

**PILOT DEVIATION NOTICE RESOLUTION
REGENERON PHARMACEUTICALS, INC.
2019 PARKING GARAGE ADDITION PROJECT**

A regular meeting of Rensselaer County Industrial Development Agency (the "Agency") was convened in public session in the 3rd Floor Conference Room of the Quackenbush Building located at 333 Broadway in the City of Troy, Rensselaer County, New York on August 8, 2019 at 4:00 o'clock p.m., local time.

The meeting was called to order by the (Vice) Chairman of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

Michael Della Rocco	Vice Chairman
Cynthia A. Henninger	Secretary/Treasurer
Ronald Bounds	Assistant Secretary/Treasurer
Douglas Baldrey	Member

ABSENT:

John H. Clinton, Jr.	Chairman
James Church	Member
Renee Powell	Member

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Robert L. Pasinella, Jr.	Executive Director
Robin LaBrake	Assistant
Peter R. Kehoe, Esq.	Special Agency Counsel
A. Joseph Scott, III, Esq.	Special Counsel

The following resolution was offered by Douglas Baldrey, seconded by Ronald Bounds, to wit:

Resolution No. 0819-10

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SEND A LETTER TO THE CHIEF EXECUTIVE OFFICERS OF THE AFFECTED TAXING ENTITIES INFORMING THEM OF A PROPOSED DEVIATION FROM THE AGENCY'S UNIFORM TAX EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED REGENERON PHARMACEUTICALS, INC. 2019 PARKING GARAGE ADDITION PROJECT.

WHEREAS, Rensselaer County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 128 of the 1974 Laws of New York, as amended, constituting Section 903-d of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others, for the purpose of promoting, attracting and developing

economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more "projects" (as defined in the Act), or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, on February 22, 2017 (the "Closing"), the Agency granted certain financial assistance to Regeneron Pharmaceuticals, Inc. (the "Company") to assist in financing a project (the "Garage Project") consisting of the following: (A) (1) the acquisition of an interest in an approximately 8.74 acre parcel of land located at 25 Discovery Drive in the Town of East Greenbush, Rensselaer County, New York (tax map no. 155.-1-4.22) (the "Land"), (2) the construction on the Land of an approximately 199,108 square foot, 618 parking space parking garage (the "Garage Facility") and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Garage Equipment"), all of the foregoing to constitute a parking garage for the existing pharmaceutical manufacturing facility (the Land, the Garage Facility and the Garage Equipment being collectively referred to as the "Garage Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes and real property taxes, (collectively, the "Financial Assistance"); and (C) the lease of the Garage Project Facility to the Company pursuant to the terms of a lease agreement dated as of February 1, 2017 (the "Lease Agreement") by and between the Company and the Agency; and

WHEREAS, simultaneously with the execution and delivery of the Lease Agreement, (A) the Company executed and delivered to the Agency (1) a certain lease to agency dated as of February 1, 2017 (the "Lease to Agency") by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company leased to the Agency a portion of the Land and all improvements now or hereafter located on said portion of the Land (collectively, the "Leased Premises"); and (2) a bill of sale dated as of February 1, 2017 (the "Bill of Sale to Agency"), which conveyed to the Agency all right, title and interest of the Company in the Garage Equipment, (B) the Company and the Agency executed and delivered (1) a payment in lieu of tax agreement dated as of February 1, 2017 (the "Payment in Lieu of Tax Agreement") by and between the Agency and the Company, (2) a certain recapture agreement (the "Section 875 GML Recapture Agreement") by and between the Company and the Agency, required by the Act, regarding the recovery or recapture of certain sales and use taxes, and (3) a certain uniform project benefits agreement dated as of February 1, 2017 (the "Uniform Project Benefits Agreement") relating to the granting of the Financial Assistance by the Agency to the Company, (C) the Agency filed with the assessor and mailed to the chief executive officer of each "affected tax jurisdiction" (within the meaning of such quoted term in Section 854(16) of the Act) a copy of a New York State Board of Real Property Services Form 412-a (the form required to be filed by the Agency in order for the Agency to obtain a real property tax exemption with respect to the Project Facility under Section 412-a of the Real Property Tax Law) (the "Real Property Tax Exemption Form") relating to the Garage Project Facility and the Payment in Lieu of Tax Agreement, (D) the Agency executed and delivered to the Company a sales tax exemption letter (the "Sales Tax Exemption Letter") to ensure the granting of the sales tax exemption which forms a part of the Financial Assistance, (E) the Agency filed with the New York State Department of Taxation and Finance the form entitled "IDA Appointment of Project Operator or Agent for Sales Tax Purposes" (the form required to be filed pursuant to Section 874(9) of the Act) (the "Thirty-Day Sales Tax Report") and any additional report to the Commissioner of the State Department of Taxation and Finance concerning the amount of sales tax exemption benefit for the Project (the "Additional Thirty-Day Project Report"), (F) the Agency and BBL Construction Services, LLC and BBL-Carlton, L.L.C. (collectively, the "Contractors") each entered into (1) a certain agency indemnification agreement dated as of February 1, 2017 (the "Contractor Agency and

Indemnification Agreement”) by and between the Agency and the Contractor and (2) a certain recapture agreement dated as of February 1, 2017 (the “Contractor Section 875 GML Recapture Agreement”) by and between the Agency and the Contractor, (G) the Agency executed and delivered to the Contractor a sales tax exemption letter (the “Contractor Sales Tax Exemption Letter”) and (H) the Agency filed a Thirty-Day Sales Tax Report (the “Contractor Thirty-Day Sales Tax Report”) and any additional report to the Commissioner of the State Department of Taxation and Finance concerning the amount of sales tax exemption benefit for the Garage Project (the “Additional Thirty-Day Project Report”); and

