Section I: Applicant Information

Please answer all questions. Use "None" or "Not Applicable" where necessary.

A) Applicant Information-company receiving benefit:

Applicant Name: KCE NY 1, LLC
Applicant Address: 418 Broadway, 3rd Floor Albany, NY 12207
Phone:518 429 0229
Website: www.keycaptureenergy.com E-mail: dan.fitzgerald@keycaptureenergy.com
Federal ID#: 81-4105884 NAICS: 221118
State and Year of Incorporation/Organization: _ Delaware LLC, April 3, 2017
List of stockholders, members, or partners of Applicant:
Fitzgerald
Will a Real Estate Holding Company be utilized to own the Project property/facility? Yes or No
What is the name of the Real Estate Holding Company:
Federal ID# of Real Estate Holding Company:
State and Year of Incorporation/Organization:
List of stockholders, members, or partners of Real Estate Holding Company:
Agency assisting in application (SCPP or SEDC):SCPP B) Individual Completing Application:
Name: Daniel Fitzgerald
Title: Chief Development Officer
Address: 418 Broadway, 3rd Floor Albany, NY 12207
Phone: 518 429 0229 Fax:
E-Mail: dan.fitzgerald@keycaptureenergy.com
C) Company Contact (if different from individual completing application):
Name:
Title:
Address:
Phone: Fax:
E Meile

D) Company Counsel:

Name of Attorney: Robert A. Panasci	
Firm Name: Young / Sommer LLC	
Address: Executive Woods, Five Palisades Drive, Albany, NY	<u>′ 12205</u>
Phone: 518.438.9907 Ext. 251 Fax: 518.438.9914	
E-mail: rpanasci@youngsommer.com	
E) Identify the assistance being requested of the Agency (select a	ll that apply):
1. Exemption from Sales Tax	Yes or No
2. Exemption from Mortgage Recording Tax	Yes or No
3. Exemption from Real Property Tax	Yes or No
4. Tax Exempt Financing *	Yes or No
* (typically small qualified manufacturers)	
F) Business Organization (check appropriate category):	
S Corporation	
Corporation Partnership	
Public Corporation	
Sole Proprietorship Limited Liability C	ompany 🔲
Other (please specify)	
Year Established: 2017	
State in which Organization is established:Delaware	
G) List all stockholders, members, or partners with % of owner	ship greater than 20%:
Name %	of ownership
Jeff Bishop 609	<u>/o</u>
Dan Fitzgerald 409	/6

H) Applicant Business Description:

Describe in detail company background, products, customers, goods and services. Description is critical in determining eligibility: KCE NY 1 is a project company of Key Capture Energy. Inc (KCE), a developer of energy storage projects. KCE's mission is to develop, construct, and operate energy storage projects. KCE NY 1 is a Battery Energy Storage Project (BESS) that will deliver ancillary services to the New York State Grid via the New York State Independent System Operator (NYISO). In essence, it will provide grid services that benefit all users of electricity. This will be the largest grid-scale battery to be placed on the New York grid and will help to achieve the recently set goal of 1500 MW of energy storage in the state.

Estimated % of sales within Mechanicville or Stillwater:N/A
Estimated % of sales outside Mechanicville and Stillwater but within New York State: 100%
Estimated % of sales outside New York State but within the U.S.: NA
Estimated % of sales outside the U.SNA (*Percentage to equal 100%) -
I) What percentage of your total annual supplies, raw materials and vendor services are purchased from
firms in Mechanicville and/or Stillwater. Include list of vendors, raw material suppliers and percentages fo
each. Provide supporting documentation including estimated percentage of local purchases.
It is the Applicant's intent to use as many local suppliers and vendors as possible, such as gravel and
other materials needed for the BESS. The usage will depend upon the availability of these products and
whether they meet the specifications from the battery supplier.
Section II: Project Description & Details
A) Project Location:
Municipality or Municipalities of current operations: None
Will the Proposed Project be located within the Municipality, or within a Municipality, identified above? X Yes or No
If Yes, in which Municipality will the proposed project be located? Stillwater
If No, in which Municipality will the proposed project be located? Stillwater
Provide the Property Address of the proposed Project:
30 Substation Drive off of Cold Spring Road, Stillwater, NY
50 Substation Brive on or Cold Spring Road, Striwater, N1
SBL (Section, Block, Lot) # for Property upon which proposed Project will be located:2411-4
Acreage:Not to exceed 6.023
What are the current real estate taxes on the proposed Project Site? The proposed Project Site is located
on vacant land adjacent to the existing substation. The total taxes for 2017 were 4,421.65.
if amount of current taxes is not available, provide assessed value for each:
Land: \$334,700 Buildings(s): \$0

^{**} If available please include a copy of current tax bill.

