

**HONORABLE BOARD OF LEGISLATORS
THE COUNTY OF WESTCHESTER**

Your Committee is in receipt of a communication from the County Attorney wherein he requests that your Honorable Board adopt a local law that, if adopted by your Honorable Board, would authorize the County of Westchester (the “County”) to, (1) exempt the Facility (as defined below) from real property taxes, special *ad valorem* levies, and special assessments imposed by the County and any County improvement district within the County, to the extent provided in Section 490 of the New York Real Property Tax Law, pursuant to Section 485 of the New York Real Property Tax Law (“Section 485”), for the period from January 1, 2024 through December 31, 2029, (the “Exemption”) and (2) enter into an agreement with Holtec Indian Point 2, LLC and Holtec Indian Point 3, LLC (collectively, “Holtec”), pursuant to which Holtec, as owner of the Facility, will make payments in lieu of taxes (“PILOT”) in accordance with the provisions of Section 485, for the period from January 1, 2024 through December 31, 2029 (the “PILOT Agreement”). Your Committee has been advised that the Exemption shall be contingent upon the execution of the PILOT Agreement and shall be effective only for the period during which the PILOT Agreement is in effect.

Your Committee has been advised that the “Facility” is defined as being comprised of the units and associated property and equipment covered by tax parcel numbers SBL # 43-10-2-1 (containing Unit 1, Unit 2, Unit 3, the Independent Spent Fuel Storage Facility, and the Generation Support Building); SBL # 43.10-2-2 (containing the Training Building), and SBL # 43.10-2-3 and # 43.14-2-1.1 (containing associated property and equipment).

Your Committee has been advised that the existing PILOT agreement with the County concerning the Facility expired on December 31, 2023. Your Committee has been advised that the County and the other taxing jurisdictions for the Facility—the Town of Cortlandt (the “Town”) and the Hendrick Hudson Central School District (the “School District”)—have been in negotiations with Holtec, for three years, regarding a new PILOT agreement, and have now come to an agreement.

Your Committee has been advised that the terms of the PILOT Agreement are reflected in the attached draft agreement. Your Committee has been advised that it should be noted that the County, the Town, and the School District obtained an appraisal for the Facility, and that appraisal was the starting point for the valuation for the negotiated PILOT Agreement. Your Committee has been advised that the appraisal was done by Federal Appraisal LLC. Your Committee has been advised that the appraisal valued the Facility at \$298 million based in large part on the fact spent nuclear fuel is being stored on site in dry cask storage facilities. Your Committee has been advised that, following extended negotiations, the parties reached agreement on the gross amount of the PILOT: \$28,241,757. Your Committee has been advised that the County, Town, and School District negotiated an agreed allocation of the gross amount of the PILOT among themselves.

Your Committee has been advised that the proposed local law also provides that the Clerk of the Board shall make all filings concerning the Exemption and the PILOT Agreement that are required by Section 485.

Your Committee has been advised that, under Section 209.141(4) of the Laws of Westchester County, every local law shall be presented in writing and introduced at a meeting of your Honorable Board. Your Committee has been advised that your Honorable Board shall thereupon fix a day for a public hearing thereon before it, not less than five days thereafter, and direct the Clerk of the Board to cause notice of the time and place of such hearing to be published forthwith at least once in one or more newspapers selected by the Clerk of the Board for that purpose and published in the County. Therefore, the County Attorney requests that your Honorable Board review and approve a resolution that will set the time and date for the required public hearing regarding the proposed local law.

Your Committee has been advised that, under subsection 4 of Section 485, before an agreement for payments in lieu of taxes is executed by a taxing district, the taxing district must hold a public hearing on the proposed agreement. Therefore, the County Attorney requests that your Honorable Board review and approve a resolution that will set the time and date for the required public hearing regarding the PILOT Agreement.

According to the memorandum from the Planning Department, dated January 8, 2024, which is on file with the Clerk of the Board, with respect to the State Environmental Quality Review Act, the proposed local law does not constitute an action as defined in section 617.2(b) of 6 NYCRR Part 617. As such, no environmental review is required. Your Committee concurs with the Planning Department's conclusion.

Your Committee has been advised that the adoption of the proposed local law requires an



affirmative vote of a majority of the voting members of your Honorable Board.

After due consideration, your Committee recommends adoption of the proposed local law.

