FOURTH AMENDED AND RESTATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS FOURTH AMENDED AND RESTATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT is made as of the 13 day of April 2017, by and between CAYUGA OPERATING COMPANY LLC, as successor to AES Eastern Energy, L.P., a Delaware limited liability company qualified to do business in the State of New York, with offices at 7725 Lake Road, Barker, New York 14012 (the "**Company**"), and the TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, having its offices at Gateway Center, 401 East State Street, Suite 402B, Ithaca, New York 14850 (the "**Agency**").

WITNESSETH:

WHEREAS, the Agency was created pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York as amended by Chapter 535 of the Laws of 1971, of the State of New York (collectively, the "**Act**"), as a body corporate of the State of New York, and

WHEREAS, the Agency was asked to participate in the project whereby it took a leasehold interest in land (the "**Land**") located at 228 Cayuga Drive and Ridge Road in the Town of Lansing, County of Tompkins and State of New York (tax parcels 11.-1-3.211 and 11.-1-3.212) and the existing coal-burning electric plant thereon (the "**Improvements**") (the Land and the Improvements are collectively referred to as the "**Facility**" herein); and

WHEREAS, the Company acquired its interest in the Facility in accordance with a bankruptcy proceeding captioned *In re AES Eastern Energy, L.P.*, Case No. 11-14138 (KJC) and in particular, pursuant to Section 363 of the United States Bankruptcy Code; and

WHEREAS, in order to assist the Company in updating the Facility's coal-handling systems, with a focus on dust control and mitigation, the Agency took a leasehold interest in the land, improvements and personal property constituting the Facility pursuant to the terms and conditions of a certain Amended and Restated Lease Agreement dated as of June 1, 2012, as the same may be amended or modified from time to time (the "**Lease Agreement**") and subleased said land, improvements and personal property back to the Company pursuant to the terms and conditions of a certain Amended and Restated Leaseback Agreement dated as of June 1, 2012, as the same may be amended or modified from time to time (the "**Leaseback Agreement**"); and

WHEREAS, the premises and the buildings thereon constituting the Facility will be exempt from village, town, county and school real estate taxes pursuant to the laws of the State of New York, and

WHEREAS, the Company, however, has agreed to pay sums of money in lieu of real property taxes; and

WHEREAS, the Agency and the predecessor in interest of the Company entered into a Payment-In-Lieu-Of-Tax Agreement on February 27, 2009 (hereafter the "**2009 PILOT Agreement**"); and

WHEREAS, the parties amended the 2009 PILOT Agreement by entering into an Amended PILOT Agreement and Rider thereto on February 24, 2010 (hereafter the "**2010 Amendment**"); and

WHEREAS, the parties further amended the 2009 PILOT Agreement and the 2010 Amendment, pursuant to the provisions of par. 6.3 of the Rider to the 2010 Amendment by entering into that certain Amended and Restated PILOT Agreement in May 2011 (the "**2011 Amendment**"); and

WHEREAS, the parties further amended the 2009 PILOT Agreement, the 2010 Amendment and the 2011 Amendment, pursuant to the terms of that certain Second Amended and Restated Payment-in-Lieu-of-Tax Agreement dated as of June 1, 2012 (the "**Second Amended and Restated PILOT Agreement**"); and

WHEREAS, the parties further amended the 2009 PILOT Agreement, the 2010 Amendment, the 2011 Amendment and the Second Amended and Restated PILOT Agreement, pursuant to the terms of that certain Third Amended and Restated Payment-in-Lieu-of-Tax Agreement dated as of July 17, 2015 (the "**Third Amended and Restated PILOT Agreement**"); and

WHEREAS, the parties wish to amend and restate the Third Amended and Restated PILOT Agreement to reflect certain changes to their agreement regarding tax years 2017, 2018 and 2019 (the 2009 PILOT Agreement, the 2010 Amendment, the 2011 Amendment, the Second Amended and Restated PILOT Agreement and the Third Amended and Restated PILOT Agreement as amended and restated by this Fourth Amended and Restated Payment-in-Lieu-of-Tax Agreement, being collectively referred to as this "**PILOT Agreement**");

NOW THEREFORE, in consideration of $1.00 each to the other in hand paid and receipt of which is hereby acknowledged, and other good and valuable consideration, the parties agree as follows:

(1) (a) The parties hereto understand that the tax exemption extended to the Agency by Section 874 of the General Municipal Law 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, service charges and improvement district charges or similar tax equivalents. Pursuant to the Leaseback Agreement described herein, the Company is required to pay all special assessments and special ad valorem levies, service charges and improvement district charges or similar tax equivalents lawfully levied and/or assessed against the Facility.

