) removing the 66,300 square foot hotel; and 3) adjusting the square footage of the residential and commercial portions of the Project, reflecting a 5.7% reduction in total square footage for the Project.
10. Adjournment

**In compliance with NYS Senate Bill S88**, signed into law on August 27, 2019 and effective as of January 2020, this meeting will be recorded.

**PLEASE TAKE NOTICE** that the Dutchess County Industrial Development Agency (the "Agency") Board Meeting scheduled for December 16, 2021 can also be viewed electronically via conference call by the public. Members of the public may listen to the Board meeting by logging into the Zoom Platform at <https://zoom.us/j/82867348569> or calling 1-929-436-2866 Meeting ID: 828 6734 8569. The meeting will be recorded and will be posted to the Agency's website.

Arthur May Redevelopment Holdings LLC  
32 Pine Tree Dr  
Poughkeepsie, NY 12603

October 27, 2021

Dutchess County Industrial Development Authority  
C/o Sarah Lee  
Executive Director  
3 Neptune Rd  
Poughkeepsie, NY 12601  
845.463.5400

Re: Arthur May Redevelopment Holdings LLC Program Revision

Dear Ms. Lee,

On behalf of Arthur May Redevelopment, LLC, I hereby write to notify you of a modification in our Program at the Arthur May Redevelopment school site. We are writing to disclose a reduction in planned square footage at the Project, from 323,865 square feet to 305,183 total square feet. This represents a reduction of 18,682 square feet, or 5.7% of the proposed Project. We are not proposing any changes to our proposed employment projections, and we are also not requesting any changes to our Financial Assistance as a result of this program change.

**BACKGROUND:**

As contemplated in the Final Authorizing Resolution for the project, our Improvements included 187 residential apartments (and associated amenities), 18,279 square feet of mixed-use commercial space (including approximately 4,000 square feet to be used as a restaurant and retail space), and an approximately 66,300 square foot hotel. Total square footage for the Project was projected to be 323,865.

**AMENDED SITE PLAN**

As a result of the COVID pandemic, which shifted market demand for the hotel, we have worked with local stakeholders and received an Amended Conditional Site Plan Approval from the Town of Poughkeepsie Planning Board to amend the project to include 197 residential apartments (and associated amenities), and 21,139 square feet of mixed-use commercial space (including 3,906 square feet to be used as a restaurant and retail space) (the "Amended Project"). Total square footage for the Amended Project is projected to be 305,183. This represents a 5.7% reduction in square footage.

The Amended Project includes retaining the main section of the school building and converting it into 24 loft apartments and 9,100 square feet of commercial space. The rear section of the school will be demolished. The hotel, which was previously planned for the location of the school, is no longer proposed.

**AMENDED SUBDIVISION PLAN**

Rather than 6 subdivided parcels (as per the Original Authorizing Resolution), the Amended Project includes 4 subdivided parcels. This is a result of the combination of Lots 1&2 being combined into what is now Lot #1, and Lots 3&4 being combined into what is now Lot 3. Additionally, rather than 5 phases of development, the Amended Project has 4 phases of Development (Phases III and IV have been combined into one Phase). A phasing summary is shown below:

For the purpose of tracking, what Phases III and IV of Development have been combined into one Phase. Within the Amended Project, each subdivision is its own Phase of Development. The lot summary is as follows:

Authorizing Resolution "Phase" #:	Amended Project Building and Phase #
I	Building "AB", Phase I
II	Building E, Phase 2
III & IV	Building C, Phase 3
V	Building D, Phase 4

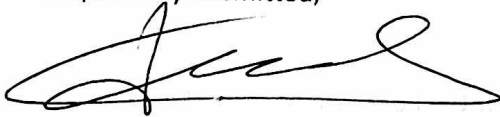
**NO CHANGE TO EMPLOYMENT; NO INCREASE TO FINANCIAL ASSISTANCE REQUESTED**

We continue to project at least the same number of employees at the site.

We note that our Financial Assistance included fixed PILOT payments for each building. While the total development of the Amended Plan (305,183 square feet) is less than that of the original plan (approximately 323,865 square feet), we are not requesting to amend or lower the fixed PILOT payments. Therefore, the benefits will be less, because we will pay the same amount of PILOT payments, as agreed, even though the full tax burden will be less than originally expected.

We respectfully request that the IDA board authorize an amendment to our Authorizing Resolution to acknowledge the Amended Site Plan, and to update the Phasing Plan by combining Phases III and IV into one Phase ("Amended Project Phase #3").

