

## ASSISTANCE AGREEMENT

This ASSISTANCE AGREEMENT (the "Agreement") is between the Wyoming County Industrial Development Agency (the "IDA") and Texas Brine New York, LLC. (the "Company").

Article 1. Preliminary Statement. Among the matters of mutual inducement which have resulted in the execution of this Agreement are the following:

1.01. The IDA is authorized and empowered by the provisions of Article 18-A of the General Municipal Law of the State of New York as amended, and Chapter 343 of the Laws of 1974 of the State of New York (collectively the "Act") to participate in the financing of "Projects" (as defined in the Act).

1.02 The purposes of the Act are (i) to promote industry and develop trade by inducing manufacturing, industrial, warehousing, research, recreation and commercial enterprises to locate or remain in the State of New York (the "State") and (ii) to encourage and assist in providing of industrial pollution control facilities. The Act vests the IDA with all powers necessary to enable it to accomplish such purposes, including the power to issue industrial development revenue bonds (the "Bond" or "Bonds").

1.03 The Company requests that the IDA enter into an agreement that will allow the IDA to provide financial incentives with respect to the drilling of new brine wells and the construction and installation of brine well infrastructure for the Company's solution mining operations at multiple properties in the Town of Middlebury, New York (said facilities and equipment herein after are referred to as the "Facility") and lease (with an obligation to purchase) or sell the Facility to the Company.

1.04 The Company hereby represents to the IDA that the financial incentives for the Facility will not result in the removal of a plant or facility from one area of the State to another area of the State or the abandonment of one or more plants of the Company of any other proposed occupant of the Facility located in the State except to the extent necessary to discourage the Company from removing such a plant or facility to a location outside of the State.

1.05 The IDA has determined that the construction and equipping of the Facility, as described in the Company's application to the IDA (the "Application") and the leasing or sale thereof to the Company will promote and further the purposes of the Act by retaining current jobs and creating substantial capital investment.

1.06 On January 3, 2019, the IDA adopted a resolution (the "Resolution"), set forth in Schedule A attached hereto and made a part hereof, authorizing the execution and delivery of a lease agreement and other project documents in order to assist the Company and to effectuate the purposes of the Act subject to satisfaction of the IDA's standard closing requirements and other conditions set forth in the Resolution.

1.07 In the Resolution, the IDA agreed to provide, in connection with the Project, a ten-year abatement from real property taxes (the "PILOT payments") in accordance with the Notice of Deviation From Uniform Tax Schedule (the "Notice of Deviation") set forth in Schedule B attached hereto and made a part hereof (said ten-year abatement from real property taxes being the "Financial Assistance").

1.08 The PILOT payments to Wyoming County and to the Town of Middlebury shall be due on or before January 30<sup>th</sup> of each year, and the PILOT payment to the Wyoming School District shall be

due on or before September 30<sup>th</sup> of each year. PILOT payments shall be calculated as set forth in the Notice of Deviation.

Article 2. Undertakings on the Part of the IDA. Based upon the statements, representations and undertakings of the Company regarding the Facility and subject to the conditions set forth herein, the IDA agrees as follows:

2.01 Upon satisfactory completion of any conditions precedent set forth herein and in the Resolution and satisfaction of the IDA's standard closing requirements, IDA will enter into such further documents as may be necessary or advisable for (i) the construction and equipping of the Facility, and (ii) the leasing or sale of the Facility to the Company, all as shall be authorized by law and be mutually satisfactory to the IDA and the Company, including, without limitation a lease agreement between the Company and the IDA (the "Lease Agreement").

Article 3. Undertakings on the Part of the Company. Based upon statements, representations and undertakings of the IDA herein and in the Resolution and subject to any conditions set forth herein, and in the Resolution, the Company agrees as follows:

3.01 The Company hereby accepts the appointment made by the IDA in the Resolution to be the true and lawful agent of the IDA to (i) to acquire an interest in the Project site and the buildings thereon, if any, and (ii) to make renovations or additions thereto and in general to do all things which may be requisite or proper for completing the construction and equipping of the Facility, all with the same powers and the same validity as the IDA could do if acting on its own behalf.