(b) It is agreed and understood by the parties that the Company's entire interest in the Facility (i.e., the Land owned by the Company at 228 Cayuga Drive and Ridge Road in the Town of Lansing, Tompkins County, New York and the Improvements thereon, leased to the Company) has been conveyed to the Agency by the Lease Agreement. As long as the Agency holds an interest in the Facility, and the Facility is therefore exempt from general real property taxation, the Company agrees to pay annually to such Taxing Jurisdictions, i.e., the Town of Lansing, the County of Tompkins and the Lansing Central School District (or cause any mortgagee to release any escrow for payments hereunder annually to such Taxing Jurisdiction) as a payment in lieu of general real property taxes respecting the Facility, an amount equal to 100% of the real property taxes which would be due for the Facility but for the interest held by the Agency therein (but without reference to, or utilization of, Section 485-b of the Real Property Tax Law of the State of New York). The assessment of the Facility for purposes of determining the payment in lieu of taxes due and payable by the Company shall be determined as set forth in the Rider attached hereto and made a part hereof.

	YEAR OF EXEMPTION	TAXING JURISDICTIONS PAYMENT IN LIEU OF TAX FOR CURRENT ASSESSED VALUE OF FACILITY (SEE RIDER)
1	2009-10 School tax; 2010 Town & County tax	100%
2	2010-11 School tax; 2011 Town & County tax	100%
3	2011-12 School tax; 2012 Town & County tax	100%
4	2012-13 School tax; 2013 Town & County tax	100%
5	2013-14 School tax; 2014 Town & County tax	100%
6	2014-15 School tax; 2015 Town & County tax	100%
7	2015-16 School tax; 2016 Town & County tax	100%
8	2016-17 School tax; 2017 Town & County tax	100%
9	2017-18 School tax; 2018 Town & County tax	100%
10	2018-19 School tax; 2019 Town & County tax	100%
11	2019-20 School tax; 2020 Town & County tax	100%
12	2020-21 School tax; 2021 Town & County tax	100%
13	2021-22 School tax; 2022 Town & County tax	100%
14	2022-23 School tax; 2023 Town & County tax	100%
14	2023-24 School tax; 2024 Town & County tax	100%
16	2024-25 School tax; 2025 Town & County tax	100%
17	2025-26 School tax; 2026 Town & County tax	100%
18	2026-27 School tax; 2027 Town & County tax	100%
19	2027-28 School tax	100%

(it being understood and agreed that from the date of execution of this Agreement until such tax status date, said date being the first day of March following the execution of this Agreement, the Company shall be obligated to pay or cause to be paid annually to the Taxing Jurisdictions normal real property taxes).

In addition, the Company agrees to pay on the date of execution and delivery by the Agency of any mortgage on the Facility, as a payment in lieu of mortgage recording tax which would be due in respect of such mortgage on the Facility but for the interest held by the Agency therein, a total amount of 3/4 of 1% of the maximum amount secured by any such mortgage, except such amount as reflects repayment of prior indebtedness, to the County of Tompkins, the Town of Lansing and the Village of Lansing, with said amount to be allocated among them as calculated by the Tompkins County Finance Department based on the then-current assessed values. As of the date hereof, said payment in lieu of mortgage recording tax is allocated as follows: County of Tompkins: ¼ of said 1%; Town of Lansing: [__]% of ½ of said 1%; and Village of Lansing: [__]% of ½ of said 1%. The allocation of payment of ½ of said 1% between the Town of Lansing and Village of Lansing is subject to annual adjustment by the Tompkins County Finance Department based on the assessed values of properties in the respective municipalities.