Respectfully submitted,



Jacob Reckess

Arthur May Redevelopment Holdings, LLC

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

At a special meeting of the Dutchess County Industrial Development Agency (the “Agency”) convened in public session at 8:00 a.m., local time at Three Neptune Road, Poughkeepsie, New York on the 16<sup>th</sup> day of December, 2021, the following members of the Agency were:

PRESENT: Mark Doyle, Vice Chairman  
Kathleen M. Bauer, Secretary/Treasurer  
Alfred D. Torreggiani  
Donald R. Sagliano  
Ronald J. Piccone, II  
Amy L. Bombardieri

ABSENT: Timothy Dean, Chairman

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

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

**RESOLUTION OF THE DUTCHESS COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY APPROVING THE AMENDMENT OF A  
CERTAIN INDUSTRIAL DEVELOPMENT FACILITY FOR ARTHUR  
MAY REDEVELOPMENT HOLDINGS, LLC AND AUTHORIZING THE  
MODIFICATION AND EXECUTION OF RELATED DOCUMENTS.**

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

**WHEREAS**, by resolution duly adopted by the Agency on June 24, 2020 (the “**Authorizing Resolution**”), the Agency agreed to provide certain “financial assistance” (within the meaning of the Act) to Arthur May Redevelopment Holdings, LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware and authorized to transact business in the State of New York, having its principal office at 32 Pine Tree Drive, Poughkeepsie, New York 12603 (the “**Company**”) with respect to the Facility (hereinafter defined), including potential exemptions from certain sales and use taxes, real property taxes, real

estate transfer taxes and mortgage recording taxes (collectively, the “**Financial Assistance**”) for a project (the “**Authorized Project**”) in connection with the acquisition, construction, improvement, reconstruction, repair, renovation, installation, furnishing and/or equipping of a certain mixed-use commercial facility in approximately five (5) phases and consisting of the following:

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

and the acquisition and installation therein of certain equipment and personal property installed thereon (the “**Equipment**”; and, together with the Land and the Improvements, the “**Facility**”); which Facility will be subleased and leased by the Agency to the Company for its use as a mixed-use commercial facility with a hotel and residential units; and

**WHEREAS**, pursuant to the Authorizing Resolution, the Agency approved the form, substance and execution of a certain Company Lease Agreement between the Company and the Agency whereby the Company would lease the Land and Improvements to the Agency (the “**Company Lease**”) and a certain Lease and Project Agreement between the Agency and the Company whereby the Agency would sublease and lease the Facility to the Company (the “**Lease Agreement**”); and

**WHEREAS**, the Company and the Agency have not yet executed the approved Agency Documents or closed on the transaction contemplated by the Authorizing Resolution; and

**WHEREAS**, the Company submitted a letter to the Agency dated October 27, 2021 to amend their Application and inform the Agency of the following changes made to the Authorized Project:

- a. The Project will be completed in approximately four (4) phases instead of five (5) phases;
- b. There will no longer be a hotel as part of the mixed-use commercial facility and instead of the inclusion of an approximately 66,300 square foot hotel, there will be:
  - i. approximately 35,658 square feet of additional residential space and 10 additional residential units for a total of 197 units;
  - ii. approximately 11,960 square feet of additional mixed-use commercial

- space other than the hotel;
- iii. a reduction of 18,682 square feet in the overall square footage of the Facility; and

**WHEREAS**, the proposed amended project contemplated herein (the “**Amended Project**”) is for the acquisition, construction, improvement, reconstruction, repair, renovation, installation, furnishing and/or equipping of a certain mixed-use commercial facility in approximately four (4) phases and consisting of the following:

- (A) the acquisition of approximately 6.8 acres of land consisting of an approximately 6.39-acre parcel of land located at 25 Raymond Avenue, Town of Poughkeepsie, County of Dutchess, State of New York, bearing Tax Map Grid No. 134689-6161-12-755735 and an approximately 0.43-acre parcel of land located at 31 Raymond Avenue, Town of Poughkeepsie, County of Dutchess, State of New York, bearing Tax Map Grid No. 134689-6161-12-784726 (the “**Land**”) and the demolition of existing buildings on the Land;
- (B) the construction, improvement, reconstruction, repair, renovation, installation, furnishing and/or equipping of the following improvements (the “**Improvements**”) on the Land:
  - a. approximately 30,239 square feet of mixed-use commercial space, including an approximately 3,906 square foot space which is currently proposed to be used as a restaurant and retail space;
  - b. approximately 274,944 square feet of residential space, to include approximately 197 residential units and an approximately 4,200 square foot clubhouse with amenities;

and the acquisition and installation therein of certain equipment and personal property installed thereon (the “**Equipment**”; and, together with the Land and the Improvements, the “**Facility**”); which Facility will be subleased and leased by the Agency to the Company for its use as a mixed-use commercial and residential facility; and

**WHEREAS**, the Company anticipates that the completion date for the Amended Project will be December 31, 2025; and

**WHEREAS**, the Company has requested that the Agency amend the Agency Documents (hereinafter defined) to reflect the revised project description and authorize the Amended Project;