3.02 The Company will, to the extent deemed by it to be necessary or desirable, enter into a contract or contracts for the construction and installation of the Facility (including any necessary contracts for the acquisition of real property or interests therein necessary or useful for said Facility).

3.03 (a) The Company shall not permit to stand, and will, as its own expense, take all steps reasonably necessary to remove (or bond the same if acceptable to the IDA and its counsel), any mechanics' or other liens against the Facility for labor or materials furnished in connection with the acquisition and installation of the Facility. The Company shall forever defend, indemnify and hold the IDA, its members, officers, employees and agents, and anyone for whose acts or omissions the IDA or any of them may be liable, harmless from and against all costs, losses, expenses, claims, damages and liabilities of whatever kind of nature arising, directly or indirectly, out of or based on labor, services, materials and supplies, including the Facility, ordered or used in connection with the construction and equipping of the Facility or arising out of any contract or other arrangement therefor (and including any expenses incurred by the IDA in defending any claims, suits or actions which may arise as a result of any of the foregoing), whether such claims or liabilities arise as a result of the Company acting as agent for the IDA pursuant to this Agreement or otherwise except to the extent arising from the gross negligence or willful misconduct of the IDA, or any of its officers, members, agents (other than the Company) or employees.

(b) The Company shall forever defend, indemnify and hold harmless the IDA, its members, officers, employees and agents, and anyone for whose acts or omissions the IDA or any of them may be liable, from and against all claims, causes of action, liabilities and expenses howsoever arising for loss or damage to property or any injury to or death of any person (including, without limitation, death of or injury to any employee of the Company) that may occur subsequent to the date hereof by any cause whatsoever in relation to the Facility, including the failure to comply with the provisions of Article 3.03 hereof, or arising, directly or indirectly, out of the ownership, construction, installation, operation, maintenance, repair or financing of the

Facility, and including, without limitation, any expenses incurred by the IDA in defending any claims, suits or actions which may arise as a result of the foregoing except to the extent arising from the gross negligence or willful misconduct of the IDA, or any of its officers, members, agents (other than the Company) or employees..

(c) The Company shall provide and carry worker's compensation and disability insurance as required by law and comprehensive liability insurance with such coverages (including, without limitation, owner's protective for the benefit of the IDA and contractual coverage covering the indemnities herein provided for), with such limits and with such companies as may be approved by the IDA but in no event providing coverage in an amount less than \$1,000,000 per occurrence. The IDA shall be named as an additional insured on the comprehensive liability coverage on a primary, non-contributory basis and without any right of contribution from any other insurance carried by the IDA, and such policy shall provide for delivery of thirty (30) days' prior written notice of cancellation to the IDA. Upon the request of the IDA, the Company shall provide certificates in form satisfactory to the IDA evidencing such insurance.

3.04 The Company agrees that, as agent for the IDA or otherwise, it will comply with all the requirements of all federal, state and local laws, rules and regulations of whatever kind and howsoever denominated applicable to the IDA and/or the Company with respect of the Facility, the construction, reconstruction and equipping thereof, the operation and maintenance of the Facility and the financing thereof. Every provision required by law to be inserted herein shall be deemed to be set forth herein as if set forth in full; and upon the request of either party, this Agreement shall be amended to specifically set forth any such provision or provisions. Without limiting the foregoing, the Company shall comply with, and shall be subject to, the provisions set forth on Schedule A attached to and made a part of this Agreement. The Company shall certify, under penalty of perjury, that it is in substantial compliance with all local, state and federal laws, worker protection and environmental laws, rules and regulations.

3.05 The Company will take such further action and adopt such further proceedings as may be required to implement its aforesaid undertakings or as it may deem appropriate in pursuance thereof.