(2) (a) Special district charges, special assessments, and special *ad valorem* levies, unless otherwise exempt, and all water and sewer charges, if any, are to be paid in full in accordance with normal billing practices.

(b) The Company shall pay to the Taxing Jurisdictions, at the times real estate taxes are due and prior to incurrence of any penalty, the amounts set forth in paragraph 1(b).

(c) If the Company shall fail to make any payment required by this PILOT Agreement when due, its obligation to make the payment so in default shall continue as an obligation of the Company until such payment in default shall have been made in full, and the Company shall pay the same together with interest thereon, to the extent permitted by law, at the same rate per annum as if such amounts were delinquent taxes, until so paid in full.

(3) In the event that the Agency fails to retain its interest in the Facility, and the Company is ineligible for a continued tax exemption under some other tax incentive program, or the exemption is less than that described in paragraph 1(b) herein, the Company agrees to pay no later than the next tax lien date (plus any applicable grace period) to the Taxing Jurisdictions an amount which would have been levied on the Facility if the Facility had been classified as fully taxable, pro rata for the unexpired portion of the year of transfer.

The Company agrees that in the event the Facility covered by this PILOT Agreement is sold, the purchaser will be required by the Company to continue to make payments in lieu of taxes according to the terms of this PILOT Agreement until the property being sold has been returned to the taxable assessment rolls and until payment of property taxes becomes due according to the Real Property Tax Law of the State of New York. Any amounts paid in lieu of taxes will be eligible for proration up to the time of payments of property taxes.

The intent of this paragraph is to ensure that the current and future owners are at all times paying either the payment in lieu of taxes or real estate taxes as assessed from time to time on the Facility. There shall be no duplication of payments in any year.

(4) The Company shall have all of the rights and remedies of a taxpayer with respect to any tax, service charge, special benefit, ad valorem levy, assessment, or special assessment or service charge in lieu of which the Company is obligated to make a payment pursuant to this PILOT Agreement, as if and to the same extent as if the Company were the owner of the Facility.

(5) Following the expiration of the term of the Lease Agreement executed concurrently herewith, the Company shall thereafter pay 100% of all taxes due with respect to the Facility (and which would otherwise be due but for the Agency's leasehold and subleasehold interests in the Facility) based on the then-current assessment.

(6) While the Agency holds an interest in the Improvements and the Land, to the extent permitted by law, the Company (or any tenant of the Facility) shall have all of the rights and remedies of a taxpayer as if and to the same extent as if the Company (or any tenant of the

Facility) were the owner of the Facility with respect to any proposed assessment or change in assessment with respect to the Facility by any of the Taxing Jurisdictions and likewise shall be entitled to protest before and be heard by the appropriate assessors or Board of Assessment Review, and shall be entitled to take any and all appropriate appeals or initiate any proceedings to review the validity or amount of any assessment or the validity or the amount of any tax equivalent provided for herein. The Agency agrees to sign any papers, petitions, notices or other documents to permit the Company (or any tenant of the Facility) to contest assessments of the Facility and to otherwise cooperate, at the Company's or tenant's cost, with efforts of the Company or tenant to contest assessments of the Facility.

(7) To the extent the Facility is declared to be subject to general real property taxation by an amendment to the Act, other legislative change, or by final judgment of a Court of competent jurisdiction, the obligations of the Company hereunder shall, to such extent be null and void.

(8) If payments are not made as provided for herein, the Agency and/or the Taxing Jurisdictions, collectively, shall be entitled to pursue any and all remedies afforded a municipal taxing entity at law or in equity.

(9) Upon the Company's failure to comply with any and all terms of the Lease Agreement and Leaseback Agreement (including, but not limited to, providing timely reports to the Agency verifying the creation of employment positions as set forth in the Company's application), the Agency may, at its option, terminate this PILOT Agreement and the Lease Agreement and Leaseback Agreement between the Company and the Agency by written notice to the Company, in full or in part, resulting the Company's loss of all remaining tax abatements pursuant to this Agreement.