Dated: April 22, 2024
White Plains, New York


Carol D'Amico
Joe Vito
~~Begonia Boykoff~~
Dawn J. Tubish

Legislation



Steve
Joseph Bell John
Carol D'Amico
Joe Vito
Dawn J. Tubish

Budget & Appropriations

COMMITTEE ON

FISCAL IMPACT STATEMENT

SUBJECT: Indian Point PILOT

NO FISCAL IMPACT PROJECTED

OPERATING BUDGET IMPACT

To Be Completed by Submitting Department and Reviewed by Budget

SECTION A - FUND

GENERAL FUND

AIRPORT FUND

SPECIAL DISTRICTS FUND

SECTION B - EXPENSES AND REVENUES

Total Current Year Expense \$ -

Total Current Year Revenue \$ 1,060,000

Source of Funds (check one): Current Appropriations Transfer of Existing Appropriations

Additional Appropriations

Other (explain)

Identify Accounts: 101-52-1000-9734

Potential Related Operating Budget Expenses: Annual Amount _____

Describe: _____

Potential Related Operating Budget Revenues: Annual Amount \$748,284

Describe: Legislation for payment in lieu of taxes (PILOT) from Holtec, decommissioning agent for Indian Point. Year 1 - \$1,060,000 and Years 2 - 6 - \$748,284, annually.

Anticipated Savings to County and/or Impact on Department Operations:

Current Year: _____

Next Four Years: _____

Prepared by: Christina Rampata

Title: Deputy Budget Director

Department: Budget

Date: April 1, 2024

Reviewed By: 

Budget Director

Date: 4/1/24

Dated: April 22, 2024
White Plains, New York

The following members attended the meeting remotely and approved this item out of Committee with an affirmative vote. Their electronic signature was authorized and is below.

Margaret A. Cunzio

Emiljana Ulag

COMMITTEE ON

Legislation

LOCAL LAW NO. ____ - 2024

A LOCAL LAW authorizing the County of Westchester to exempt from taxation, in accordance with the provisions of Section 485 of the New York Real Property Tax Law, certain properties located in the Town of Cortlandt that comprised the former Indian Point Energy Center, and to enter into an agreement with Holtec Indian Point 2, LLC and Holtec Indian Point 3, LLC for payments in lieu of taxes for those properties.

BE IT ENACTED by the County Board of the County of Westchester as follows:

Section 1. The County of Westchester (the “County”) is hereby authorized to, (1) exempt the Facility (as defined below) from real property taxes, special *ad valorem* levies, and special assessments imposed by the County and any County improvement district within the County, to the extent provided in Section 490 of the New York Real Property Tax Law, pursuant to Section 485 of the New York Real Property Tax Law (“Section 485”), for the period from January 1, 2024 through December 31, 2029, (the “Exemption”) and (2) enter into an agreement with Holtec Indian Point 2, LLC and Holtec Indian Point 3, LLC (collectively, “Holtec”), pursuant to which Holtec, as owner of the Facility, will make payments in lieu of taxes (“PILOT”) in accordance with the provisions of Section 485, for the period from January 1, 2024 through December 31, 2029 (the “PILOT Agreement”). The Exemption shall be contingent upon the execution of the PILOT Agreement and shall be effective only for the period during which the PILOT Agreement is in effect.

§ 2. The “Facility” shall be defined as being comprised of the units and associated property and equipment covered by tax parcel numbers SBL # 43-10-2-1 (containing Unit 1, Unit 2, Unit 3, the Independent Spent Fuel Storage Facility, and the Generation Support Building); SBL # 43.10-2-2 (containing the Training Building), and SBL # 43.10-2-3 and # 43.14-2-1.1 (containing associated property and equipment).

§ 3. The Clerk of the Board shall make all filings concerning the Exemption and the PILOT Agreement that are required by Section 485.

§ 4. The County Attorney, or his duly authorized designee, is hereby authorized and empowered to take such actions and to execute and deliver such documents as may be necessary and appropriate to accomplish the purposes hereof.

§ 5. This local law shall take effect immediately.

COUNTY OF WESTCHESTER
AND
HOLTEC INDIAN POINT 2, LLC AND HOLTEC INDIAN POINT 3, LLC

**PAYMENT IN LIEU OF TAXES AGREEMENT FOR THE
INDIAN POINT ENERGY CENTER**

DATED AS OF _____, 2024

INDIAN POINT ENERGY CENTER

PAYMENT IN LIEU OF TAXES AGREEMENT

This **PAYMENT IN LIEU OF TAXES AGREEMENT** (“**Agreement**”), dated as of the ___ day of _____, 2023 (the “**Entire Agreement**”), between, and among **HOLTEC INDIAN POINT 2, LLC** (“**HIP2**”) and **HOLTEC INDIAN POINT 3, LLC** (“**HIP3**”) and together with **HIP2**, the “**Company**”), both limited liability companies duly organized and validly existing under the laws of the State of Delaware, and the **COUNTY OF WESTCHESTER**, a body corporate and politic existing under the laws of the State of New York (the “**County**” and the “**Taxing Jurisdiction**”). **Company** and the **Taxing Jurisdiction** are referred to herein individually as a “**Party**” and collectively as the “**Parties**”.