3.06 If it should be determined that any State or local sales or compensatory use taxes are payable with respect to the acquisition, purchase or rental of machinery or the Facility, materials or supplies in connection with the Facility, or are in any manner otherwise payable directly or indirectly in connection with the Facility, the Company shall pay the same and defend and indemnify the IDA from and against any liability, expenses and penalties arising out of, directly or indirectly, the imposition of any such taxes.

3.07 The Company shall, on an annual basis, provide to the IDA a certified statement and supporting documentation: (a) enumerating the full time equivalent jobs retained and the full time equivalent jobs created as a result of the Financial Assistance, by category, including full time equivalent independent contractors or employees of independent contractors that work at or with the Facility; and (b) indicating that the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created that was provided in the Application is still accurate and if it is not still accurate, providing a revised list of salary and fringe benefit averages or ranges for categories of jobs retained and jobs created, and an explanation for why it is not still accurate.

3.08 The Company shall comply with all policies with respect to the Financial Assistance developed by the Agency pursuant to Section 874 of the New York General Municipal Law. Failure to abide with all such policies shall give the Agency cause (a) to suspend or discontinue the Financial Assistance or modify the PILOT payments to require

increased payments; or (b) to require the return of all or part of the Financial Assistance provided for in this Agreement, including all or part of any tax exemptions, which shall be redistributed to the appropriate affected tax jurisdictions unless agreed to otherwise in writing by any local taxing jurisdiction or jurisdictions.

#### Article 4. General Provisions

4.01 This agreement shall take effect on the date of execution hereof by the IDA and the Company and shall remain in effect until the Lease Agreement becomes effective, unless sooner terminated in accordance with the terms of this Agreement. It is the intent of the IDA and the Company that this Agreement be superseded in its entirety by the Lease Agreement, except for the indemnities contained herein, which shall survive.

4.02 The Company agrees that it will reimburse the IDA for all reasonable and necessary direct out-of-pocket expenses which the IDA may incur as a consequence of executing this Agreement or performing its obligations hereunder. The Company also agrees to pay an administrative fee equal to 1% of the total cost of the Project to the IDA.

4.03 If for any reason the Lease Agreement is not signed by both parties on or before one (1) year from the execution hereof, the provision of this Agreement shall, unless extended by agreement of the IDA and the Company or unless otherwise set forth below, terminate and be of no further force or effect, and following such termination neither party shall have any rights against the other party except as set forth below. In addition, in the event the Company (i) fails to maintain and provide evidence of the insurance required under this Agreement, (ii) fails to observe or perform any other covenant or condition of this Agreement and such failure continues for a period of thirty (30) days after receipt by the Company of written notice from the IDA specifying the nature of such failure, (iii) commences a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect) or otherwise seeks advantage of any law relating to bankruptcy, insolvency, reorganization or winding up or has any such proceeding commenced against it (and fails to have such involuntary proceeding dismissed within sixty (60) days of the commencement thereof) or (iv) ceases operations as a going business concern within Wyoming County, the IDA may terminate this Agreement and/or take any further action at law or in equity to enforce performance or observance of any obligations, agreements or covenants of the Company under this Agreement. In the event of any termination of this Agreement in accordance with the provisions of this Article 4.03, the provisions of Articles 3.03, 3.04, 3.05 and 3.06 above shall survive and:

(a) The Company shall pay the IDA for all expenses which were authorized by the Company and incurred by the IDA in connection with the construction and installation of the Facility;

(b) The Company shall assume and be responsible for any contracts for construction or purchase of equipment entered into by the IDA at the request of or as agent for the Company in connection with the Facility, and

(c) The Company will pay the out-of-pocket expenses of members of the IDA, and counsel for the IDA incurred in connection with the construction and equipping of the Facility or any enforcement of the IDA's rights under this agreement.