Are Real Property Taxes current? X Yes or No. If no, please explain
Town/City/Village:Stillwater School District:Stillwater
Does the Applicant or any related entity currently hold fee title to the Project site? Yes or No
If No, indicate name of present owner of the Project Site:Luther Forest Technology Campus
Does Applicant or related entity have an option/contract to purchase the Project site? Yes or No
Describe the present use of the proposed Project site: Site is currently vacant land adjacent to NYSEG and National Grid substation.
B) Please provide narrative of project, the purpose of the project (new build, renovations, and/or
equipment purchases), and the type of project (educational, recreational, historic preservation, etc.).
Identify specific uses occurring within the project. Describe any and all tenants and any/all end
users: (This information is critical in determining project eligibility - Attach additional pages if necessary):
KCE NY 1 is a utility scale battery storage facility that will respond to the intermittent grid
fluctuations to enhance the power grid reliability to service peak demand. The development will have no
emissions, a low noise profile, and will be screened by existing vegetation and land masses. The system
proposes to use Lithium-ion batteries organized in modules and installed in rack towers to control the
proposes to use Lithium-ion batteries organized in modules and installed in rack towers to control the exchange of power into and out of the system. The racks are organized into containers similar to shipping
exchange of power into and out of the system. The racks are organized into containers similar to shipping
exchange of power into and out of the system. The racks are organized into containers similar to shipping containers which are equipped with heating and cooling systems, fire suppression systems, and control

Describe the reasons why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary): This is the first project of this type in the State of New York and there are certain unknowns associated with the financial modeling, including the real estate taxes to be paid and what, if any, sales taxes should be paid for the purchase of the equipment. The Project is not necessarily seeking a significant reduction in the amount of real property taxes but rather seeking certainty concerning the payments of taxes. Unlike solar or other forms of electrical generating equipment where there is clear guidance concerning the exemption for sales tax for the purchase of equipment, the NYS rules and regulations have not established a policy concerning battery for an energy storage facility.

rlease confirm by checking the box below if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency? Yes or No
If the Project could be undertaken without Financial Assistance provided by the Agency, the provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:
If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact of the Applicant and County/City/Town/Village? The impact would be this Project would be moved to new location.
C) Will Project include the leasing of any equipment? Yes or No If Yes, please describe: Construction equipment.
D) Site Characteristics:
Will the Project meet zoning/land use requirements at the proposed location? ✓ Yes or ✓ No
Describe the present zoning/land use: PDD
Describe required zoning/land use, if different:
1. Utilities serving project site:
a. Water - Municipal: NA Other (Describe):
b. Sewer - Municipal: NA

			Local utility service from NYSEG.
	d.		NA
	e.		NA .
2.	Are the	please describe:	e improvements required or proposed? Yes No
			the property? If yes, please explain:No
E) Has	cating the	e I Environmental Ass	the property? If yes, please explain: No
E) Has propose	s a Phase ed project	e I Environmental Asset site? Yes or 1	the property? If yes, please explain: No essment been prepared or will one be prepared with respect to the No If yes, please provide a copy. eents been undertaken with respect to the proposed project site that
E) Has propose	s a Phase ed project re any ot	e I Environmental Asset site? Yes or her studies or assessm	the property? If yes, please explain: No essment been prepared or will one be prepared with respect to the No If yes, please provide a copy.
E) Has propose	s a Phase ed project re any ot the known in Yes	e I Environmental Asset site? Yes or 1 her studies or assessmewn or suspected preserver No. If yes, please	the property? If yes, please explain: No ressment been prepared or will one be prepared with respect to the No If yes, please provide a copy. rents been undertaken with respect to the proposed project site that nice of contamination that would complicate the site's development.
E) Has propose	s a Phase ed project re any ot the known in Yes	e I Environmental Asset site? Yes or 1 her studies or assessmewn or suspected preserver No. If yes, please	the property? If yes, please explain: No ressment been prepared or will one be prepared with respect to the No If yes, please provide a copy. rents been undertaken with respect to the proposed project site that nice of contamination that would complicate the site's development' ase provide copies of the study

H) Select Project Type for all end users at project site (you may check	more than one):
** Please check any and all end users as identified below. ** Will customers personally visit the Project site for either of the fol with respect to either economic activity indicated below, complete the Section IV of the Application.	lowing economic activities? If yes e Retail Questionnaire contained in
Retail Sales: Yes or No Services:	Yes or 🛛 No
For purposes of this question, the term "retail sales" means (i) Article 28 of the Tax Law of the State of New York (the "Tax Law") pr tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Customers who personally visit the Project.	imarily engaged in the retail sale of
Industrial Back Office Acquisition of Existing Facility Mixed Use Housing Facility Facility Facility for Aging Equipment Purchase Other Private Utility Multi-Tenant Commercial	
I) Project Information:	
Estimated costs in connection with Project:	
Land and/or Building Acquisition:	\$ *
6 acres square feet	
2. New Building Construction:square feet	\$
3. New Building Addition(s): square feet	\$
4. Infrastructure Work	\$
5. Reconstruction/Renovation: square feet	\$
6. Manufacturing Equipment:	\$
7. Non-Manufacturing Equipment (furniture, fixtures, etc.):	\$
8. Soft Costs: (professional services, etc.):	\$200,000
9. Other, Specify: BESS and accompanying electrical equipment	\$9.000,000
TOTAL Capital Costs:	\$9.200,000
Land will be leased in an amount equal to Seven Thousand Two Hundred (\$7,200.00 numual payment shall increase by one percent (1%) per year.	0) per acre of the Property per year. The
Project refinancing; estimated amount for refinancing of existing debt only)	\$0