WITNESSETH:

WHEREAS, on May 28, 2021, the **Company** acquired the Indian Point Energy Center, which is comprised of three nuclear generating units (Units 1-2 are owned by **HIP2** and Unit 3 is owned by **HIP3**); and

WHEREAS, all three units are permanently shut down, the last of which was Unit 3 on April 30, 2021; and

WHEREAS, the units and associated property and equipment are located in the **Taxing Jurisdiction** and covered by tax parcel numbers **SBL # 43-10-2-1** (containing Unit 1, Unit 2, and Unit 3 (the “**Plant**”), the **Independent Spent Fuel Storage Facility** (the “**ISFSI**”), and the **Generation Support Building** (the “**GSB**”)) and **SBL # 43.10-2-2** (containing the **Training Building**), as well as **SBL #s 43.10-2-3** and **43.14-2-1.1** (containing associated property and equipment and which, together with the **Plant**, the **ISFSI**, and the **GSB** are defined collectively herein as the “**Facility**”); and

WHEREAS, on or about January 1, 2015, the **Taxing Jurisdiction** entered into a certain payment in lieu of tax (“**PILOT**”) agreement with the **Facility’s** prior owners, namely **Entergy Nuclear Indian Point 2, LLC** and **Entergy Nuclear Indian Point 3, LLC** (together, “**Entergy**”) pursuant to **Real Property Tax Law** (“**RPTL**”) **Section 485** with respect to the **Facility**, and subsequently entered into an amendment to the 2015 **PILOT** agreement on or about July 19, 2020 (the “**PILOT Amendment**”); and

WHEREAS, on or about April 14, 2021, the **Taxing Jurisdiction** entered into a **Memorandum of Understanding** with **Nuclear Asset Management Company, LLC** and **Holtec Decommissioning International, LLC** in which **Nuclear Asset Management Company, LLC** and **Holtec Decommissioning International, LLC** agreed to assume all rights and obligations of **Entergy** under the **PILOT Amendment** and which granted the **Taxing Jurisdiction** the sole option to extend the **PILOT Amendment** at a fixed annual rate; and

WHEREAS, Nuclear Asset Management Company, LLC and Holtec Decommissioning International, LLC are affiliated corporate entities with the Company; and

WHEREAS, the Taxing Jurisdiction exercised its option to extend the PILOT Amendment as provided in the Memorandum of Understanding, such that the current County PILOT agreement expires on December 31, 2023; and

WHEREAS, the Parties have been engaged in negotiations regarding the tax treatment of the Facility and a payment in lieu of tax (“PILOT”) agreement for the Facility that would create a stable source of revenue for the Taxing Jurisdiction, a certain level of expense for the Company, and future budgeting certainty for the Parties, and the Parties have reached such an agreement; and

WHEREAS, New York Real Property Tax Law Section 485 and its amendment Section 485(1) permit the exemption from taxation of nuclear powered electric generating facilities or facilities that formerly generated electricity, such as the Facility, upon the adoption of a local law or resolution by any tax jurisdiction in which such facilities are located to confer the exemption and to authorize any such tax jurisdiction to enter into an agreement with the owners of such facilities to provide for payments in lieu of taxes; and

WHEREAS, the County conducted a public hearing on _____, 2024 pursuant to the Municipal Home Rule Law and Section 485(1) with respect to Local Law No. __ of the Year 2023 (titled “Amended Local Law No. __ of the Year 2024”, the “County Local Law”), and a public hearing on _____, 2023 pursuant to Section 485(1) with respect to the County’s execution of this Agreement, notices of which were duly published and at which the public was given the opportunity to be heard; and

WHEREAS, pursuant to Section 485(1), the County Board of Legislators passed Local Law Intro No. _____ of 2024 on _____, 2024, which was approved by the County Executive in accordance with Laws of Westchester County Section 107.71 on _____, 2024, providing for exemption of the Facility from taxation, special *ad valorem* levies and special assessments (including County Refuse Disposal District #1 taxes, levies and assessments) imposed by or within the County commencing _____, 2024 and pursuant to Chapter 161 of the Laws of Westchester County, the County’s Board of Acquisition and Contract passed a resolution on _____, 2024 pursuant to Section 485(1) approving this Agreement and authorizing its execution and delivery by the County Executive or his designee, a copy of which is also attached hereto as Exhibit “A”; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Definitions

For all purposes of this Agreement, defined terms indicated by the capitalization of the first letter of such term shall have the meanings specified herein except as otherwise expressly provided for herein or as the context hereof otherwise requires.