4.04 The Company agrees to assume and pay all attorney fees and disbursements as applicable incurred by the IDA in performing its obligations and functions under the terms of this Agreement and any subsequent legal fees incurred by the IDA in connection with legal work

necessary to complete, monitor, participate and/or enforce its rights in connection with the proposed project.

15<sup>th</sup> IN WITNESS WHEREOF, the parties hereto have entered into this Agreement on this day of February 2019.

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

By James Price  
Its Executive Director

**Texas Brine New York, LLC**

By [Signature]  
Its Authorized Officer

Schedule A

Resolution

**RESOLUTION OF THE WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE CONSTRUCTION AND EQUIPPING OF A PROJECT BY TEXAS BRINE NEW YORK, LLC TO BE LOCATED IN THE TOWN OF MIDDLEBURY FOR LEASE TO THE AGENCY AND SUBSEQUENT LEASE TO TEXAS BRINE NEW YORK, LLC, THE EXECUTION OF LEASE AGREEMENTS, A NON-STANDARD PILOT AGREEMENT AND THE TAKING OF OTHER ACTIONS.**

**WHEREAS**, the Wyoming County Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Section 901-b of the General Municipal Law, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

**WHEREAS**, Texas Brine New York, LLC, for itself or for related individuals or entities (the “Company”), has entered into negotiations with officials of the Agency with respect to the Agency’s provision of financial assistance with respect to the drilling of new brine wells and the construction and installation of brine well infrastructure for the Company’s solution mining operations (the “Project”) and the conveyance of the Project pursuant to a lease of the Project to the Company, such Project to be located at 1346 Saltvale Road and the real property tax parcels identified on Schedule A attached hereto (the “Premises”), all located in the Town of Middlebury, New York; and

**WHEREAS**, the Company has submitted an application and other materials and information (collectively, the “Application”) to the Agency to initiate the accomplishment of the above; and

**WHEREAS**, the Application sets forth certain information with respect to the Company and the Project, including the following: (i) that the Company desires Agency financing for the Company’s solution mining operations located at the Premises in the Town of Middlebury, New York; (ii) that the total cost of the Project is approximately \$21,005,275.00 over a ten-year period; (iii) that the Project will be used for solution mining purposes; (iv) that the Company anticipates that ten full-time employees will be retained as a result of the Project; (v) that the Project will retain present employment and provide substantial capital investment; (vi) that if Agency financing is disapproved, there is a likelihood that the Company would not proceed with the Project; and (vii) that, therefore, Agency financing is necessary to encourage the Company to proceed with the Project; and

**WHEREAS**, the Agency has reviewed the Application and a cost-benefit analysis with respect to the Project, including the extent to which the Project will retain permanent, private-sector jobs, the value of the real property tax abatement to be provided, the amount of private sector

investment generated or likely to be generated by the Project, the likelihood of accomplishing the proposed Project in a timely fashion, the extent to which the proposed Project will provide additional sources of revenue for the municipalities and school district and other public benefits that might occur as a result of the Project; and

**WHEREAS**, the Company has requested that the Agency consider entering into an agreement for payment in lieu of taxes (“PILOT”) that deviates from the Agency’s standard PILOT schedule set forth in the Agency’s Uniform Tax Exemption Policy (the “UTEP”); and

**WHEREAS**, in accordance with Section 5 of the UTEP, the Agency may deviate from its standard PILOT schedule if the Agency determines that a Project will have a significant impact in the locality where it is located, and the Agency anticipates that the Project will have a significant impact in the Town of Middlebury, New York; and

**WHEREAS**, pursuant to Section 874(4)(b) of the General Municipal Law and the UTEP, the Agency duly issued a notice of deviation to the affected taxing jurisdictions in connection with the proposed non-standard PILOT agreement for the Project; and

**WHEREAS**, after the giving of all required notices (including published notice), the Agency held a public hearing on the Project at 10:00 a.m. on January 3, 2019, and has considered all oral and written presentations made at or in connection with said public hearing; and

**WHEREAS**, the Company has entered into a host community agreement with the Town of Middlebury in connection with the Project; and

**WHEREAS**, the Agency desires to encourage the Company with respect to the consummation of the Project, if by doing so it is able to induce the Company to proceed with the Project; and

**WHEREAS**, by separate resolution adopted by the Agency, the Agency affirmed and adopted the negative declaration issued by the NYSDEC for the Project and determined that the Project will not result in any significant adverse environmental impacts under SEQRA.