Sources of Funds for Project Costs:

Bank Financing: (New York Green Bank)	\$_4,000,000
Equity (excluding equity that is attributed to grants/tax credits):	\$_5,000,000
Tax-Exempt Bond Issuance (if applicable):	\$
Taxable Bond Issuance (if applicable):	\$
Public Sources (Include sum total of all state and federal grants and tax credits):	\$
Identify each state and federal grant/credit:	
	\$
	\$
	\$
	\$
Other:	\$
Total Sources of Funds for Project Costs:	\$_9,000,000
Total Investment by applicant:	\$_9,000,000_
Total Amount being financed:	\$_4,000,000_
Percent of total costs be financed through the public sector	%
Percent of total costs be financed through the private sector	44%
Have any of the above costs been paid or incurred as of the date of this Applicat	tion? 🛛 Yes or 🗌 No
If Yes, describe particulars: Soft costs for the development of the Project electrical interconnection work.	including permitting and
Mortgage Recording Tax Exemption Benefit: Amount of mortgage that would recording tax:	ld be subject to mortgage
Mortgage Amount (include sum total of construction/permanent/bridge	financing): \$ _4,000,000_
Estimated Mortgage Recording Tax Exemption Benefit (product of moramount as indicated above multiplied by .75% of current mortgage recording County):	tgage rding tax in Saratoga

Construction Cost Breakdown:	
Total Cost of Construction (sum of 2,3,4,5, and/or 7 in Question I, above)	\$650,000
Cost for materials	\$_8,350,000
% sourced in Mechanicville and/or Stillwater:	Unknown%
% sourced in New York State: Cost for labor:	Unknown% \$650,000
Sales and Use Tax: Gross amount of costs for goods and services that are sub and Use tax - said amount to benefit from the Agency's Sales and Use Tax exe	oject to State and local Sales emption benefit:
\$ 8.350,000* *As noted above, it is not clear that the purchase of the battery components are subject to sales to assumes the components are subject to sales tax	ax. As a result, the number below
Estimated State and local Sales and Use Tax Benefit (product of _7% multip	plied by the figure, above):
\$_584,000	
** Note that the estimate provided above will be provided to the New York Stand Finance. The Applicant acknowledges that the transaction documents may applicant to undertake the total amount of investment as proposed within the estimate above represents the maximum amount of sales and use tax benefit the with respect to this Application. The Agency may utilize the estimate above as Project Costs as contained within this Application, to determine the Finance offered.	ry include a covenant by the is Application, and that the at the Agency may authorize s well as the proposed total
Real Property Tax Benefit:	
Identify and describe if the Project will utilize a real property tax exempt the Agency's PILOT benefit:No	
IDA PILOT Benefit: Indicate the amount of PILOT Benefit based on estimated	Project Costs as contained

IDA PILOT Benefit: Indicate the amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit year and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in Section V of the Application.

<u>Percentage of Project Costs financed from Public Sector sources</u>: Calculate the percentage of Project Costs financed from Public Sector sources based upon Sources of Funds for Project Costs as depicted above in <u>Section II(I)</u> of the Application.

	Square Footage	Cost	% of Tot	al Cost of Project
Manufacturing/Processing				
Warehouse				
Research & Development				
Commercial				
Retail (see section K)				
Office				
Specify Other				
No buildings.				
4. Have construction 5. Has financing been 6. Indicate number of ** If construction contracts and a complete proportion costs totaling the	n finalized? Yes f full-time construct ontracts have been oroject budget. The	or No tion jobs to be signed, pleas te complete p	created by the period of the provide copie oroject budget	s of executed construction should include all related
nd/or renovation.		•		0 ().
	sitted to the annual	iate Planning	Department?	
	Yes or No			
	Yes or No		d State Environ	nental Quality Review Act

Has the Project receive	ed site plan approval from the Local P	lanning Board? X Yes or No.		
If No, What is	s the anticipated approval date?			
		ing Board's approval resolution along with th		
M) Is the project neces	sary to expand project employment:	☐ Yes or ☒ No		
Is project necessary	to retain existing employment:	Yes or No		
N) Employment Plan (Specific to the proposed project locat	ion): SEE ATTACHMENT "A"		
Indicate number of con such jobs:	struction jobs expected to be generate	ed by the project and the expected duration o		
	er of Jobs20 Len			
	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits		
	\$175,000	\$25,000		
Professional				
Administrative				
Production				
Independent Contractor	\$75,000	\$15,000		
Other				
Annual Payroll Current: Annual Payroll, Yr. 1 (a		\$100,000 \$325,000		
Annual Payroll, Yr. 2	ver project completion)	\$325,000		

Employment at other locations in Mechanicville and/or Stillwater: (provide address and number of employees at each location):

	Address	Address	Address
Full time			
Part Time			
Total			
O) Will any of the facilities	described above be cl	osed or subject to redu	uced activity? Yes or No
** If any of the facilities de to the question, above, you			f New York, and you answered Yes
determine the Financial As	sistance that will be o	offered by the Agency include a covenant by	projections, among other items, to to the Applicant. The Applicant the Applicant to retain the number orth in this Application.
P) Is the project reasonably ☑ Yes or ☐ No.	necessary to prevent tl	ne project occupant fro	om moving out of New York State?
If yes, please explain and ide supporting documentation if			e of assistance offered and provide aghout northeastern US.
Q) What competitive factor	s led you to inquire ab	out sites outside of Ne	ew York State?
R) Have you contacted or b	peen contacted by other	er Local, State and/or	Federal Economic Development
Agencies? Tyes or X	lo.		

