



**FitzGerald Morris
Baker Firth**
Attorneys & Counselors

Kara I. Lais
Partner
kil@fmbf-law.com

December 8, 2021

Lori Barber, Assessor
Town of Lake George
20 Old Post Road
Lake George, New York 12845

Via Certified Mail Return Receipt Requested

Rachel Seeber, Chairperson
Warren County Board of Supervisors
1340 State Route 9
Lake George, New York 12845

Via Regular Mail

Dennis Dickinson, Supervisor
Town of Lake George
20 Old Post Road
Lake George, New York 12845

Via Regular Mail

Dr. Douglas Huntley, Interim Superintendent
Lake George Central School District
381 Canada Street
Lake George, New York 12845

Via Regular Mail

Re: NYS Form RP-412-a Application for Real Property Tax Exemption
Counties of Warren and Washington Industrial Development Agency
Prospect Mountain Ventures LLC, Town of Lake George

Ladies and Gentlemen:

Enclosed please find the NYS Form RP-412-a Application for Real Property Tax Exemption in connection with the Counties of Warren and Washington Industrial Development Agency's project known as the Prospect Mountain Ventures LLC (Boats by George) Project located in the Town of Lake George, together with copies of the executed PILOT Agreement and the Memorandum of Leases by and between the Counties of Warren and Washington IDA and Prospect Mountain Ventures LLC recorded in the Warren County Clerk's Office on November 18, 2021 as Instrument #: 2021-9576 (Book 6492 at Page 1) and 2021-9577 (Book 6492 at Page 7) for processing in your office.

If you have any questions concerning this matter, please feel free to contact me. Thank you.

Very truly yours,

Kara I. Lais

cc: WWIDA Chairman
Alie Weaver, WWIDA Office Administrator
Michael Garry, Esq., Counsel to Prospect Mountain Ventures LLC
Glens Falls Office: 68 Warren Street, P.O. Box 2017, Glens Falls, NY 12801
Salem Office: 190 Main Street, Salem, NY 12865
Phone: 518.745.1400 | Fax: 518.745.1576 | www.fmbf-law.com

c. Municipal corporations to which payments will be made

	Yes	No
County <u>Warren</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Town/City <u>Queensbury</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Village <u>Queensbury</u>	<input type="checkbox"/>	<input type="checkbox"/>
School District <u>Queensbury</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

d. Person or entity responsible for payment

Name George R. Pense
 Title Manager
 Address 18 State Route 149
Lake George, NY 12845

e. Is the IDA the owner of the property? Yes No (check one)

If "No" identify owner and explain IDA rights or interest Telephone 518-793-5452
 in an attached statement. Leasehold Interest (see attached)

6. Is the property receiving or has the property ever received any other exemption from real property taxation? (check one) Yes No

If yes, list the statutory exemption reference and assessment roll year on which granted:
 exemption IDA PILOT assessment roll year 2005-2008 (terminated 2008)

7. A copy of this application, including all attachments, has been mailed or delivered on 12/8/2021 (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

CERTIFICATION

I, Kara I. Lais, Counsel of
 Name Title
Counties of Warren and Washington IDA hereby certify that the information
 Organization
 on this application and accompanying papers constitutes a true statement of facts.

12/8/21
 Date


 Signature

FOR USE BY ASSESSOR

1. Date application filed _____
2. Applicable taxable status date _____
- 3a. Agreement (or extract) date _____
- 3b. Projected exemption expiration (year) _____
4. Assessed valuation of parcel in first year of exemption \$ _____
5. Special assessments and special as valorem levies for which the parcel is liable:

Date

Assessor's signature

AGREEMENT FOR PAYMENTS IN LIEU OF TAXES

THIS AGREEMENT FOR PAYMENTS IN LIEU OF TAXES (the "PILOT Agreement"), dated as of October 27, 2021, by and between the COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York having its principal place of business at 5 Warren Street, Glens Falls, New York 12801 (the "Agency") and PROSPECT MOUNTAIN VENTURES LLC, a limited liability company organized pursuant to the laws of the State of New York, with an address at 18 State Route 149, Lake George, New York 12845 (the "Company").