(10) (a) The rights and obligations of the Company hereunder may be (i) assigned collaterally, to any person or entity providing financing for the Facility (or such person or entity's agents), and (ii) assigned, transferred, or assumed by any person or entity to whom or to which the Company's interest in the Land and the Improvements shall be transferred pursuant to Section 6.3 of the Leaseback Agreement, without the prior written consent of the Agency, provided such person or entity, as the case may be, agrees to be bound by this PILOT Agreement.

(b) The Agency shall cooperate with the Company and any such person or entity providing financing for the Facility (or such person or entity's agents) from time to time, including, without limitation, by entering into a consent and assignment or other agreement with such person or entity providing such financing for the Facility (or such person or entity's agents) in connection with any collateral assignment on such terms as may be customary under the circumstances and shall be reasonably required by such person or entity providing such financing (or such person or entity's agents).

(11) In consideration for the assistance provided to the Company by the Agency, the Company agrees, if requested by Agency, to fully cooperate and execute and/or re-execute any document that should have been signed at or before the closing of the transaction described in this PILOT Agreement, or a corrected or modified version of any such documents, where the

document was inadvertently not executed at or before the closing, or the version executed at or before the closing contained any typographical, clerical or mathematical error, or erroneously contained or omitted any provision that does not conform with the statutory authority and established policies of the Agency.

IN WITNESS WHEREOF, the parties hereto have executed this PILOT Agreement as of the date first above written.

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: ______________________
Heather D. McDaniel
Administrative Director

CAYUGA OPERATING COMPANY LLC

By: ______________________
Douglas Halliday
Chief Financial Officer

STATE OF NEW YORK)
COUNTY OF TOMPKINS) SS.:

On the 21 day of April 2017 before me, the undersigned, a Notary Public in and for the State of New York, personally appeared HEATHER D. MCDANIEL, 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 that by his signature on the instrument, the individual or the entity upon behalf of which the individual acted, executed the instrument.

INA K ARTHUR
NOTARY PUBLIC - STATE OF NEW YORK
NO. 01AR6197562
QUALIFIED IN TOMPKINS COUNTY
COMMISSION EXPIRES DECEMBER 1, 2020

____
Notary Public

STATE OF ~~NEW YORK~~ MARYLAND)
COUNTY OF ~~TOMPKINS~~ TALBOT) SS.:

On the 3rd day of ~~July~~ May 2017 before me, the undersigned, a Notary Public in and for the State of ~~New York~~ MARYLAND, personally appeared DOUGLAS HALLIDAY, 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 that by his signature on the instrument, the individual or the entity upon behalf of which the individual acted, executed the instrument.

____
Notary Public

TINA M. ACREE
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires April 15, 2018

RIDER TO FOURTH AMENDED AND RESTATED PILOT AGREEMENT BETWEEN THE TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY AND CAYUGA OPERATING COMPANY LLC

The Company shall pay when due each payment in lieu of real property taxes allocable to the Facility ("**PILOT Payment**") that may be due from time to time to the County of Tompkins, Town of Lansing, and the Lansing Central School District (collectively, the "**Taxing Jurisdictions**") calculated in accordance with the terms of this Rider.

ARTICLE I

AGREED TAXABLE VALUATIONS

1.1 **Calculation of Annual Payment**. The annual amount of such PILOT Payments shall be calculated by determining the value of the Facility for the current tax year from the values set forth on Exhibit A attached to this Rider and made a part hereof (the "**Taxable Values**"), as the same may be amended from time to time (the "**Value Exhibit**"), and determining the sum of all of the products found by multiplying the Taxable Value for the then current tax year by the then current rate per thousand for each of the Taxing Jurisdictions plus the Net Operating Income Payments due pursuant to paragraph 2.1 of this Rider. In addition to the PILOT Payments, the Company shall be responsible for the payment of any and all special assessments that may be allocable to the Facility. The Taxing Jurisdictions will provide the Company with a separate bill for such special assessments, if any.