If yes, please identify which agencies and what other Local, State and/or Federal assistance and the assistance sought and dollar amount that is anticipated to be received:
Section III Retail Questionnaire
To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.
Please answer the following:
A. Will any portion of the project (including that portion of the cost to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?
Yes or No. If the answer is yes, please continue. If no, proceed to section V
For purposes of Question A, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.
 B. What percentage of the cost of the Project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? 0 %. If the answer is less than 33% do not complete the remainder of the retail determination and proceed to section V.
If the answer to A is Yes <u>AND</u> the answer to Question B is greater than <u>33.33%</u> , indicate which of the following questions below apply to the project:
 Is the Project location or facility likely to attract a significant number of visitors from outside the (8) county economic development region (Albany, Columbia, Greene, Rensselaer, Saratoga, Schenectady, Washington, Warren Counties) in which the project will be located?
Yes or No
If yes, please provide a third party market analysis or other documentation supporting your response.
2. Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality within which the proposed project would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services?
Yes or No .

If yes, please provide a third party market analysis or other documentation supporting your response.
3. Will the project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York?
Yes or No.
If yes, explain
4. Is the project located in a Highly Distressed Area? Yes or
"Highly distressed area" - As defined in NY General Municipal Law § 854 (18)
(a) a census tract or tracts or block numbering areas or areas or such census tract or block numbering area contiguous thereto which, according to the most recent census data available, has:
(i) a poverty rate of at least twenty percent for the year to which the data relates or at least twenty percent of households receiving public assistance; and
(ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates; or
(b) a city, town, village or county within a city with a population of one million or more for which:
(i) the ratio of the full value property wealth, as determined by the comptroller for the year nineteen hundred ninety, per resident to the statewide average full value property wealth per resident; and
(ii) the ratio of the income per resident; as shown in the nineteen hundred ninety census to the statewide average income per resident; are each fifty-five percent or less of the statewide average; or
(c) an area which was designated an empire zone pursuant to article eighteen-B of this chapter
Section IV Inter-Municipal Move Determination
The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency Financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.
Will the Project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state?
☐ Yes or ⊠ No
Will the Project result in the abandonment of one or more plants or facilities of the Project occupant located within the state?
☐ Yes or ☒ No

Does the Project involve relocation or consolidation	of a project occupant from another municipality
Within New York State	☐ Yes or ☑ No
Within Mechanicville or Stillwater	☐ Yes or ☑ No
If Yes to either question, please, explain:	

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

PILOT Estimate Table Worksheet

Dollar Value of New Construction (including site grading) and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate(s) (Town/City/Village)/1000	School Tax Rate/1000
\$1,000,000	\$690,000 (includes land value of \$13,000)	\$0.08547900 = \$58.98 NYS- 2.641199= \$1,822.43	Town - \$1.3552090 = \$935.09 Hwy - \$1.89327900 = \$1,306.36	\$14.01 = \$9,666.90

^{*}Apply equalization rate to value 19.985166

Company proposes to pay \$700 per MW of installed capacity for the Project, which is \$14,000

1	2	3	1	1		ct, which is \$1	4,000
		3	4	5	6	7	8
PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1 st	100%	61 820 00	-		(3+4+5)		(7-6)
		\$1,820.00	\$2,520.00	\$9,660.00	\$14,000.00	\$20,354.61	\$6,354.61
2nd	100%	\$1,838.20	\$2,545.20	\$9,756.60	\$14,140.00	\$20,354.61	\$6,214.61
3rd	100%	\$1,856.58	\$2,570.65	\$9,854.17	\$14,281.40	\$20,354.61	\$6,073.21
4th	100%	\$1,875.15	\$2,596.36	\$9,952.71	\$14,424.21	\$20,354.61	\$5,930.40
5th	100%	\$1,893.90	\$2,622.32	\$10,052.23	\$14,568.46	\$20,354.61	\$5,786.15
6th	100%	\$1,912.84	\$2,648.55	\$10,152.76	\$14,714.14	\$20,354.61	\$5,640,47
7th	100%	\$1,931.97	\$2,675.03	\$10,254.28	\$14,861.28	\$20,354.61	\$5,493.33
8th	100%	\$1,951.29	\$2,701.78	\$10,356.83	\$15,009.89	\$20,354.61	\$5,344.71
9th	100%	\$1,970.80	\$2,728.80	\$10,460.40	\$15,159.99	\$20,354.61	\$5,194.62
10th	100%	\$1,990.51	\$2,756.09	\$10,565.00	\$15,311.59	\$20,354.61	\$5,043.02
l l th	100%	\$2,010.41	\$2,783.65	\$10,670.65	\$15,464.71	\$20,354.61	\$4,889.90
12th	100%	\$2,030.52	\$2,811.48	\$10,777.36	\$15,619.36	\$20,354.61	\$4,735.25
13th	100%	\$2,050.82	\$2,839.60	\$10,885.13	\$15,775.55	\$20,354.61	\$4,579.06
l 4th	100%	\$2,071.33	\$2,868.00	\$10,993.98	\$15,933.31	\$20,354.61	\$4,421.30
15 th	100%	\$2,092.04	\$2,896.68	\$11,103.92	\$16,092.64	\$20,354.61	\$4,261.97
TOTAL		\$21,051.64	\$29,148.42	\$111,735.62	\$225,356.53	\$305,319.14	\$79,962.60