“**Affiliate**” shall have the meaning set forth in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934.

“**Agreement**” means this payment in-lieu of taxes agreement by and among the Parties dated as of the first date written above.

“**Company**” means Holtec Indian Point 2, LLC and Holtec Indian Point 3, LLC, limited liability companies duly organized and validly existing under the laws of the State of Delaware, and their successors and assigns.

“**Commissioner**” shall mean the Commissioner of the New York State Department of Taxation and Finance, of which the Office of Real Property Tax Services is a division.

“**County**” means the County of Westchester, New York.

“**County Legislature**” means the County Board of Legislators.

“**County Local Law**” means Local Law Intro No. _____, which passed by the County Legislature on _____, 2023 and approved by the County Executive on _____, 2023, pursuant to Section 485(1) to provide for exemption of the Facility from taxation, special *ad valorem* levies, and special assessments to the extent provided by law.

“**County Resolution**” means the resolution adopted by the County Board of Acquisition and Contract on behalf of the County on _____, 2023, approving this Agreement and authorizing its execution and delivery by the County Executive of the County of his designee.

“**Electric Transmission System**” means the regulated utility-owned transmission lines and equipment that was dedicated to the bulk transfer of high voltage electrical energy between electric generating stations and power purchasers.

“**Equipment**” means any equipment that had been used by the Facility in the generation of electricity from nuclear power, including, but not limited to, any equipment required or used to provide for the safe shutdown or cooling of the Facility or to provide a backup source of power or to prevent or reduce nuclear material exposure, any equipment leading from the Facility to the point of interconnection with the Electric Transmission System, and any spare parts or subassemblies for any of the foregoing, but does not include any equipment in the Electric Transmission System.

“Facility” means the Plant, the GSB, the ISFSI, and all land, Equipment, and improvements covered by the Tax Parcels, along with any future improvements to the foregoing not specifically excluded by this Agreement.

“GSB” means the Generation Support Building located in the Taxing Jurisdiction and covered by tax parcel number SBL #43-10-2-1.

“ISFSI” means the independent spent fuel storage facility located in the Taxing Jurisdiction and covered by tax parcel number SBL #43-10-2-1.

“Formerly Generating Nuclear Facility” means a formerly generating electric generating facility which generated electricity from nuclear power for sale, directly or indirectly, to the public, and shall include the land upon which such facility is located and any Equipment, structures, buildings, and improvements located or to be installed thereon or therein, including, but not limited to, all office, simulator, visitor center, laboratory or training center buildings, all maintenance, warehouse, Equipment, or other storage facilities, all nuclear waste handling and storage facilities and related Equipment, all material processing facilities, all roads, walkways, street lighting or parking areas serving such facilities and improvements, all training, fencing, sirens, siren towers, firing ranges, or other safety or security-related improvements, all interconnection modifications, water or sewer modifications, or regulator-required modifications, all back-up generating facilities, and any other facilities and improvements used in connection with operation of the Facility, but shall not include any equipment in the Electric Transmission System.

“PILOT” means payment in lieu of tax.

“PILOT Payments” means the payments in lieu of tax payable with respect to the Facility, determined in accordance with Article III of this Agreement.

“Plant” means Units 1-3, including associated property and Equipment.

“RPTL” means the Real Property Tax Law of the State, as amended from time to time.

“Section 485” means Section 485 of the RPTL to provide for exemption of Nuclear Facilities (including Formerly Generating Nuclear Facilities pursuant to Section 485(1)) from taxation, special *ad valorem* levies, and special assessments.

“State” means the State of New York.

“Tax Parcels” means all tax parcels listed Section 3.2 hereof.

“Tax Year” means the Taxing Jurisdiction's fiscal years tied to a specific assessment roll.

“Term” means the period of time established by Section 3.1 hereof.