1.2 **Certain Values Non-Negotiable**. Except as otherwise provided in paragraph 2.1 of this Rider with regard to the Net Operating Income Payment and paragraph 3.3 of this Rider with regard to extraordinary circumstances, the parties acknowledge and agree that the Taxable Values set forth on the Value Exhibit for the years of 2012, 2013, 2014, 2015, 2016, 2017, 2018 and 2019 (the "**Established Values**") are non-negotiable and no party to this PILOT Agreement shall have the right, under any circumstances, to request, require, or otherwise seek negotiation of the Established Values.

ARTICLE II

MODIFICATION OF AGREED TAXABLE VALUATIONS

2.1 **Net Operating Income Payment**. Notwithstanding any other provision of this PILOT Agreement, in addition to the PILOT Payment due for tax years 2017, 2018 and 2019, if the Company's Net Operating Income (as defined and calculated in accordance with Exhibit C to this Rider) exceeds eight million and 00/100 dollars ($8,000,000), five million seven hundred fifty thousand and 00/100 dollars ($5,750,000) and four million six hundred thousand and 00/100 dollars ($4,600,000) for its fiscal years ending on December 31, 2017, 2018 and 2019, respectively (the "**NOI Threshold**"), then the Company shall make an additional payment to Tompkins County, which payment is to be allocated among the Affected Tax Jurisdictions in the same proportion as ad valorem taxes would have been allocated but for the Agency's involvement, unless the Affected Tax Jurisdictions have consented in writing to a specific allocation, based upon the amount of Net Operating Income above the NOI Threshold ("**Excess NOI Amount**"), calculated to establish an imputed property value of such Excess NOI Amount and in accordance with the following formula ("**Additional Payment Formula**"):

Excess NOI Amount, multiplied by fifty percent (50%), divided by an agreed upon capitalization rate equal to twenty-three and six one-hundredths percent (23.06%), multiplied by an agreed upon taxable factor equal to seventy-four percent (74%), multiplied by the then current tax rate per thousand for each of the Taxing Jurisdictions.

The product of the Additional Payment Formula will be the amount owed to the Taxing Jurisdictions (the "**Additional Payment**").

For the avoidance of doubt, the following is an example of the application of the Additional Payment Formula:

EXAMPLE: The Company's Net Operating Income is $9,500,000 for fiscal year ended December 31, 2017. Therefore, $9,500,000 less $8,000,000 (the NOI Threshold) is equal to $1,500,000 (the Excess NOI Amount).

$1,500,000 multiplied by 50% equals $750,000
$750,000 divided by 23.06% (capitalization rate) equals $3,252,385
$3,252,385 multiplied by 74% (taxable factor) equals $2,406,765
$2,406,765 multiplied by 0.0306% (tax rate) equals **$73,647** (the Additional Payment)

The Company shall provide to the Tompkins County Director of Assessment no later than March 15 of the following year the necessary information and documentation to determine the Net Operating Income for the preceding year (i.e., 2017, 2018 or 2019) and calculate the Net Operating Income Payment as set forth above. The Director of Assessment will share this information with the Affected Taxing Jurisdictions. On April 1 of the year in which the information is provided, the Director of Assessment will certify the amount of the Net Operating Income Payment due for the preceding year to the Tompkins County Finance Department, or that no such payment is due. If a Net Operating Income Payment is due, the Company shall make the additional payment no later than April 15, 2018 for 2017, April 15, 2019 for 2018 and April 15, 2020 for 2019.

The Company shall report its estimated Net Operating Income for the current year during each year covered by this Article no later than March 15, July 1 and October 1 of each year to the Tompkins County Director of Assessment, who will share this information with the Affected Tax Jurisdictions. The first estimate for 2017 will be due no later than ten (10) business days following the signing this Agreement.

2.2 **Agreement to Negotiate**. Notwithstanding any other provision of this PILOT Agreement, the parties shall enter into good faith negotiations commencing no later than March 15, 2019, to determine if the Taxable Values allocable to years 2020, 2021 and 2022 require modification utilizing the valuation methodology set forth on Exhibit B attached to this Rider and made a part hereof, or such other methodology as the parties may mutually agree.