^{***} Estimates provided are based on current property tax rates and assessment value (current as of date of application submission) and will be reviewed and verified by IDA staff

Percentage of Project Costs financed from Public Sector Table Worksheet:

Total Project Cost	Estimated Value of Property Tax Exemptions	Estimated Value of Sales Tax Exemptions	Estimated Value of Mortgage Tax Exemptions	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)
\$10,000,000	\$79,963	Up to \$540,000	\$30,000.00	

Percentage of Project Costs financed from Public Sector (Est. Property Tax + Est. Sales Tax + Est. Mortgage Tax+ Other) / Total Project Cost): 6.5 %

Section VI Representations, Certifications and Indemnification

** This Section of the Application <u>can only</u> be completed upon the Applicant receiving, and <u>must be completed</u> after the Applicant receives, IDA staff confirmation that Section I through Section V of the Application are complete.

Daniel E. Fitzgerald (name of CEO or other authorized representative of Applicant) confirms and says that he/she is the Authorized Representative (title) of KCE NY I (name of corporation or other entity) named in the attached Application (the "Applicant"), that he/she has read the foregoing Application and knows the contents thereof, and hereby represents, understands, and otherwise agrees with the Agency and as follows:

- A. Job Listings: In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.
- B. First Consideration for Employment: In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.
- C. Annual Sales Tax Filings: In accordance with Section 874(8) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant. Copies of all filings shall be provided to the Agency.
- D. Employment Reports: The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, at least annually or as otherwise required by the Agency, reports regarding the number of people employed at the project site, salary levels, contractor utilization and such other information (collectively, "Employment Reports") that may be required from time to time on such appropriate forms as designated by the Agency. Failure to provide Employment Reports within 30 days of an Agency request shall be an Event of Default under the PILOT

Agreement between the Agency and Applicant and, if applicable, an Event of Default under the Agent Agreement between the Agency and Applicant. In addition, a Notice of Failure to provide the Agency with an Employment Report may be reported to Agency board members, said report being an agenda item subject to the Open Meetings Law.

- E. The Applicant acknowledges that certain environmental representations will be required at closing. The Applicant shall provide with this Representation, Certification and Indemnification Form copies of any known environmental reports, including any existing Phase I Environmental Site Assessment Report(s) and/or Phase II Environmental Investigations. The Agency may require the Company and/or owner of the premises to prepare and submit an environmental assessment and audit report, including but not necessarily limited to, a Phase I Environmental Site Assessment Report and a Phase II Environmental Investigation, with respect to the Premises at the sole cost and expense of the owner and/or the Applicant. All environmental assessment and audit reports shall be completed in accordance with ASTM Standard Practice E1527-05, and shall be conformed over to the Agency so that the Agency is authorized to use and rely on the reports. The Agency, however, does not adopt, ratify, confirm or assume any representation made within reports required herein.
- F. The Applicant and/or the owner, and their successors and assigns, hereby release, defend and indemnify the Agency from any and all suits, causes of action, litigations, damages, losses, liabilities, obligations, penalties, claims, demands, judgments, costs, disbursements, fees or expenses of any kind or nature whatsoever (including, without limitation, attorneys', consultants' and experts' fees) which may at any time be imposed upon, incurred by or asserted or awarded against the Agency, resulting from or arising out of any inquiries and/or environmental assessments, investigations and audits performed on behalf of the Applicant and/or the owner pursuant hereto, including the scope, level of detail, contents or accuracy of any environmental assessment, audit, inspection or investigation report completed hereunder and/or the selection of the environmental consultant, engineer or other qualified person to perform such assessments, investigations, and audits.
- G. Hold Harmless Provision: The Applicant acknowledges and agrees that the Applicant shall be and is responsible for all costs of the Agency incurred in connection with any actions required to be taken by the Agency in furtherance of the Application including the Agency's costs of general counsel and/or the Agency's bond/transaction counsel whether or not the Application, the proposed Project it describes, the attendant negotiations, or the issue of bonds or other transaction or agreement are ultimately ever carried to successful conclusion and agrees that the Agency shall not be liable for and agrees to indemnify, defend, and hold the Agency harmless from and against any and all liability arising from or expense incurred by: (i) the Agency's examination and processing of, and action pursuant to or upon, the Application, regardless of whether or not the Application or the proposed Project described herein or the tax exemptions and other assistance requested herein are favorably acted upon by the Agency; (ii) the Agency's acquisition, construction and/or installation of the proposed Project described herein; and (iii) any further action taken by the Agency with respect to the proposed Project including, without limiting the generality of the foregoing, all causes of action and attorney's fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. Applicant hereby understands and agrees, in accordance with Section 875(3) of the New York General Municipal Law and the policies of the Agency that any New York State and local sales and use tax exemption claimed by the Applicant and approved by the Agency, any mortgage recording tax exemption claimed by the Applicant and approved by the Agency, and/or any real property tax abatement claimed by the Applicant and approved by the Agency, in connection with the Project, may be subject to recapture and/or termination by the Agency under such terms and conditions as will be established by the