RECITALS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "State"), as amended, and Section 890-c of the General Municipal Law of the State (collectively, the "Act"), the Agency was created and granted the authority to enter into agreements for the purpose of acquiring, constructing and equipping certain commercial facilities; and

WHEREAS, to advance the public purposes for which it was created, the Agency, upon application of the Company, has agreed to undertake a project (the "Project") consisting of: (i) the acquisition by the Agency of a leasehold interest in certain real property located at 2200 State Route 9 in the Town of Lake George, County of Warren, New York (the "Land"); (ii) the planning, design, renovation, operation and maintenance by the Company of an approximately 50,000+/- square foot facility to be used by the Company as a boat showroom, boat storage space and office space (collectively, the "Improvements"); (iii) the acquisition of and installation in and around the Land and Improvements by the Company of machinery, equipment, fixtures and other items of tangible personal property (the "Equipment" and, collectively with, the Land and the Improvements, the "Facility"); and (iv) entering into a straight lease transaction (within the meaning of subdivision (15) of Section 854 of the Act), pursuant to which the Agency will retain a leasehold interest in the Facility for a period of time and sublease such interest in the Facility back to the Company (the "Straight Lease Transaction"), all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, Chapter 862 of the Laws of 1971 of the State of New York (collectively, the "Act"), as amended; and

WHEREAS, the Agency has agreed to lease and the Company has agreed to rent the Project Facility pursuant to a lease agreement dated as of October 27, 2021 (the "Lease Agreement"); and

WHEREAS, the Agency will hold a leasehold interest to the Land and all improvements thereon until such time as it may convey its leasehold interest to the Project Facility pursuant to the Lease Agreement; and

WHEREAS, under Section 412-a of the Real Property Tax Law of the State and Section 874 of the General Municipal Law of the State, the Agency is exempt from the payment of taxes and assessments on any real property acquired by it or taken under its jurisdiction, supervision or control; and

WHEREAS, the Agency shall file, on or prior to March 1, 2022, a NYS Real Property Form 412-a with the assessor of the taxing jurisdiction, together with a copy of this PILOT Agreement; and

WHEREAS, Section 6.3 of the Lease Agreement provides that the Company will make certain payments in lieu of town, county, school district and other governmental taxes and charges; and

WHEREAS, in accordance with Section 874(4)(a) of the General Municipal Law of the State, the Agency has established a uniform tax exemption policy (the "Uniform Tax Exemption Policy").

NOW, THEREFORE, in partial consideration of the Agency undertaking the Project, the Company and Agency agree as follows:

AGREEMENT

SECTION 1. Definitions. Unless the context or use unambiguously indicates otherwise, all capitalized terms used herein shall have the meanings given to them in the Lease Agreement.

SECTION 2. Description of Property. This PILOT Agreement shall apply to the Land and Facility, as more particularly described within Schedule A hereto.

SECTION 3. Company Obligations.

(A) Subject to the completion and filing by the taxable status date of March 1, 2022 (the "Taxable Status Date") of New York State Form RP-412-a Application For Real Property Tax Exemption (the "Exemption Application") under Section 412-a of the New York State Real Property Tax Law and Section 874 of the Act and the approval of the Exemption Application by the appropriate assessors or Board of Assessment Review, the Land (along with the Improvements once constructed by the Company, as agent of the Agency) shall be exempt from Real Estate Taxes for the periods set forth herein. For purposes of the foregoing "Real Estate Taxes" means all general levy real estate taxes levied against the Facility by the County, Town and the School. The Company shall provide to the Agency with the information necessary for the completion and filing of the Exemption Application and shall provide such additional information and take such actions as are required by the appropriate assessors or Board of Assessment Review to process and approve the Exemption Application. Notwithstanding anything contained herein or in the Lease(back) Agreement to the contrary, in the event the exemption from Real Estate Taxes is denied for any reason, the Company shall pay (and hereby

agrees to pay) all Real Estate Taxes levied upon the Facility as they become due. After giving written notice to the Agency, the Company may in good faith contest the denial of the Exemption Application, provided that (i) the overall operating efficiency of the Facility is not impaired and the Facility continues to qualify as a "project" under the Act; (ii) neither the Facility nor any part of or interest in it would be in any danger of being sold, forfeited or lost; or (iii) neither the Company nor the Agency, as a result of such contest, shall be in any danger of any civil or criminal liability. The Company hereby waives any claim or cause of action against the Agency, and releases the Agency from any liability to the Company, arising from the denial of an exemption from Real Estate Taxes except to the extent that such denial results solely from the failure of the Agency to file the Exemption Application with the appropriate assessors or Board of Assessment Review by the Taxable Status Date.