2.3 **Right to Serve Notice of Modification**. Notwithstanding any other provision of this PILOT Agreement, either party, upon not less than ten (10) days' prior written notice to the other (a "**Modification Notice**"), shall have the right to request modification of the Taxable Values reflected on the Value Exhibit for the years 2023 through 2028. In the event neither party serves a Modification Notice on the other, the Taxable Values set forth on the Value Exhibit will remain the same.

2.4 **Modification Notice Served**. In the event a party serves the other with a Modification Notice as provided immediately above, the parties shall participate in good faith negotiations utilizing the valuation methodology set forth on Exhibit B attached to this Rider and made a part hereof, or such other methodology as the parties may mutually agree, to determine if the Taxable Values for the years of the Second Adjustment Period require modification.

In the event that the parties hereto cannot agree on the Taxable Values allocable to years 2023 through 2028 (or any combination of years therein), then the parties shall utilize the provisions of Section 3.1 herein. The Value Exhibit shall be updated to reflect the change in Taxable Values regardless of whether the final Taxable Values are determined in compliance with this Article II or with Section 3.1 hereof, and such updated Value Exhibit shall be utilized for purposes of making the calculations provided for in Section 1.1 hereof.

ARTICLE III

GENERAL PROVISIONS

3.1 **Inability to Agree upon New Taxable Value**. In the event that the parties hereto, during any period in which such parties are negotiating the Taxable Values for a year or multiple years (each an "**Adjustment Period**") within the term of this PILOT Agreement, are unable to agree upon a new Taxable Value by December 31 in any year in which a Modification Notice has been served for a particular Adjustment Period, the parties shall take the following steps to determine such new Taxable Value.

(a) Retain Neutral Party. Each party shall submit to the other a list of three (3) individuals, each of whom shall have the requisite experience in the energy industry to formulate a new Taxable Value using the valuation methodology set forth in Exhibit B to this Rider or such other valuation method as the parties may mutually agree. At the time of submission of the lists, the parties shall develop a process to determine which individual from those appearing on the lists they shall mutually agree to designate as the "**Neutral Party**" to assist the parties in reaching consensus on the new Taxable Value. Each party shall provide the Neutral Party with its desired new Taxable Value, together with all such documentary and/or live testimony in support of such value. Upon completion of the Neutral Party's review and analysis of the submitted information, the Neutral Party shall decide which of the new Taxable Values it determines is correct and shall provide both parties with written notice of its determination. If either party disagrees with the Neutral Party's determination, then such disagreeing party shall have the right, no later than thirty (30) days after receipt of the determination from the Neutral Party, to give the other party written notice of its disagreement. After such notice is given, either party may resort to judicial intervention.

(b) Resort to Judicial Intervention. In the event that the parties have not agreed upon a new Taxable Value, and/or have failed to select a Neutral Party pursuant to subparagraph (a) above, and/or one or both parties disagree with the determination of the Neutral Party, then either party may commence a declaratory judgment action in Supreme Court Tompkins County seeking a judicial ruling determining the new Taxable Value. The parties shall provide the Court with their respective valuations together with all documentation and information in support of such valuations. The Court, in turn, shall determine which documentation and what information from that submitted by the respective parties should be used to determine the new Taxable Value based upon the valuation methodology employed by the parties (being that methodology set forth on Exhibit B to this Rider or such other valuation methodology as the parties may have mutually agreed upon) to determine the new Taxable Value. The parties agree that such new Taxable Value as determined by the Court shall be within a range of values, the extremes of which shall be the respective values as determined by the parties prior to the submission of this matter to the Court. The new Taxable Value as determined by the Court will be subject to the provisions of paragraph (c) below. Both parties acknowledge that Supreme Court Tompkins County is the appropriate forum for the determination of the Taxable Value.

(c) Use of Neutral Party or Court Determined Taxable Value. Regardless of whether a new Taxable Value for an Adjustment Period has been obtained as a result of the process delineated in subparagraphs (a) or (b) above, the new Taxable Value once determined, shall be utilized as the Taxable Value and inserted in the Taxable Value calculations in Section 2.1(a) to the Adjustment Period for which the Modification Notice has been served.