Agency and set forth in transaction documents to be entered into by and between the Agency and the Applicant. The Applicant further represents and warrants that the information contained in this Application, including without limitation information regarding the amount of the New York State and local sales and use tax exemption benefit, the amount of the mortgage recording tax exemption benefit, and the amount of the real property tax abatement, if and as applicable, to the best of the Applicant's knowledge, is true, accurate and complete.

- H. This obligation includes an obligation to submit an Agency Fee Payment to the Agency in accordance with the Agency Fee policy effective as of the date of this Application
- I. By executing and submitting this Application, the Applicant covenants and agrees to pay the following fees to the Agency and the Agency's general counsel and/or the Agency's bond/transaction counsel, the same to be paid at the times indicated:
 - (i) a non-refundable \$500 application and publication fee (the "Application Fee");
 - (ii) unless otherwise agreed to by the Agency, an amount equal to 0.75 percent (_.75%) of the total project costs.
 - (iii) All fees, costs and expenses incurred by the Agency for (1) legal services, including not bintied to those provided by the Agency's general counsel and/or the Agency's bond/transaction counsel, thus note that the Applicant is entitled to receive a written estimate of fees and costs of the Agency's general counsel and the Agency's bond/transaction counsel; and (2) other consultants retained by the Agency in connection with the proposed project, with all such charges to be paid by the Applicant at the closing.
- J. If the Applicant fails to conclude or consummate the necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable proper or requested action, or withdraws, abandons, cancels, or neglects the Application, or if the Applicant is unable to find buyers willing to purchase the bond issue requested, or if the Applicant is unable to facilitate the sale/leaseback or lease/leaseback transaction, then, upon the presentation of an invoice, Applicant shall pay to the Agency, its agents, or assigns all actual costs incurred by the Agency in furtherance of the Application, up to that date and time, including but not necessarily limited to, fees of the Agency's general counsel and/or the Agency's bond/transaction counsel.
- K. The Applicant acknowledges and agrees that all payment liabilities to the Agency and the Agency's general counsel and/or the Agency's bond and/or transaction counsel as expressed in Sections H and I are obligations that are not dependent on final documentation of the transaction contemplated by this Application.
- L. The cost incurred by the Agency and paid by the Applicant, the Agency's general counsel and/or bond/transaction counsel fees and the processing fees, may be considered as a cost of the Project and included in the financing of costs of the proposed Project, except as limited by the applicable provisions of the Internal Revenue Code with respect to tax-exempt bond financing.
- M. The Applicant acknowledges that the Agency is subject to New York State's Freedom of Information Law (FOIL). Applicant understands that all Project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.

- N. The Applicant acknowledges that it has been provided with a copy of the Uniform Tax Exemption Policy, Attachment A, being the Uniform Modification of Real Property Tax Abatement AND Claw Back Penalty for Failure to Meet Employment Levels. The Applicant covenants and agrees that it fully understands that the Termination and Recapture Policy is applicable to the Project that is the subject of this Application, and that the Agency will implement the Termination and Recapture Policy if and when it is so required to do so. The Applicant further covenants and agrees that its Project is potentially subject to termination of Agency financial assistance and/or recapture of Agency financial assistance so provided and/or previously granted.
- O. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:
 - § 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.
- P. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.
- Q. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.
- R. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.
- S. The Applicant and the individual executing this Application on behalf of Applicant acknowledge that the Agency and its counsel will rely on the representations and covenants made in this Application when acting hereon and hereby represents that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

	F NEW YORK OF SARATOGA)) ss.:				
Dan	()	<i>1ald</i> , being first	duly sworn, deposes	and says:		
1.	That I am the A. (Applicant) and th	thouzon Represented at I am duly authorized	ৈ corporate Office) or on behalf of the Ap	pplicant to bind	u丫 (し i the Applica	ルC nt.
2.	That I have read th	ne attached Application d belief, this Applica	a, I know the contention and the content	ts thereof, and	that to the b	ont o
tnis <u>20</u> gay	and affirmed to me of Herry ace Williem (Notary Public)	under penalties of perj		(Signature of ()fficer)	
Sworn and appears of perjury	tate of New York - Alb d subscribed on Date ed before me and took an that the foregoing statem Y METZGER, Notary P mmission Expires Se	personally path under penalties ent is true and correct. public: # 11691505		·		
111		•				

NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS THE FOLLOWING HOLD HARMLESS AGREEMENT IS SIGNED BY THE APPLICANT.