(B) Throughout the period, a leasehold interest to the Land and the Facility is conveyed to the Agency, the Company shall pay to the Agency, in accordance with the terms of this agreement, certain taxes, assessments, rents and other governmental charges levied upon or against the Land and the improvements thereon (the "PILOT Payments"). In determining the amount of any PILOT Payment, such payment shall be calculated (1) as if title and interest to the Land is in the Company and not the Agency, (2) as if the improvements contemplated by the Plans and Specifications are completed on or before the Completion Date and (3) in accordance with the PILOT Payment Schedule as set forth in Schedule B hereto.

(C) As long as the Facility is owned by the Agency or leased by the Company to the Agency, or under the Agency's jurisdiction, control or supervision, the Company agrees to pay annually to the Agency as a payment in lieu of taxes, on or before January 31 and September 30 of each year beginning September 2022 (for School Taxes), and thereafter on January 31 and September 30 of each year during the term hereof (collectively, the "Payment Date") for County and Town Taxes and School Taxes, respectively, an amount equal to the Total PILOT payment, which is the product of the following:

The then current tax rate for such Affected Tax Jurisdiction (after application of any applicable equalization rate) multiplied by the Total Taxable Valuation (as defined in Schedule B)

The parties agree and acknowledge that payments made hereunder are to obtain revenues for public purposes, and to provide a revenue source that the Affected Tax Jurisdictions would otherwise lose because the subject parcels are not on the tax rolls.

(C) In addition to the payments set forth in paragraph (A) of this Section 3, the Company shall be responsible for the payment to the Agency of all assessments, water/sewer rents and other governmental charges not included in Schedule B that would be levied upon or against the Land and the improvements thereon were title, to them in the Company and not the Agency.

(D) If the lease of the Facility to the Agency remains in effect beyond the term allowed herein, the Company shall pay to the Agency all taxes that would have been levied on or against

the Facility were title to it in the Company and not the Agency. Payments hereunder shall be made at such times and in such amounts as would be due were title to the Facility in the Company and not the Agency.

(E) If any payments under paragraph (A) and (B) of this Section 3 are untimely, such payments shall be subject to late charges, costs, expenses and penalties in accordance with Section 874(5) and Section 874(6) of the General Municipal Law of the State, as amended.

(F) Period of Benefits. The tax benefits provided for herein shall be deemed to include (i) the 2023 County and Town tax year through and including the 2033 County and Town Tax year and (ii) the 2022/2023 School tax year through and including the 2032/2033 School tax year. This PILOT Agreement shall expire on December 31, 2033; *provided, however*, the Company shall pay the 2034 County and Town tax bill and the 2033/2034 School tax bill on the dates and in the amounts as if the Agency were not in title on the tax lien date with respect to said tax years. In no event shall the Company be entitled to receive tax benefits relative to the Facility for more than the periods provided for herein, unless the period is extended by amendment to this Agreement executed by both parties after any applicable public hearings.

SECTION 4. Sales Tax Exemption.

(A) The initial construction and equipping of the Facility shall be exempt from sales tax. The initial sales tax exemption period for the Facility shall expire at the end of the Construction Period, subject to extension by approval of the Agency. No sales tax exemption shall be granted to the Company for the operations of the Facility.

(B) The Agency and the Company agree that the sales tax exemption shall be provided in accordance with Section 875 of the General Municipal Law, as amended and in accordance with the terms of the Agent Agreement dated October 27, 2021 entered into by and between the Company and the Agency. The Agency shall keep records of the amount of State and local sales and use tax exemption benefits provided to this Project and Company and its subagents, shall make such records available to the Commissioner of Tax & Finance upon request.