Section 1.2 Interpretation

In this Agreement, unless the context otherwise requires:

a. The terms “hereby,” “hereof,” “herein,” “hereunder,” and any similar terms as used in this Agreement refer to this Agreement, the term “heretofore” shall mean before, and the term “hereafter” shall mean after the date of this Agreement;

b. Words of masculine gender shall mean and include correlative words of feminine and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa; and

c. Any certificates, letters, or opinions required to be given pursuant to this Agreement shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law, or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Agreement.

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties

Each of the Parties executing this Agreement hereby represents and warrants that, as of the date of this Agreement:

a. it is duly organized, validly existing, and in good standing under the laws of the State in which it is formed as set forth in the first paragraph of this Agreement and has requisite authority to own its property and assets and conduct its business as presently conducted or proposed to be conducted under this Agreement;

b. it has the power and authority to execute, deliver, and carry out all applicable terms and provisions of this Agreement;

c. all necessary action has been taken to authorize its execution, delivery, and performance of this Agreement, and this Agreement constitutes its legal, valid, and binding obligation enforceable against it in accordance with its terms;

d. no governmental approval by or with any government authority is required for the valid execution, delivery, and performance under this Agreement by such Party except such as have been duly obtained or will be obtained or made and, in the case of the Company, except such as are required for the operation and maintenance of the Facility, and the Company has no reason to believe that any such government approval will not be made or obtained as required for the Company's performance hereunder;

e. none of the execution or delivery of this Agreement, the performance of the obligations in connection with the transaction contemplated hereby, or the fulfillment of the terms

and conditions hereof will (i) conflict with or violate any provision of its charter, certificate of organization, limited liability company agreement, or bylaws; (ii) conflict with, violate, or result in a breach of any applicable law; or (iii) conflict with, violate, or result in a breach of or constitute a default under or result in the imposition or creation of any mortgage, pledge, lien, security interest, or other encumbrance under this Agreement or under any term or condition of any mortgage, indenture, or any other agreement or instrument to which it is a party or by which it or any of its properties or assets are bound;

f. there is no action, suit, or proceeding, at law or in equity, or official investigation before or by any government authority pending or, to its knowledge, threatened against it, wherein an anticipated decision, ruling, or finding would result in a material adverse effect on its ability to perform its obligations under this Agreement or on the validity or enforceability of this Agreement; and

g. the conduct of its business is in compliance with all applicable governmental approvals with which a failure to comply, in any case or in the aggregate, would result in a material adverse effect on its ability to perform its obligations under this Agreement or on the validity or enforceability of this Agreement.

Section 2.2 County Representations

The County represents and warrants that the County Local Law and the County Resolution remain in full force and effect and have not been modified, rescinded, or revoked as of the date hereof and that all actions on the part of the County necessary or appropriate for the effectiveness of the County Local Law and the County Resolution and the execution and delivery of this Agreement have occurred and been satisfied. The County further represents and warrants that the County Local Law was or will be filed with the Clerk of the Taxing Jurisdiction and the Commissioner within thirty (30) days of its adoption.

Section 2.3 Company Representations

The Company represents and warrants that:

a. The Facility constitutes a Formerly Generating Nuclear Facility pursuant to Section 485(1);

b. The Company has not commenced any real property tax assessment challenges or certiorari proceedings pursuant to Article 5 or Article 7 of the RPTL with respect to the Facility and shall not commence such a proceeding unless this Agreement is terminated and the Facility is assessed and taxes are levied pursuant to then-current law.

**ARTICLE III
PAYMENTS IN LIEU OF TAXES**

Section 3.1 Term

The term of this Agreement will be six (6) payment years covering the Tax Years illustrated in the schedule below, or such reduced period of time created by an earlier termination pursuant to Article IV hereof (the “Term”). This Agreement shall be effective on January 1, 2024 and continue through December 31, 2029.

PILOT YEAR	COUNTY
1	2024
2	2025
3	2026
4	2027
5	2028
6	2029

Section 3.2 Tax Parcels

This Agreement shall apply to all assets owned by the Company that are located on or covered by the following tax parcels (the “Tax Parcels”), which together comprise the Facility:

43.10-2-1
43.10-2-2
43.10-2-3
43.14-2-1.1

The change or amendment of the Tax Identification or parcel numbers currently used by the Taxing Jurisdiction to identify or classify all or any part of the Facility, or the addition or deletion of Tax Identification or parcel numbers used by the Taxing Jurisdiction to identify or classify all or any part of the Facility, will not cause the PILOT Payments to change.