HOLD HARMLESS AGREEMENT

Applicant hereby releases the City of Mechanicville and Town of Stillwater Industrial Development Agency and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (i) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the application or the Project described therein or the issue of bonds requested thereof are favorably acted upon by the Agency, and (ii) the Agency's financing of the Project described herein; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to find buyers willing to purchase the total bond issue requested, then, upon presentation of an invoice itemizing the same, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred by the

Agency in the processing of the Application, including attorneys' f	to the Agency, its agents or assigns, all actual costs incurred ees.
Applicant	Applicant
By:	Ву:
Sworn to before me this 28 Uday of June, 2018 Valey Public	

sworn and subscribed on Date personally appeared before one and took an oath under penalties of perjury that the foregoing statement is true and correct TRACY METZGER, Notary Public # 11691505 My Commission Expires September 15, 2018

1.

ATTACHMENT "A"

PROJECTED EMPLOYMENT PLAN

ADDRESS:418 Broadway. 3rd Floor, Albany, NY 12207 TYPE OF BUSINESS:Private Utility CONTACT PERSON:Daniel Fitzgerald TELEPHONE NUMBER:518 429 0229	the
CONTACT PERSON: Daniel Fitzgerald TELEPHONE NUMBER: 518 429 0229	the
TELEPHONE NUMBER: 518 429 0229	the
	the
	the
Please complete the following chart describing your projected employment plan following receipt of financing.	the
Current and Planned Full Time Current Number Full Time Jobs Estimated Number of FTE's After Completion of Project	-
1 Year 2 Year 3 Year	'
Contract Systems Operation 2 3 3 3 3 Monitor	
Contract Operations and Maintenance 3 3 3	
Contract Market Monitor 2 3 3 3	
Management 2 2 2 2	
' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' '	
Please indicate the estimated hiring dates for new jobs shown above and any special recruitment or training that wirequired. Jobs will be mostly contracted via Battery Energy Storage System integrators and be added to their staff. Hiring dates will be based upon commercial operation date of the project. Are the employees of your firm currently covered by a collective bargaining agreement? Yes No	
If Yes, provide Trade's Name and Local Number:	
Prepared by:	
Title:	
Signature:	
*** By statute, project the number of FTE jobs that would be retained and created if the request for Financial Assistan granted. Project such jobs over the Three-Year time period following Project completion. Convert PTE jobs into FTE by dividing the number of PTE jobs by two (2).	

Note: Agency Staff will review and verify all projections.

"FTE" shall mean a full time employee that has a minimum of thirty-five (35) scheduled hours per week, or such other number of hours per week (but not less than twenty-five (25) hours) as established by existing written policies of the Company or Applicant, as applicable, and whose workplace location is the Project Facility.

ATTACHMENT "B"

ENVIRONMENTAL ASSESSMENT QUESTIONNAIRE

NAME OF APPLICANT: KCE NY 1, LLC	
Are approvals, consents, permits, funding or other actions required from any other governmental agency (including municipal Planning Boards, State agencies, etc.)	
yes 🔀 no 🗀	
If "NO," skip the rest of this form and request a "long form environmental assessment form" from the Agency.	·
If "YES," list below the names of the other agency and the type of action required.	
Name of Agency	Type of Action
Town of Stillwater Planning Board	Site Plan Review
Attach copies of all Environmental Assessment Forms or Envlisted.	vironmental Impact Statements submitted to any of the agencies you have

ATTACHMENT "C"

EMPLOYMENT REPORTING AGREEMENT AND PLAN

in consideration of the extension of fina	ancial assistance by CITY OF MECHAN	ICVILLE AND TOWN OF STILLWATER
INDUSTRIAL DEVELOPMENT AGENCY,	KCE NY 1, LLC	(Project
Beneficiary), agrees to cause any new employment	ent opportunities created in connection wi	th projects financed by the proceeds of such
obligations to be listed with the New York State I		-
Dept. of Employment & Training. KC		(Project Beneficiary) also
agrees to report to the City of Mechanicville and	Town of Stillwater Industrial Developme	
year on the status of employment plans filed with		
opportunities created, the number listed and the n		(Project
Beneficiary) further agrees, subject to the requi	rements of any existing collective barga	· -
employment opportunities those persons eligible		
FORM OF EMPLOYMENT PLAN STATUS RE		
DATED:05/24/2018	KCE NY 1, LL	.c
		Name of Applicant
	By:	fire.
	Its: CDO	

ATTACHMENT "C-1"

EMPLOYMENT PLAN STATUS REPORT

(To Be Filed by January 1, of each year)

COMPANY NAME:				
ADDRESS:				
TYPE OF BUSINESS:				
CONTACT PERSON:				
TELEPHONE NUMBER: _		******		
Occupation	Number of FTE	Number Listed ⁽¹⁾	<u>Number</u>	Filled

Occupation	Number of FTE	Number Listed(1)	<u>Number</u>	<u>Filled</u>
		23300	Job Service Division Applicants	Job Training Partnership Act Eligible persons
				Eligible persons
			nonu.	