3.2 **Annual Status Review**. Every year during the term of this PILOT Agreement, except in those years within which either party has served a Modification Notice, the parties shall convene a meeting during the month of June at a place and time to be determined by the parties, to review the principles of the PILOT Agreement, the operation of the valuation methodology set forth in Exhibit B to this Rider and to discuss the current economic environment and operations of the Facility. In the event that the Company has determined that it may be seeking a reduction in valuation for the next Adjustment Period, the Company shall identify the source and nature of its concerns and provide to the Agency such information as would be appropriate in the spirit of this PILOT Agreement to enable the Agency and the affected Taxing Jurisdictions to formulate plans to react to the potential decrease in valuation; provided however, the Company will not disclose, nor will the Agency ask, require, or seek the Company to disclose, proprietary or other non-public information during these meetings. In the event that the Agency has determined that it may be seeking an increase in valuation for the next Adjustment Period, the Agency shall identify the source and nature of its concerns and provide to the Company such information as would be appropriate in the spirit of this PILOT Agreement to enable the Company and the affected Taxing Jurisdictions to formulate plans to react to the potential increase in valuation.

3.3 **Additional Right to Review**. Notwithstanding any other provision of this PILOT Agreement, if extraordinary circumstances shall occur at any time after March 15, 2017, but during the term of this PILOT Agreement and either party shall reasonably determine that such extraordinary circumstances necessitate a review and modification of the Taxable Values, then such party shall give notice to the other of its desire to so review and modify the Taxable Values and the noticed party shall not unreasonably refuse or condition its participation in such review and modification process. For the avoidance of doubt, an extraordinary circumstance hereunder shall include, but not be limited to, a notice by the Company effective no sooner than the 2018 Assessment Roll stating that the Company's management has decided to shut down operations of the Facility for a period of time of at least sixty (60) consecutive days with no reasonable expectation of re-opening. The parties agree that in such an instance, the modification procedures outlined within this Rider shall be followed.

IN WITNESS WHEREOF, the parties hereto have executed this Rider to Fourth Amended and Restated PILOT Agreement as of the date first above written.

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: ______________________
Heather D. McDaniel
Administrative Director

CAYUGA OPERATING COMPANY LLC

By: ______________________
Douglas Halliday
Chief Financial Officer

EXHIBIT A TO RIDER

VALUE EXHIBIT: TAXABLE VALUES

Assessment roll year (year when taxable value is determined)	Taxes affected	Value
2009	2009-10 school tax; 2010 Town & County Tax	$160,000,000
2010	2010-11 school tax; 2011 Town & County Tax	$130,000,000
2011	2011-12 school tax; 2012 Town & County Tax	$112,500,000
2012	2012-13 school tax; 2013 Town & County Tax	$86,250,000
2013	2013-14 school tax; 2014 Town & County Tax	$74,000,000
2014	2014-15 school tax; 2015 Town & County Tax	$60,000,000
2015	2015-16 school tax; 2016 Town & County Tax	$60,000,000
2016	2016-17 school tax; 2017 Town & County Tax	$60,000,000
2017	2017-18 school tax; 2018 Town & County Tax	$35,000,000
2018	2018-19 school tax; 2019 Town & County Tax	$25,000,000
2019	2019-20 school tax; 2020 Town & County Tax	$20,000,000[1]
2020	2020-21 school tax; 2021 Town & County Tax	$20,000,000
2021	2021-22 school tax; 2022 Town & County Tax	$20,000,000
2022	2022-23 school tax; 2023 Town & County Tax	$20,000,000
2023	2023-24 school tax; 2024 Town & County Tax	$20,000,000
2024	2024-25 school tax; 2025 Town & County Tax	$20,000,000
2025	2025-26 school tax; 2026 Town & County Tax	$20,000,000
2026	2026-27 school tax; 2027 Town & County Tax	$20,000,000
2027	2027-28 school tax; 2028 Town & County Tax	$20,000,000
2028	2028-29 school tax; 2029 Town & County Tax	$20,000,000