Section 3.3 Tax-Exempt Status of the Facility

Pursuant to Section 485 and Section 485(1) and following adoption by the County of the County Local Law, the Facility shall be categorized as exempt from all real property taxes, special assessments, special *ad valorem* levies, and other similar charges imposed by the County, or any special improvement district within the County which would have been or are assessed against the Facility during the Term except for those taxes, levies and assessments which must be paid in accordance with Section 490 of the Real Property Tax Law. For the avoidance of doubt, the Company will remain responsible for any water or sewer usage charges properly levied on the Facility, and such usage charges will be paid by the Company in addition to PILOT Payments

hereunder.

Section 3.4 Amount of PILOT Payments; Timing of Payments

a. **PILOT Payment Amounts.** The Company shall make a payment in lieu of taxes (“**PILOT Payment**”) for the Facility in each Tax Year during the Term in the following amounts:

PILOT YEAR	COUNTY
1	1,060,000
2	748,284
3	748,284
4	748,284
5	748,284
6	748,284

a – 1. **PILOT Payment Timing.** The Company shall make PILOT Payments to the County during the Term as set forth below.

PILOT YEAR	TAX YEAR	ROLL YEAR	FISCAL YEAR	DUE DATE FOR PILOT PAYMENT
1	2024	2023	2024	April 30, 2024
2	2025	2024	2025	April 30, 2025
3	2026	2025	2026	April 30, 2026
4	2027	2026	2027	April 30, 2027
5	2028	2027	2028	April 30, 2028
6	2029	2028	2029	April 30, 2029

b. **Invoices.** The Taxing Jurisdiction agrees to issue invoices or cause invoices to be issued to the Company at the address set forth in Article V of this Agreement at the same time tax bills for the Taxing Jurisdiction are delivered, but in no event less than sixty (60) days prior to the PILOT Payment due date. If the Taxing Jurisdiction permits payment by wire transfer, appropriate wiring instructions will be included on the form of invoice. The Taxing Jurisdiction acknowledges that the Company requires an invoice to initiate a PILOT Payment and a failure to issue a timely invoice may result in delays of such payment, provided that such payment shall be made no later than the PILOT Payment due date or sixty (60) days after receipt of the invoice, whichever is later. Nevertheless, an invoice delay shall not relieve the Company from its obligation to make such payments.

c. **Payee.** PILOT Payments shall be made payable to the following:

Westchester County
Commissioner of Finance
Michaelian Office Building

148 Martine Avenue, 7th Floor
White Plains, New York 10601

Section 3.5 Credits for Real Property Tax Payments

Any general or special *ad valorem* real property tax payments made by the Company to the Taxing Jurisdiction with respect to the Facility or any portion thereof which was not required to be paid pursuant to Real Property Tax Law Section 490, during a Tax Year to which this Agreement applies, will be applied as a credit against the PILOT Payment for that Tax Year (and against future Tax Years to the extent the taxes paid exceed the PILOT Payment for that Tax Year), to the extent such tax payments are not timely refunded to the Company. Should the Company, under any subsequently adopted State or local law or assessing jurisdiction decision, pay to the Taxing Jurisdiction in any Tax Year any amounts in the nature of general or special *ad valorem* taxes levied and/or assessed upon the Facility or the interest therein of the Company or the occupancy thereof by the Company, then the Company's obligation hereunder to make PILOT Payment to the Taxing Jurisdiction in such Tax Year will be reduced by the *ad valorem* tax amount which the Company so paid or is obligated to pay to the Taxing Jurisdiction in such Tax Year (and in future Tax Years to the extent the taxes paid exceed the PILOT Payment for that Tax Year).

Section 3.6 Late Payments; Remedies

PILOT Payments not made to the Taxing Jurisdiction prior to the date due shall be subject to the same interest and penalties as unpaid real property taxes. However, interest and penalties shall not apply if (a) an invoice is not issued within the time stated in Section 3.4(b), or (b) payment is made within thirty (30) days of the Company's receipt of any invoice issued. The officer collecting real property taxes for the Taxing Jurisdiction shall be entitled to present to the Taxing Jurisdiction a statement to the effect that PILOT Payments, if any, remain unpaid unless non-payment relates to an invoice not being timely issued. The Taxing Jurisdiction shall be entitled, upon receipt of such statement, to levy against the Facility for any unpaid PILOT Payments, taxes, special *ad valorem* levies, and special assessments levied upon the Facility set forth in such statement, together with all applicable interest and penalties, and collect and enforce such levy in the same manner and to the same extent as provided by law for the collection of real property taxes, including through the attachment of a lien on the Tax Parcels pursuant to the provisions of the Real Property Tax Law, notwithstanding the fact that the Facility is otherwise exempt from taxation in accordance with Section 485 of the Real Property Tax Law. This provision does not preclude the Taxing Jurisdiction from pursuing any and all rights and remedies available to it in law or equity, from enforcing this Agreement, or otherwise collecting any amounts due under this Agreement.