(1)With local Jobs Service Division and local service delivery office created pursuant to the Job Training Partnership Act.

ATTACHMENT "D"

Report to Agency added 09/14/09 Abatement requires Cert. 05/14/12 Recapture language in bold 08/12/13

SALES TAX REPORTING AGREEMENT

opon being designated as an agent of th	ie City of Mechanicville and	lown of Stillwater Indu	istrial Development Agency in conjunction
	Bonds or the provision of oth	er forms of financial as	ssistance by the Agency,
KCE NY 1, LLC	(Project Benefi	ciary) agrees to annual	ly file a statement with the New York State
Department of Taxation and Finance or	a form and in such manner	as is prescribed by the	Commissioner, describing the value of all
sales tax exemptions claimed by	KCE NY 1, LLC	(P	roject Beneficiary) as agent for the City of
Mechanicville and Town of Stillwater	Industrial Development Ager	cy, including but not	limited to, consultants and subcontractors.
The KCE NY 1, LLC			zes that failure to file such statement will
result in its removal of authority to act			(Project Beneficiary) further agrees
that it will provide the Agency a report	of all sales tax abated during	any applicable calenda	r year. Such report shall include the name,
			ork State and local sales tax; a description
			e amount of sales tax abated in each case.
			rear in which sales tax abatement occurred.
			New York State and local sales and use
			tain an exemption from New York State
			n this application it will be subject to a
			lance with the provisions of Section 875
			ated herein by reference. The Company
			essive exemption benefits and shall pay
			so shall constitute an Event of Default.
<i>A</i> .	· · · · · · · · · · · · · · · · · · ·	and any landie to do	so shan constitute an Event of Delauit.
V. Air			
Signature	5/24/2018	Chief Dev	relopment Officer
Signature	Date		Title

NOTE: Abatement of NYS Sales Tax on eligible purchases of goods and services by approved companies is subject to the issuance of a valid sales tax exemption certificate by the Agency.

Cantidental	000 50 50 50 50 50 50 50 50 50 50 50 50	10 11 12 13 14 15 15 15 15 15 15 15 15 15 15 15 15 15	1,894	1,894,876	\$ (171,648) \$ (181,020) \$ (184,654) \$ (181,021) \$ (181,021) \$ (182,121) \$ (182,121) \$ (183,121) \$ (183,021) \$ (183	\$ 1516.670 \$ 1510.022 \$ 1.503.240 \$ 1496.322 \$ 1419.264 \$ 1412.064 \$ 1236.710 \$ 1412.04	(187,137) \$ (465,573) \$ (411,110] \$ (181,613) \$ (122,513) \$ (123,137) \$ (123,1
Returns IRR 15-year IRR 15-year IRR	Project Cepital Espanditures System Allin Ferminal Value of Project Terminal Value Percent	30-lun-23 25-lun-24 5 6 7 8 90-lun-24 20-lun-24 20-lun-2	6 \$ 1,894,876 \$ 1,894,876 \$ 1,894,876 \$ 1,894,876 \$ 1,894	1.1894,876 \$ 1.894,876 \$ 1.894,876 \$ 1.894,876 \$ 1.894,876 \$ 1.899	5) \$ (384,854) \$ (391,516) \$ (394,554) \$ (405,612) \$ (412 7 5 1,510,022 \$ 1,501,240 \$ 1,495,322 \$ 1,485,264 \$ 1,482	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	\$. \$ (30,700) \$ (310,700) \$ (
Confidential Battery Parameters Tower (NNV) 20.00	Favor & Inflation Deprecation Federation Tarkate 51,00% State froome Tarkate 51,00% Inflation 23 Page 530 Page	31-Dec.18 30-Jun-20 13-Jun-21 23-Jun-22 2021 2020 2021 2022 2021 2022 2021 2022 2021 2022 2021 2022 2021 2022 2021 2022 2021 2022 2021 2022 2021 2022 2021 2022 2021 2022 2	1,894,876 \$ 1,894,876	\$ 1,894,876 \$	\$ (306,1078) \$ (156,1268) \$ (1,216,1268) \$ (201,0126) \$ \$ (1,516,170 \$ 1,529,128 \$ 1,516,170 \$. \$. \$. \$. \$. \$. \$. \$. \$. \$. \$	\$. \$. \$. \$. \$. \$. \$. \$. \$. \$.
KEY CAPTURE ENERGY	KCE NY 1: Luther Forest Lithium-ion Model Construction Start Date Lithium-ion Model Commencial Operations Date 30/Dec/18	interval interval ending date Year Battery capacity (MW, after degandation) Rawmutes	NYSO Market Revenues Terminal Value Total Revenues	Expenses	iotal Expanses EBITDA Project Depreciation	Fist Year Expensing. S S Faxable Income	State and Federal Taxes Total Corts (with taxes) After Tax Net Income

1,534,770 \$ 1,525,578 \$ 1,516,670 \$ 1,516,670 \$ 1,472,540 \$ 1,105,288 \$ 1,105,045 \$ 1,054,727 \$ 1,059,301 \$ 1,059,301 \$ 1,059,346