SECTION 5. Mortgage Tax Exemption. All mortgages placed against the Facility shall be exempt from the payment of mortgage recording tax, as would otherwise be charged pursuant to the Tax Law of the State, as amended.

SECTION 6. Recapture of Benefits. All benefits derived hereunder, including mortgage tax exemptions, real property tax exemptions and sales tax exemptions, shall be subject to the Recapture of Benefits Policy of the Agency as acknowledged as of the date hereof and as set forth on Schedule C hereto.

SECTION 7. Distribution of Payments. The Agency shall distribute each payment hereunder among the tax districts within which the Facility is located in accordance with Section 858(15) of the General Municipal Law of the State, as amended.

SECTION 8. Event of Default. Failure of the Company to make any payment required hereunder shall constitute an Event of Default under the Lease Agreement.

SECTION 9. Remedies on Default.

(A) **General.** Whenever Default shall have occurred with respect to this Payment in Lieu of Tax Agreement, the Agency (or if such Event of Default concerns a payment required to be made hereunder to any Taxing Entity, then with respect to such Default such Taxing Entity) may take whatever action at law or in equity as may appear necessary or desirable to collect the amount then in default or to enforce the performance and observance of the obligations, agreement and covenants of the Company under this Payment in Lieu Agreement.

(B) **Cross-Default.** In addition, Default hereunder shall constitute an event of default under Article X of the Lease Agreement. Upon occurrence of Default hereunder resulting from a failure of the company to make any payment required hereunder, the Agency shall have, as a remedy therefor under the Lease Agreement, among other remedies, the right to terminate the Lease Agreement, thus subjecting the Project Facility to immediate full taxation pursuant to Section 520 of the Real Property Tax Law of the State.

SECTION 10. Term of Agreement. The term of the PILOT Agreement shall commence as of the date hereof and run through and include December 31, 2033, unless terminated earlier in accordance with the provisions hereof. Until the leasehold interest in the Land and improvements is transferred into the Agency on the next ensuing taxable status date, the Company shall be liable for all real property taxes levied on, or which could be levied on, the Land and improvements based on the assessment roll in effect on the date of the Underlying Lease from the Company to the Agency. The Company shall be liable for all real property taxes levied on, or which could be levied on, the Land and improvements from the date of conveyance from the Agency to the Company pursuant to the provisions of Section 520 of the Tax Law of the State.

SECTION 11. Grievance Procedure.

(A) The Agency hereby assigns to the Company all of the Agency's rights under the Real Property Tax Law of the State to contest any assessment on or real property tax levied against the Land and the Facility. Should the Company commence any real property assessment review proceeding under this Section 11, the Company shall have the right to prosecute such action or administrative adjudication in the name of the Agency. If the Company shall prevail in such proceeding, the Agency shall pass through to the Company any refunds of payments in lieu of taxes the Agency receives from the taxing jurisdictions based upon the final order or judgment of the court or Governmental Authority reviewing the assessment or tax.

(B) The rights assigned in paragraph (A) of this Section 11 are subject to those rights and obligations created by the Lease Agreement.

SECTION 12. Assignment of Company Obligations. The obligations of the Company under the PILOT Agreement may not be assigned in whole or in part to any other Person without the prior written consent of the Agency.

SECTION 13. Merger of Agency.

(A) Nothing contained in the PILOT Agreement shall prevent the consolidation of the Agency with, or merger of the Agency into or assignment by the Agency of its rights and interests hereunder to any other body corporate and politic and public instrumentality of the State or political subdivision thereof which has the legal authority to perform the obligations of the Agency hereunder, provided that upon any such consolidation, merger or assignment, the due and punctual performance and observance of all the agreements and conditions of the PILOT Agreement and the Lease Agreement to be kept and performed by the Agency shall be expressly assumed in writing by the public instrumentality or political subdivision resulting from such consolidation or surviving such merger or to which the Agency's rights and interests hereunder shall be assigned.

(B) As of the date of any such consolidation, merger or assignment, the Agency shall give notice thereof in reasonable detail to the Company. Pursuant to Section 9.2 of the Lease Agreement, the Agency shall promptly furnish to the Company such additional information with respect to any such consolidation, merger or assignment as the Company reasonably may request.