**NOW, THEREFORE, THE WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:**

**Section 1.** The Project is described in the recitals to this Resolution. The financial assistance (the “Financial Assistance”) to be provided by the Agency in connection with the Project includes a ten-year abatement from real property taxes in accordance with the non-standard payment in lieu of tax schedule set forth in Schedule B attached hereto, which provides for payment by the Company of an annual Payment in Lieu of Real Estate Taxes (“PILOT”) in an amount equal to the product of (a) a fixed base value, as set forth on Schedule B, multiplied by (b) the affected taxing jurisdictions’ annual property tax rates for the applicable tax fiscal year. The PILOT payment will be divided among the affected taxing jurisdictions on a pro rata basis, with each taxing jurisdiction’s share for each year determined by dividing that taxing jurisdiction’s tax rate for the then current tax fiscal year by the total of all tax rates for the



affected taxing jurisdictions for the then current tax fiscal year. The payment in lieu of tax arrangement shall be set forth in a Payment in Lieu of Real Estate Taxes Agreement to be entered into between the Agency and the Company (the "PILOT Agreement").

**Section 2.** The Agency has considered the amount of private sector investment likely to be generated by the Project and other factors regarding the Project and hereby determines that the Project is expected to have a significant impact in the Town of Middlebury, New York, and accordingly the aforementioned deviation from the Agency's standard PILOT schedule is warranted.

**Section 3.** In addition to any other covenants, obligations and agreements which may be contained in the Project Documents (as hereinafter defined), the provision by the Agency of the Financial Assistance is made subject to the agreement by the Company throughout the period during which the Company is receiving Financial Assistance from the Agency (the "Compliance Period") to comply with the following covenants and agreements, each of which shall constitute a "Material Factor": (i) the retention of existing full-time equivalent employment of ten jobs and retention of such jobs throughout the Compliance Period.

**Section 4.** The Agency hereby determines that the Project and the financing thereof by the Agency pursuant to Article 18-A of the General Municipal Law will promote and is authorized by and will be in furtherance of the policy of the State as set forth in said Act. The Agency further finds, based on the Application, that the Project will serve the public purpose of Article 18-A of the General Municipal Law by preserving permanent, private sector jobs.

**Section 5.** The Agency hereby authorizes the Company, as agent for the Agency, to proceed with the Project as herein authorized. The Agency is hereby authorized to acquire an interest in the Project site and the buildings thereon, if any, and to make renovations or additions thereto. The Company is authorized to proceed with the acquisition and construction of the Project as set forth in the Project Assistance Agreement and the Agency Lease Agreement (as hereinafter defined).

**Section 6.** The Chairman, Vice Chairman, Executive Director, Secretary, Treasurer, and Assistant Secretary of the Agency, and other appropriate officials of the Agency and its agents and employees, are hereby authorized and directed to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution and to complete the Project in cooperation with the Company.