[1] ***All values appearing on this schedule from and after Assessment Roll year 2019 are subject to change as provided in this PILOT Agreement. Accordingly, no party should rely on the values set forth herein until the period for amendment of such values has passed, as provided in this PILOT Agreement.***

EXHIBIT B TO RIDER

VALUATION METHODOLOGY

The Parties shall negotiate the new valuation for the current year using three years of historic data and one year of projected data for the following:

Cash Inflows:	
Energy =	Capacity (MW/hr) x 8,760 (hrs/year) x Capacity Factor (based on historic average) x Average LBMP (location-based on marginal pricing; based on historic average)
Capacity =	Capacity (MW/hr) x Capacity Factor (based on historic average) x Average Price (based on historic average) x 12 (months/yr) x 1,000 (conversion to KW)
Cash Outflows:	
Fuel & Transportation =	Fuel Costs ($/MW) (based on historic average) x Capacity (MW/hr) x 8,760 (hrs/year) x Capacity Factor (based on historic average)
Variable =	Variable Costs ($/MW) (based on historic average) x Capacity (MW/hr) x 8,760 (hrs/year) x Capacity Factor (based on historic average)
Fixed =	Historical trends less Property Taxes
Management Fee =	Energy x 2% (agreed-upon rate)
Capital Expenditures =	Stabilized historical expenditures (the cost to carry capital investment based on historic and planned investments, normalized)

Indicated Value of the Facility is calculated by dividing the Net Cash flow (Cash Inflows — Cash Outflows) by a negotiated Capitalization Rate

Capitalization Rate is 23.06%

Taxable Value of the Facility is calculated by subtracting Pollution Control Exemptions (as allowed by NYSDEC) from the Indicated Value.

Note: *ALL FIGURES ABOVE WERE NEGOTIATED AFTER CALCULATION.* That negotiation may have led to "negotiated amounts" that vary from their calculated amounts.

EXHIBIT C to RIDER

CALCULATION OF NET OPERATING INCOME

Cash Inflows (Income)

Gross Income	=	Total dollar amount of energy that was produced and sold.
Other Revenue	=	Other income that the plant might generate including installed capacity revenue, RSSA payments, and sale of by-products.
Total Gross Income	=	Includes all sources of money coming into the plant.

Cash Outflows (Expenses)

Fixed Expenses

People Costs	=	Amount of salary and benefits paid to workers
Maintenance	=	Cost of normal maintenance to the grounds, buildings and equipment at the facility including materials, parts & contract work. (Does not include capital projects).
Environmental	=	Cost of normal environmental testing and expenses.
Other	=	Other fixed costs including by not limited to equipment rental, lab fees, consultants, security services, IT, office supplies, insurance and other miscellaneous expenses
Management Fee	=	Typical Expenses paid to manage the facility

Variable/Operating Expenses

Fuel/Transportation	=	Cost of coal (or other fuel) and the cost of the transportation to the plant.
Limestone	=	Cost of limestone and transportation to the plant used in the plant's operation
Start-Up	=	Costs for startup water, fuel oil, diesel and flame stabilization
Chemicals	=	Cost of chemicals for emissions reductions
Schedule 1 Fees	=	Cost charged by NYISO for their expenses
Gypsum Expense	=	Costs incurred in generation of Gypsum revenue
Emission Allowances	=	Costs for CO_2, NO_x, SO_x and other air emissions
Residual Waste	=	Cost to dispose of FGD/CPR residual waste

Net Energy Revenues

due to NYSEG	=	Share of Net Energy Revenues (as defined in the RSSA) due to NYSEG under the RSSA
Refund on Capital Expenditures	=	Reimbursement due to NYSEG for Capital Expenditure funding received under the RSSA
Capital Reserve	=	Capitalized amount of capital expenditures for the year for the usefulness of the purchase

Formula

Total Gross Income
(minus)
Fixed Expenses
(minus)
Management Fee
(minus)
Variable/Operating Expenses
(minus)
Capital Reserve
EQUALS
NET OPERATING INCOME