Section 3.7 Payments After Expiration or Termination of Term

At the expiration or earlier termination of the Term, the assessment, levy, and collection of taxes related to the Facility shall be made pursuant to then-current law.

Section 3.8 Property Covered, Future Improvements

a. **Property Covered, Generally.** Except as provided herein, this Agreement and the PILOT Payments contemplated hereby apply to all existing and future facilities and improvements, if any, used in connection with or associated with the Facility, whether or not described by the Tax Parcels and without regard to the creation of new or additional tax parcels for future facilities and improvements located on, above, or under the land covered by the Tax Parcels.

b. **General Operating Improvements. New Buildings or Expanded Footprint.** Except as provided herein, future improvements or capital investments in the Facility that do not result in: (i) construction of a new building, or (ii) addition to the foundation footprint of an existing building, shall be covered by this Agreement and shall not cause any increase in PILOT Payments hereunder. Future improvements or capital investments in the Facility that result in (i) or (ii) above shall not be covered by this Agreement.

c. **Safety, Security, and Environmental or Regulatory Compliance Improvements.** Notwithstanding anything herein to the contrary, future improvements or capital investments in the Facility that are required for safety and security of the Facility or for environmental or regulatory compliance shall be covered by this Agreement and shall not cause any increase in the PILOT Payments. For purposes of clarity, the construction of temporary structures (such as temporary construction trailers and similar structures) to facilitate ongoing decommissioning of the Facility shall not cause any increase in the PILOT Payments.

Section 3.9 Partial Release; No Reduction

The Company may, without the consent of the Taxing Jurisdiction, sell, or transfer any portion of the Facility, provided that thirty (30) days' advance written notice of such sale, transfer, or assignment is provided to the Taxing Jurisdiction. If any portion of the lands comprising the Facility is sold or transferred, the PILOT Payments due hereunder shall not be reduced. For the avoidance of doubt, the Taxing Jurisdiction shall retain the right to object to the transfer of the Facility or of any applicable license associated with the Facility in any regulatory, judicial, or other proceeding.

Section 3.10 Sale or Transfer of Facility

If the Facility is sold or transferred by the Company to a third party, this Agreement shall be made binding upon such third party and the Taxing Jurisdiction shall release the Company from the obligations assumed by the purchaser or transferee.

ARTICLE IV TERMINATION

Section 4.1 Termination

This Agreement may be terminated only upon the mutual written consent of the Company and the Taxing Jurisdiction.

Section 4.2 Effect of Termination

This Agreement shall be administered on a Tax Year basis. No partial Tax Year taxes, levies or assessments shall be owed following termination notwithstanding the effect or potential effect of RPTL §§ 485 and 520. Termination shall be first effective for the Tax Year associated with the applicable taxable status date following the mutual written agreement of termination as provided for in this Article. Upon termination, the Taxing Jurisdiction shall move all Tax Parcels associated with the Facility to Section 1 of the assessment roll and a tax lien shall attach to the Tax Parcels for the next Tax Year. For that next Tax Year and Tax Years following, the assessment, levy, and collection of taxes related to the Facility shall be made pursuant to then-current law. The Company shall have the right to challenge any assessments relating to such taxes payable on the Facility.

ARTICLE V NOTICES

All notices, demands, requests, consents, or other communications provided for or permitted to be given pursuant to this Agreement shall be in writing and shall be mailed, communicated by electronic mail (both Parties shall make reasonable efforts to keep the other apprised of electronic mail addresses or any changes thereto), or delivered to the Parties at the respective address set forth below:

If to the County:

County Executive
Michaelian Office Building
148 Martine Avenue, 9th Floor
White Plains, New York 10601

with a copy to:

Commissioner
Department of Emergency Services
4 Dana Road
Valhalla, New York 10595

County Attorney
Michaelian Office Building
148 Martine Avenue, 6th Floor
White Plains, New York 10601

Budget Director
Michaelian Office Building
148 Martine Avenue, 3rd Floor
White Plains, New York 10601

If to Holtec:

Holtec Decommissioning International
1 Holtec Boulevard
Camden, New Jersey 08104
Attn: Legal Department

All such notices, demands, requests, consents, or other communications shall be deemed to have been duly given when transmitted by electronic copy or personally delivered or, in the case of a mailed notice, upon receipt, in each case addressed as aforesaid. Either of the Parties may from time to time change its address for notices by providing notice of such change to the other Party given in accordance with this Section.