**Section 7.** The Agency is hereby authorized to enter into a Project Assistance Agreement with respect to the provision of the Financial Assistance authorized herein (the "Project Assistance Agreement") and to acquire an interest in the Project site and construct a facility thereon, and the execution and delivery of a lease by the Company to the Agency (the "Company Lease"), an Agency Lease Agreement (the "Agency Lease Agreement") between the Agency and the Company, the PILOT Agreement, and such other documents as may be necessary to fulfill the intent of the parties to the transaction (collectively, the "Project Documents"), in a form satisfactory to Agency counsel, are hereby authorized. The Chairman, Vice Chairman, Executive Director, Secretary, Treasurer, or any Assistant Secretary are each authorized to execute such documents and to make or approve such amendments or modifications to the Project Agreement, Company Lease, the Agency

Lease Agreement, the PILOT Agreement and such other documents executed and delivered in connection therewith as they deem necessary under the circumstances provided, however, that such modifications do not materially alter the risk to the Agency.

**Section 8.** Any such action heretofore taken by the Company initiating the acquisition, installation and construction of the Project is hereby ratified, confirmed and approved.

**Section 9.** Any expenses incurred by the Agency with respect to the Project and the financing thereof shall be paid by the Company. By acceptance hereof, the Company agrees to pay such expenses and further agrees to indemnify the Agency, its members, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency with respect to the Project and the financing thereof.

**Section 10.** In the event the Agency determines that the Company is in violation of a Material Factor, or in the event that the Company closes the Project or relocates its operations to a location outside of Wyoming County within the time period during which the Company is receiving Financial Assistance from the Agency, or in the event the Agency determines, in its sole judgment, that the Company knowingly and intentionally submitted false or intentionally misleading information in its Application to the Agency or in any report or certification submitted to the Agency for the purpose of obtaining or maintaining any Financial Assistance from the Agency (each referred to herein as a "Recapture Event"), the Agency may in its sole discretion and in accordance with its policies and procedures then in effect, (a) require that the Company, commencing with the tax fiscal year next following such Recapture Event make payments in lieu of taxes on the Project with respect to all applicable taxing authorities in such amounts as would be payable as real estate taxes levied on the Project if the Agency did not have an interest in the Project or otherwise modify the amount or terms of any Financial Assistance being provided by the Agency in connection with the Project and/or (b) require that the Company pay to the Agency an amount equal to all or a portion (as determined by the Agency in its discretion) of the total value of any exemption from real estate taxes received by reason of the Agency's leasehold interest in the Project. If the Agency makes any of the foregoing determinations and requires a repayment of all or a portion of the Financial Assistance received by the Company, the Company shall (a) cooperate with the Agency in its efforts to recover or recapture any or all Financial Assistance obtained by the Company and (b) promptly pay over any or all such amounts to the Agency that the Agency demands in connection therewith. Upon receipt of such amounts, the Agency shall then redistribute such amounts to the appropriate affected tax jurisdiction(s) unless otherwise agreed to by any affected tax jurisdiction.

**Section 11.** The Agency has made and makes no representation or warranty whatsoever, either express or implied, with respect to the merchantability, condition, environmental status, fitness, design, operation or workmanship of any part of the Project, its fitness for any particular purpose, the quality or capacity of the materials in the Project, or the suitability of the Project for the Company's purposes or needs. The Company is satisfied that the Project is suitable and fit for its purposes. The Agency shall not be liable in any manner whatsoever to anyone for any loss, damage or expense of any kind or nature caused, directly or indirectly, by the Project property or the use or maintenance thereof or the failure of operation thereof, or the repair, service or adjustment thereof,

or by any delay or failure to provide any such maintenance, repairs, service or adjustment, or by any interruption of service or loss of use thereof or for any loss of business howsoever caused, and the Company hereby indemnifies and holds the Agency harmless from any such loss, damage or expense.

**Section 12.** No covenant, stipulation, obligation or agreement herein contained or contained in the Project Assistance Agreement, the Company Lease, the Agency Lease Agreement, the PILOT Agreement or other documents, nor the breach thereof, shall constitute or give rise to or impose upon the Agency a pecuniary liability or a charge upon its general credit, nor shall be deemed to be a covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity.