SECTION 14. Uniform Tax Exemption Policy. This PILOT Agreement and its provisions are in compliance with the Agency's Uniform Tax Exemption Policy.

SECTION 15. Counterparts. This PILOT Agreement may be executed in several counterparts each of which shall be an original and all of which shall constitute but one instrument.

SECTION 16. Applicable Law. This PILOT Agreement shall be governed exclusively by the applicable laws of the State of New York.

SECTION 17. Section Headings. The section headings of this PILOT Agreement have been prepared for convenience only and shall not affect the meaning of any provision of this PILOT Agreement.

[SIGNATURE PAGE FOLLOWS]


IN WITNESS WHEREOF, the Agency and the Company have caused this PILOT Agreement to be executed by their Authorized Representatives as of the date first above written.

**COUNTIES OF WARREN AND WASHINGTON
INDUSTRIAL DEVELOPMENT AGENCY**

BY: 
David O'Brien, Chairman

STATE OF NEW YORK)
 SS
COUNTY OF WARREN)

On the 21st day of October in the year 2021, before me, the undersigned, a notary public in and for said state, personally appeared David O'Brien personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.


Notary Public

Kara I. Lais
Notary Public, State of New York
Saratoga County
#02LA6105701
Commission Expires February 17, 2024

IN WITNESS WHEREOF, the Agency and the Company have caused this PILOT Agreement to be executed by their Authorized Representatives as of the date first above written.

PROSPECT MOUNTAIN VENTURES LLC

BY:


George R. Pensel, Its Manager

STATE OF NEW YORK)

) ss.:

COUNTY OF Warren)

On the 27th day of October in the year 2021, before me, the undersigned, personally appeared George R. Pensel, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

MARILYN P. BORDEAU
Notary Public, State of New York
Qualified in Warren County
Reg. No. 01B04929236
My Commission Expires May 2, 2022

SCHEDULE A

ALL THAT CERTAIN PIECE OR PARCEL OF LAND situate, lying and being in the Town of Lake George, County of Warren and the State of New York, more particularly bounded and described as follows:

BEGINNING at a point in the easterly bounds of New York State Highway Route #9 at the southwest corner of the remaining lands conveyed to Richard & Dorothy Madden by deed dated May 1980 and recorded in Book 636 of Deeds at page 199 after road taking for said New York State Highway Route #9; running thence along said lands of Madden the following two courses and distances:

- (1) North 50 degrees, 57 minutes and 36 seconds East, a distance of 72.70 feet to an iron pipe found in the ground for a corner;
- (2) North 07 degrees, 04 minutes and 35 seconds East, a distance of 100.33 feet to the lands of the State of New York;

thence riming along said lands the following six courses and distances:

- (1) North 69 degrees, 25 minutes and 28 seconds East, a distance of 152.07 feet to an iron rod found in the ground for a corner;
- (2) South 26 degrees, 09 minutes and 43 seconds East, a distance of 155.34 feet to an iron rod found in the ground for a corner;
- (3) South 12 degrees, 34 minutes and 31 seconds West, a distance of 188.01 feet to an iron rod found in the ground for a corner;
- (4) South 72 degrees, 54 minutes and 00 seconds East, a distance of 110.63 feet to an iron pipe found in the ground for a corner;
- (5) North 24 degrees, 57 minutes and 35 seconds East, a distance of 303.45 feet to an iron rod found in the ground for a corner;
- (6) South 51 degrees, 42 minutes and 17 seconds East, a distance of 276.55 feet to the westerly bounds of the Fort George Road;

thence running along the westerly bounds of the Fort George Road the following three courses and distances:

- (1) South 46 degrees, 33 minutes and 50 seconds West, a distance of 253.14 feet to an iron pipe found;
- (2) South 47 degrees, 27 minutes and 38 seconds West, a distance of 72.44 feet to an iron pipe found;
- (3) South 46 degrees, 37 minutes and 35 seconds West, a distance of 79.10 feet to a point for a corner;

thence along the northerly bounds of lands now or formerly of Rodriguez and Berke, North 83 degrees, 48 minutes and 17 seconds West, a distance of 402.89 feet to a point for a corner in the easterly bounds of said New York State Highway Route #9;

thence running along said New York State Highway Route #9 the following two courses and distances;

- (1) North 03 degrees, 06 minutes and 38 seconds East, a distance of 207.00 feet;
- (2) North 03 degrees, 59 minutes and 17 seconds West, a distance of 80.29 feet to the point and place of beginning.