**WHEREAS**, the Amended Project reduces the total square footage of the Authorized Project by 5.7%; and

**WHEREAS**, the nature of the Facility as a mixed-use commercial and residential facility has not changed due to the proposed change to the Authorized Project;

**WHEREAS**, the Company has indicated that the FTE projections in their Application have not changed due to the proposed change to the Authorized Project;

**WHEREAS**, the Company is not requesting any change to the Financial Assistance

previously approved by the Agency except to revise the previously approved PILOT Schedule to reflect that the five (5) proposed phases have been consolidated into four (4) phases;

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

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

**WHEREAS**, the on April 15, 2021, the Town Board made a Negative Declaration and Determination of Non-Significance (the “**Negative Declaration**”) determining that the Amended Project will not have a “significant impact” or “significant effect” on the environment as defined under SEQRA with the reasons for its determination stated therein and the Agency, as an involved agency, is bound by their determination; and

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

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

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

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

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

Section 1. The Agency hereby finds and determines:

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

Section 2. The Agency further hereby finds and determines:

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

(b) The Amended Project constitutes a "project", as such term is defined in the Act; and

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

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

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

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

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

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

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

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

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

Section 3. The Agency is hereby authorized to modify the hereinafter defined Agency Documents (previously approved by the Authorizing Resolution) to incorporate the Amended Project and changes contemplated by this resolution.

Section 4. Subject to (i) the Company executing the Company Lease, the Lease Agreement, and the Bill of Sale, and (iii) the delivery to the Agency of a binder, certificate or other evidence of liability insurance policy for the Facility satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the Project Work and appoints the Company as the true and lawful agent of the Agency.

Section 5. In consequence of the foregoing, the Agency hereby determines to: (i) lease the Land and Improvements from the Company pursuant to the Company Lease, (ii) execute, deliver and perform the Company Lease, (iii) sublease and lease the Facility to the Company pursuant to the Lease Agreement, and (iv) execute, deliver and perform the Lease Agreement.

Section 6. The Agency is hereby authorized to acquire a leasehold interest in the real property and personal property described in Exhibit A and Exhibit B, respectively, to the Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

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

Section 8.

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

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

Section 9. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 10. This resolution shall take effect immediately.

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

Timothy Dean, Chairman	VOTING
Mark Doyle, Vice Chairman	VOTING
Kathleen M. Bauer, Secretary/Treasurer	VOTING
Alfred D. Torreggiani	VOTING
Donald R. Sagliano	VOTING
Ronald J. Piccone, II	VOTING
Amy L. Bombardieri	VOTING

Adopted: December 16, 2021

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

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

That I have compared the annexed extract of minutes of the meeting of the Dutchess County Industrial Development Agency (the “Agency”), including the resolution contained therein, held on December 16, 2021, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of and original insofar as the same related to the subject matters herein referred to.

**I FURTHER CERTIFY,** that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (the “Open Meetings Law”), said meeting was open to the general public, and that public notice of the time and place of said meeting was only given in accordance with such Article 7.

**IN WITNESS WHEREOF,** I have hereunto set my hand as of the 16<sup>th</sup> day of December, 2021.

---

Kathleen M. Bauer, Secretary

[SEAL]

## EXHIBIT A

### PILOT SCHEDULE

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

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

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

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

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

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

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

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

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

“PILOT Year” shall mean the first tax year following the Completion Date. For example, if the Completion Date is prior to March 1, 2023, the Initial PILOT Year would include the 2023/2024 School District PILOT, the 2024 County PILOT, the 2024 Town PILOT, the 2024 Special Districts PILOT (collectively the “Initial PILOT Year”) shall become due, and annually thereafter for a total of twenty (20) years in accordance with the Schedule of PILOT Payments.

“Schedule of Exemptions and Calculation of PILOTs” – Phased Development. This Project is being developed in four (4) phases. Separate PILOT Schedules shall be applied to each separate phase.

For the purposes of implementing the PILOT Schedule herein, the Completion Date for each phase shall be the date upon which a Temporary Certificate of Occupancy, or, in the case of a phase with multiple buildings, a Temporary Certificate of Occupancy for the first completed building, has been issued.

During the Construction Period for each phase, the PILOT Payment shall be the equivalent of the real property taxes and Special District taxes that would have been levied upon the Land (without the Facility or any Improvements) if the Land were owned by the Company and the Agency had no ownership interest.

After the Completion Date for each phase, the Initial PILOT Payment shall be the Base PILOT Amount for the applicable year on the attached schedule plus the Year 1 Incremental PILOT Payment on the attached schedule plus the Special District PILOT.