**Section 13.** Should the Agency's participation in the Project be challenged by any party, in the courts or otherwise, the Company shall defend, indemnify and hold harmless the Agency and its members, officers and employees from any and all losses arising from any such challenge including, but not limited to, the fees and disbursements of the Agency's counsel. Should any court of competent jurisdiction determine that the Agency is not authorized under Article 18-A of the General Municipal Law to participate in the Project, this Resolution shall automatically become null, void and of no further force and effect, and the Agency shall have no liability to the Company hereunder or otherwise.

**Section 14.** This Resolution shall take effect immediately and shall continue in full force and effect for one (1) year from the date hereof and on or after such one (1) year anniversary, the Agency may, at its option (a) terminate the effectiveness of this Resolution (except with respect to the obligations of the Company pursuant to Sections 9 and 10 of this Resolution which shall survive any expiration or termination) or (b) allow the Company additional time in which to close the transactions contemplated by this Resolution based upon affirmative actions taken by the Company to complete such transactions.

ADOPTED: January 3, 2019

ACCEPTED AND AGREED TO: January 7, 2019

TEXAS BRINE NEW YORK, LLC

By: Brian Stacy  
Name: Brian Stacy  
Title: President

SCHEDULE A

Address	SBL#
Saltvale VL	36.00-1-28
1346 Saltvale Rd	36.00-1-29.12
Saltvale VL	49.00-1-26.12
Cowie Rd VL	49.00-1-26.2
Saltvale Rd VL	49.00-1-27
Dillion Rd VL	49.00-1-42.11
LaGrange Rd VL	49.00-1-44
Saltvale Rd VL	49.00-1-46.1
Saltvale Rd VL	49.00-1-47.1
1455 Saltvale Rd	49.00-1-47.2
Saltvale Rd VL	49.00-1-50
Saltvale Rd VL	49.00-1-51.1
1625 Saltvale Rd	49.00-1-52
Canaway Rd VL	49.00-1-55.112
Canaway Rd VL	49.00-1-55.113
Saltvale Rd VL	49.00-1-69
Canaway Rd VL	62.00-1-6.21
Brine Pipeline	638.089-9999-844.820/1
4" & 8" Distr piping	86.00-1
Gravel Roads	86.00-2
12" stl return line 50% brine	86.00-3
Elec Control Bldg	86.00-4
Wiring	86.00-5
Brine Wells	86.00-6
Water Wells	86.00-8

**SCHEDULE B**

<b>Taxable Fiscal Year</b>	<b>Fixed Base Value</b>
Year 1	\$7,000,000.00
Year 2	\$7,175,000.00
Year 3	\$7,354,375.00
Year 4	\$7,538,234.30
Year 5	\$7,726,690.10
Year 6	\$7,919,857.30
Year 7	\$8,117,853.70
Year 8	\$8,320,800.00
Year 9	\$8,528,820.00
Year 10	\$8,742,040.50

Schedule B

**NOTICE OF DEVIATION**  
**FROM UNIFORM TAX EXEMPTION POLICY**  
**PURSUANT TO GENERAL MUNICIPAL LAW §874(4)(b)**

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY (“WCIDA”)  
NOTICE OF DEVIATION  
FROM UNIFORM TAX EXEMPTION POLICY  
PURSUANT TO GENERAL MUNICIPAL LAW §874(4)(b)**

DESCRIPTION OF PROJECT: The drilling of new brine wells and construction and installation of infrastructure serving the wells.

LOCATION OF PROJECT: 1346 Saltvale Road, Middlebury, New York and the parcels set forth on Schedule A.