ARTICLE VI ASSIGNMENT

In accordance with sections 3.09 and 3.10 of Article III herein, the Company may sell, transfer, assign, pledge, mortgage, hypothecate, or otherwise dispose of and encumber all or any of its rights, title, and interests in, to, and under this Agreement to any third party purchaser of the Facility (through asset sale or entity sale), upon providing thirty (30) days' advance written notice to the Taxing Jurisdiction and provided further that such successor owner or controlling interest purchaser assumes and agrees to be bound by this Agreement or would be bound by operation of law. Notwithstanding the foregoing, the Company may sell, transfer, assign, pledge, mortgage, hypothecate, or otherwise dispose of and encumber all or any of its rights, title, and interests in, to, and under this Agreement to any lender as security for the performance of its obligations under any loan agreement with such lender or to an Affiliate that purchases or acquires a controlling interest in the Facility, without notice to the Taxing Jurisdiction, provided such successor owner or controlling interest purchaser assumes and agrees to be bound by this Agreement or would be bound by operation of law.

ARTICLE VII LIMITED OBLIGATION OF THE PARTIES

All obligations of the Parties contained in this Agreement shall be deemed to be the corporate obligations of the respective Parties and not obligations of any member, officer, agent, servant, employee, or Affiliate of the Parties. No recourse upon any obligation contained in this Agreement, or otherwise based on or in respect of this Agreement, shall be had against any past, present, or future member, officer, agent, servant, employee, or Affiliate of the Parties.

ARTICLE VIII MISCELLANEOUS

Section 8.1 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the conflict of laws principles thereof. All disputes arising out of or in connection with this Agreement will be decided in the first instance by the New York State Supreme Court, County of Westchester, to the exclusion of all other courts, except that the Parties shall have all appeal rights allowed by State law. The Parties hereby submit to the jurisdiction of the New York State Supreme Court, County of Westchester, for purposes of all such suits.

Section 8.2 Severability

In the event that any provision of this Agreement is held to be unenforceable or invalid by any court or regulatory authority of competent jurisdiction, the validity and enforceability of the remaining provisions shall not be affected so long as the Parties renegotiate the unenforceable or invalid provision(s) in order to accomplish the goals and intent of this Agreement consistent with Section 485.

Section 8.3 Amendment

This Agreement may not be amended except by an instrument in writing signed by the Parties, subject to the receipt of any and all necessary legal approvals.

Section 8.4 Binding Effect

This Agreement shall inure to the benefit of and shall be binding upon each of the Parties and, as permitted by this Agreement, their respective successors and permitted assigns.

Section 8.5 Execution in Counterparts

This Agreement may be executed by the Parties hereto in several counterparts, and each such counterpart shall be deemed to be an original and all of which together constitute but one and the same agreement.

Section 8.6 Table of Contents and Section Headings Not Controlling

The Table of Contents and the section headings in this Agreement have been prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this Agreement.

Section 8.7 Filing with the Commissioner

The Taxing Jurisdiction shall cause copies of this Agreement to be filed with the Commissioner and with the Clerk of the Taxing Jurisdiction within thirty (30) days after the execution hereof by the Parties.

Section 8.8 Form of Payments

The amounts payable under this Agreement shall be payable in such coin and currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

Section 8.9 Without Prejudice

The payment schedule set forth in section 3.4 of Article III above is being made without prejudice and as such may not be used as the basis for any future PILOT payment negotiations or to impute the taxable values of such real property.

Section 8.10 Entire Agreement

This Agreement constitutes the entire agreement of the Parties and supersedes all prior negotiations, understandings and agreements between the Parties with respect to the subject matter hereof.

[Signatures Follow]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the day and year first above written.

COUNTY OF WESTCHESTER

By: _____

Name: _____

Title: _____

HOLTEC INDIAN POINT 2, LLC

By: _____

Name: _____

Title: _____

HOLTEC INDIAN POINT 3, LLC

By: _____

Name: _____

Title: _____

LIST OF EXHIBITS

Exhibit "A"

COUNTY LOCAL LAW AND COUNTY RESOLUTION

DRAFT

EXHIBIT "A"
COUNTY LOCAL LAW AND COUNTY RESOLUTION

DRAFT