**SCHEDULE B
PILOT PAYMENT SCHEDULE**

Tax Roll Year	Town/County	School
2022	Base Valuation only	Base Valuation + 50% Imp.
2023	Base Valuation +50% Imp	Base Valuation + 50% Imp.
2024	Base Valuation+ 50% Imp.	Base Valuation + 50% Imp.
2025	Base Valuation+ 50% Imp.	Base Valuation + 50% Imp.
2026	Base Valuation + 50% Imp.	Base Valuation + 50% Imp.
2027	Base Valuation + 50% Imp.	Base Valuation + 25% Imp.
2028	Base Valuation + 25% Imp.	Base Valuation + 25% Imp.
2029	Base Valuation + 25% Imp.	Base Valuation + 25% Imp.
2030	Base Valuation + 25% Imp.	Base Valuation + 25% Imp.
2031	Base Valuation + 25% Imp.	Base Valuation + 25% Imp.
2032	Base Valuation + 25% Imp.	100% Taxation
2033	100% Taxation	

“Total PILOT Payment” shall be calculated as follows:

For the term of this PILOT Agreement, the Company shall pay full taxes based on the assessed value of the Land before the completion of any Project improvements (the “Base Valuation”). The amount of the Base Valuation has been frozen for the term of the PILOT in the amount of **\$2,300,000.00**.

The Total Taxable Valuation for each Total PILOT Payment shall be calculated such that a graduated abatement factor (“Abatement Factor”) shall be applied to the increased assessed valuation attributable to the Improvements made to the Project Facility by the Company, as an Agent of the Agency, for the Project (the “Added Value”). The abatement schedule shall allow for a 50% exemption from taxation for the Added Value for five PILOT Years, with such exemption being reduced to 25% for PILOT and additional five PILOT Years.

Once the Total Taxable Valuation is established using the Abatement Factor, the Total PILOT Payment shall be determined by multiplying the Total Taxable Valuation by the respective tax rate for each affected tax jurisdiction (after application of any applicable equalization rate). After the tenth PILOT Year, the Project Facility shall be subject to full taxation by the affected taxing jurisdictions.

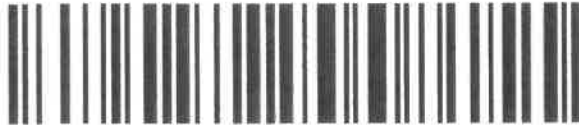
Total Taxable Valuation = Base Valuation + (Added Value x Abatement Factor)
 Total PILOT Payment = Total Taxable Valuation (after equalization) x Tax Rate



WARREN COUNTY – STATE OF NEW YORK
 PAMELA J. VOGEL, COUNTY CLERK
 1340 STATE ROUTE 9,
 LAKE GEORGE, NEW YORK 12845

COUNTY CLERK'S RECORDING PAGE

THIS PAGE IS PART OF THE DOCUMENT – DO NOT DETACH



BOOK/PAGE: 6492 / 1
 INSTRUMENT #: 2021-9576

Receipt#: 2021546141
 Clerk: CL
 Rec Date: 11/18/2021 01:44:57 PM
 Doc Grp: RP
 Descrip: LEASE AGREEMENT
 Num Pgs: 6
 Rec'd Frm: KERR DEVOE PC LAW FIRM

Party1: PROSPECT MOUNTAIN VENTURES LLC
 Party2: WARREN WASHINGTON COUNTIES IDA
 Town: LAKE GEORGE

Recording:

Cover Page	5.00
Recording Fee	45.00
Cultural Ed	14.25
Records Management - Coun	1.00
Records Management - Stat	4.75
TP584	5.00

Sub Total: 75.00

Transfer Tax	
Transfer Tax - State	0.00

Sub Total: 0.00

Total: 75.00

**** NOTICE: THIS IS NOT A BILL ****

***** Transfer Tax *****
 Transfer Tax #: 906
 Transfer Tax
 Consideration: 0.00

Total: 0.00

Record and Return To:

ROEMER WALLENS GOLD & MINEAUX LLP
 13 COLUMBIA CIRCLE
 ALBANY, NY 12203

WARNING***

*** Information may be amended during the verification process, and may not be reflected on this cover page.

I hereby certify that the within and foregoing was recorded in the Warren County Clerk's Office, State of New York.