For example, if the Phase I Completion Date is February 28, 2023, the Phase I PILOT Payment shall equal: **\$12,310 (the 2024 Base PILOT Amount) + \$1,345 (the Year 1 Incremental PILOT Amount) + the 2024 Special District PILOT.**

**[Remainder of Page Intentionally Left Blank – PILOT Tables Follow]**

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

**Phase I Base PILOT Schedule**

<b>PILOT Year</b>	<b>Base PILOT Amt.</b>
2020	\$10,929
2021	\$11,259
2022	\$11,599
2023	\$11,949
2024	\$12,310
2025	\$12,682
2026	\$13,065
2027	\$13,459
2028	\$13,866
2029	\$14,284
2030	\$14,716
2031	\$15,160
2032	\$15,618
2033	\$16,090
2034	\$16,576
2035	\$17,076
2036	\$17,592
2037	\$18,123
2038	\$18,670
2039	\$19,234
2040	\$19,815
2041	\$20,414
2042	\$21,030
2043	\$21,665
2044	\$22,319
2045	\$22,994
2046	\$23,688

**Phase I Incremental PILOT Schedule**

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

**Phase II (Building E):**

**Phase II Base PILOT Schedule**

<b>PILOT Year</b>	<b>Base PILOT Amt.</b>
2020	\$4,371
2021	\$4,503
2022	\$4,639
2023	\$4,780
2024	\$4,924
2025	\$5,073
2026	\$5,226
2027	\$5,384
2028	\$5,546
2029	\$5,714
2030	\$5,886
2031	\$6,064
2032	\$6,247
2033	\$6,436
2034	\$6,630
2035	\$6,830
2036	\$7,037
2037	\$7,249
2038	\$7,468
2039	\$7,694
2040	\$7,926
2041	\$8,165
2042	\$8,412
2043	\$8,688
2044	\$8,928
2045	\$9,197
2046	\$9,475

**Phase II Incremental PILOT Schedule**

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

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

**Phase III Base PILOT Schedule**

<b>PILOT Year</b>	<b>Base PILOT Amt.</b>
2020	\$26,229
2021	\$27,021
2022	\$27,837
2023	\$28,678
2024	\$29,544
2025	\$30,436
2026	\$31,355
2027	\$32,302
2028	\$33,278
2029	\$34,282
2030	\$35,318
2031	\$36,384
2032	\$37,483
2033	\$38,616
2034	\$39,782
2035	\$40,983
2036	\$42,221
2037	\$43,495
2038	\$44,809
2039	\$46,162
2040	\$47,556
2041	\$48,993
2042	\$50,472
2043	\$51,996
2044	\$53,566
2045	\$55,185
2046	\$56,851

**Phase III Incremental PILOT Schedule**

<b>PILOT Yr. Number</b>	<b>Incremental PILOT Amt.</b>
1	\$4,451
2	\$4,585
3	\$20,798
4	\$21,735
5	\$29,255
6	\$32,425
7	\$40,692
8	\$42,277
9	\$50,555
10	\$57,508
11	\$67,124
12	\$69,613
13	\$75,515
14	\$81,712
15	\$95,300
16	\$114,239
17	\$135,766
18	\$160,325
19	\$186,629
20	\$216,166

**Phase IV (Building D):**

**Phase IV Base PILOT Schedule**

<b>PILOT Year</b>	<b>Base PILOT Amt.</b>
2020	\$21,857
2021	\$22,517
2022	\$23,197
2023	\$23,898
2024	\$24,620
2025	\$25,363
2026	\$26,129
2027	\$26,918
2028	\$27,731
2029	\$28,569
2030	\$29,431
2031	\$30,320
2032	\$31,236
2033	\$32,179
2034	\$33,151
2035	\$34,152
2036	\$35,184
2037	\$36,246
2038	\$37,341
2039	\$38,469
2040	\$39,630
2041	\$40,827
2042	\$42,060
2043	\$43,330
2044	\$44,639
2045	\$45,987
2046	\$47,376

**Phase IV Incremental PILOT Schedule**

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

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

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

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

DRAFT

## EXHIBIT B

### EXCERPT FROM LEASE AGREEMENT

#### Section 5.4 Recapture of Agency Benefits.

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

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

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

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

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

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

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

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

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

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

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

(d) Furthermore, notwithstanding the foregoing, a Recapture Event shall not be deemed to have occurred if the Recapture Event shall have arisen as a result of (i) a “force majeure” event (as more particularly defined in Section 10.1(b) hereof), (ii) a taking or condemnation by governmental authority of all or part of the Facility, or (iii) the inability or failure of the Company after the Facility shall have been destroyed or damaged in whole or in part (such occurrence a “**Loss Event**”) to rebuild, repair, restore or replace the Facility to substantially its condition prior to such Loss Event, which inability or failure shall have arisen in good faith on the part of the Company or any of its affiliates so long as the Company or any of its affiliates have diligently and in good faith using commercially reasonable efforts pursued the rebuilding, repair, restoration or replacement of the Facility or part thereof.

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

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

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

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