WHEREAS, in July, 2019, the Company has submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the “Garage Addition Project”) for the benefit of the Company, said Garage Addition Project consisting of the following: (A) (1) the acquisition of a continued interest in the Land, together with the Garage Facility, (2) the construction on the Land and to the Garage Facility of an approximately 112,000 square foot, 5-story, 320 parking space parking garage (the “Addition”, and collectively with the Garage Facility, the “Facility”) and (3) the installation therein and thereon of certain machinery and equipment (the “Garage Addition Equipment”, and collectively with the Garage Equipment, the “Equipment”) all of the foregoing to constitute the expansion of an existing parking garage for the existing pharmaceutical manufacturing facility (the Land, the Facility and the Equipment being collectively referred to as the “Garage Addition Project Facility”, and collectively with the Garage Project Facility, the “Project Facility”); (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on August 8, 2019 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on August 8, 2019 (the “SEQR Resolution”), the Agency (A) concurred in the determination that the Town of East Greenbush Town Board (the “Town Board”) is the “lead agency” with respect to SEQRA and (B) acknowledged receipt of the Town Board’s determination, including the Town Board’s resolution from the meeting held by the Town Board on February 20, 2019 and NYSDEC’s environmental notice bulletin dated March 27, 2019 in which the Town Board determined that the Garage Addition Project will not have a “significant environmental impact on the environment” (as such quoted terms are defined in SEQRA); and

WHEREAS, in connection with the Application, the Company has made a request to the Agency (the “Pilot Request”) to deviate from the its uniform tax exemption policy (the “Policy”) with respect to the payments to be made under a payment in lieu of tax agreement by and between the Agency and the Company (the “Proposed Pilot Agreement”); and

WHEREAS, pursuant to the Pilot Request, the Proposed Pilot Agreement would fix the assessment for a term of 10 years with a fixed payment each year during the 10-year term, as more particularly described in Exhibit A attached hereto; and

WHEREAS, the Policy provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: the Company would have the benefit of a 50% abatement in real property taxes on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law (collectively with the Facility, the "Improvements") in year one of the payment in lieu of tax agreement with a five percent per year increase over the term of the ten year payment in lieu of tax agreement; and

WHEREAS, pursuant to Section 874(4) of the Act and the Agency's Policy, prior to taking final action on such request for a deviation from the Agency's Policy, the Agency must give the chief executive officers of the County and each city, town, village and school district in which the Project Facility is located (collectively, the "Affected Tax Jurisdictions") no fewer than thirty (30) days prior written notice of the proposed deviation from the Agency's Policy and the reasons therefor; and

WHEREAS, pursuant to Section 856(15) of the Act, unless otherwise agreed by the Affected Tax Jurisdictions, payments in lieu of taxes must be allocated among the Affected Tax Jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each Affected Tax Jurisdiction had the Project Facility not been tax exempt due to the status of the Agency;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Having considered both the Application and the Pilot Request, the Agency hereby authorizes the Executive Director of the Agency to send a written notice to the chief executive officers of each of the Affected Tax Jurisdictions informing them that the Agency is considering a proposed deviation from its uniform tax exemption policy with respect to the Project and the reasons therefore, and soliciting any comments that such Affected Tax Jurisdictions may have with respect to said proposed deviation.

Section 2. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

John H. Clinton, Jr.	VOTING	ABSENT
Michael Della Rocco	VOTING	YES
Cynthia A. Henninger	VOTING	YES
Ronald Bounds	VOTING	YES
Douglas Baldrey	VOTING	YES
James Church	VOTING	ABSENT
Renee Powell	VOTING	ABSENT

The foregoing Resolution was thereupon declared duly adopted.

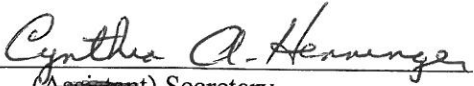
STATE OF NEW YORK)
) SS.:
COUNTY OF RENSSELAER)

I, the undersigned (~~Assistant~~) Secretary of Rensselaer County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on August 8, 2019 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 8th day of August, 2019.



(Assistant) Secretary

(SEAL)

EXHIBIT A

PROPOSED PAYMENT SCHEDULE

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Difference)
2021	\$308,921	\$159,378	(\$149,543)
2022	\$308,921	\$167,347	(\$141,574)
2023	\$308,921	\$175,714	(\$133,207)
2024	\$308,921	\$184,500	(\$124,421)
2025	\$308,921	\$193,725	(\$115,196)
2026	\$308,921	\$203,411	(\$105,510)
2027	\$308,921	\$213,582	(\$95,339)
2028	\$308,921	\$224,261	(\$84,660)
2029	\$308,921	\$235,474	(\$73,447)
2030	\$308,921	\$247,248	(\$61,674)
	\$3,089,214	\$2,004,641	(\$1,084,573)

Note: Existing Real Property Taxes consists of the existing payment structure associated with 25 Discovery Drive which already has an IDA Exemption (the “Garage Project”) in place PLUS the projected property taxes that would be associated with the parking garage (the “Garage Addition Project”) without an IDA Exemption.

New Pilot Payments consists of the existing payment structure associated with 25 Discovery Drive which already has an IDA Exemption the Garage Project in place PLUS the projected payments associated with the parking garage WITH IDA Exemption the Garage Addition Project.