PROJECT OWNER/OPERATOR: Texas Brine New York, LLC

DEVIATION FROM UNIFORM TAX EXEMPTION POLICY: The proposed financial assistance for the project constitutes a deviation from WCIDA’s Uniform Tax Exemption Policy (“UTEP”) because the proposed payment in lieu of tax arrangement deviates from WCIDA’s standard schedule. While WCIDA’s standard payment in lieu of tax schedule provides for payments based on the assessed value of the property, with said payments attributable to the value added by new improvements calculated based on percentages of the increase in assessment attributable to such improvements, WCIDA and the Project Owner/Operator propose to enter into an Agreement for Payment in Lieu of Real Estate Taxes (“PILOT Agreement”) which will provide for payment by the Project Owner/Operator of an annual Payment in Lieu of Real Estate Taxes (“PILOT”) in an amount equal to the product of (a) a fixed base value, set forth on Schedule B, multiplied by (b) the affected taxing jurisdictions’ annual property tax rates for the applicable tax fiscal year.

The PILOT Agreement will have a term of ten (10) years. The PILOT payment will be divided among the affected taxing jurisdictions on a pro rata basis, with each taxing jurisdiction’s share for each year determined by dividing that taxing jurisdiction’s tax rate for the then current tax fiscal year by the total of all tax rates for the affected taxing jurisdictions for the then current tax fiscal year.

REASON FOR DEVIATION: WCIDA’s UTEP allows WCIDA to deviate from the UTEP’s standard PILOT schedule or to provide a project with enhanced benefits if the project is expected to have a significant impact in the locality where the project will be located. WCIDA expects that the project will have a significant impact in the Town of Middlebury, New York due to the significant amount of private sector investment

that is expected to be generated by the proposed project. WCIDA's analysis of the Project Owner/Operator's existing operations demonstrates a history of private investment in the municipality by the Project Owner/Operator, which is expected to continue or steadily increase as a result of the Project Owner/Operator's ability to drill new brine wells and continue its operations under this project. The Project Owner/Operator is permitted to draw a limited amount of brine from each well it drills. When that limit is reached, the well is plugged and it is necessary to drill a new well to take its place. Each year the Project Owner/Operator provides new capital investment to construct and install infrastructure for the new wells, including, without limitation, pipelines, electrical cables, communication wires, well enclosures, driveways and other ancillary services. The Project Owner/Operator utilizes local contracting firms, through a competitive bidding process, to construct and install the infrastructure. Although the Project may not result in the creation of substantially more direct employment, it represents a significant capital investment in the municipality and its local businesses, which is expected to have a positive economic impact on the area and its residents.



**SCHEDULE A**

Address	SBL#
Saltvale VL	36.00-1-28
1346 Saltvale Rd	36.00-1-29.12
Saltvale VL	49.00-1-26.12
Cowie Rd VL	49.00-1-26.2
Saltvale Rd VL	49.00-1-27
Dillion Rd VL	49.00-1-42.11
LaGrange Rd VL	49.00-1-44
Saltvale Rd VL	49.00-1-46.1
Saltvale Rd VL	49.00-1-47.1
1455 Saltvale Rd	49.00-1-47.2
Saltvale Rd VL	49.00-1-50
Saltvale Rd VL	49.00-1-51.1
1625 Saltvale Rd	49.00-1-52
Canaway Rd VL	49.00-1-55.112
Canaway Rd VL	49.00-1-55.113
Saltvale Rd VL	49.00-1-69
Canaway Rd VL	62.00-1-6.21
Brine Pipeline	638.089-9999-844.820/1
4" & 8" Distr piping	86.00-1
Gravel Roads	86.00-2
12" stl return line 50% brine	86.00-3
Elec Control Bldg	86.00-4
Wiring	86.00-5
Brine Wells	86.00-6
Water Wells	86.00-8

**SCHEDULE B**

Taxable Fiscal Year	Fixed Base Value
Year 1	\$7,000,000.00
Year 2	\$7,175,000.00
Year 3	\$7,354,375.00
Year 4	\$7,538,234.30
Year 5	\$7,726,690.10
Year 6	\$7,919,857.30
Year 7	\$8,117,853.70
Year 8	\$8,320,800.00
Year 9	\$8,528,820.00
Year 10	\$8,742,040.50