This sheet constitutes the Clerks endorsement required by Section 316 of the Real Property Law of the State of New York.

Pamela J. Vogel
 Warren County Clerk

576

70-
5-

PROSPECT MOUNTAIN VENTURES LLC

AND

**COUNTIES OF WARREN AND WASHINGTON
INDUSTRIAL DEVELOPMENT AGENCY**

MEMORANDUM OF UNDERLYING LEASE AGREEMENT

Dated as of October 27, 2021

**RELATING TO PREMISES LOCATED WITHIN THE TOWN OF LAKE GEORGE,
COUNTY OF WARREN, NEW YORK (TAX MAP PARCEL NO.: 264.10-1-31)**

**THIS DOCUMENT IS INTENDED TO CONSTITUTE A MEMORANDUM OF AN
UNDERLYING LEASE AGREEMENT FOR AN INTEREST IN REAL ESTATE, AND IS
INTENDED TO BE RECORDED IN LIEU OF SUCH UNDERLYING LEASE AGREEMENT,
IN ACCORDANCE WITH THE PROVISIONS OF SECTION 294 OF THE NEW YORK
REAL PROPERTY**

MEMORANDUM OF UNDERLYING LEASE AGREEMENT

The undersigned, PROSPECT MOUNTAIN VENTURES LLC, a limited liability company organized pursuant to the laws of the State of New York, with an address at 18 State Route 149, Lake George, New York 12845, as lessor (referred to in the hereinafter described Underlying Lease Agreement as the "Company"), and the COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation duly organized and existing under the laws of the State of New York, having its office at 5 Warren Street, Glens Falls, New York 12801, as lessee (referred to in the hereinafter described Underlying Lease Agreement as the "Agency"), and have entered into a certain lease (the "Underlying Lease") dated as of October 27, 2021.

The Underlying Lease covers a certain parcel of land (the "Land") located at 2200 State Route 9 in the Town of Lake George, County of Warren, New York, being more particularly described as tax parcel number 264.10-1-31 and being further described in Schedule A annexed hereto and made a part hereof, together with any improvements now or hereafter located on the Land (the Land and all of said improvements being sometimes collectively referred to as the "Premises").

The Underlying Lease provides for the rental of the Premises for a term (the "Term") commencing as of October 27, 2021 and expiring on the earlier to occur of (1) the date upon which the PILOT Agreement terminates pursuant to its terms, including, but not limited to an event of default or (2) upon the termination by the Agency pursuant to Article X thereof, the termination of the term of the Lease Agreement. The Underlying Lease obligates the Agency, among other things, to pay rent of \$1.00 for the Term.

Pursuant to the Lease Agreement, the Company, as agent of the Agency, has agreed to improve the Premises by constructing or causing to be constructed certain improvements thereto (collectively with the Premises, the "Project Facility"). The Lease Agreement grants to the Company various rights to purchase the Project Facility. Upon any such purchase of the Project Facility, the Agency shall surrender and deliver the Premises and all improvements located thereon to the Company. The Lease Agreement (or a memorandum thereof) is intended to be recorded in the Warren County Clerk's Office immediately subsequent to the recording of this Memorandum of Underlying Lease.

Notwithstanding the lease of the Project Facility by the Agency to the Company pursuant to the Lease Agreement, during the term of the Underlying Lease, there shall be no merger of the Underlying Lease nor of the leasehold estate created by the Underlying Lease with the fee estate in the Premises or any part thereof by reason of the fact that the same person or entity may acquire, own or hold the Underlying Lease or the leasehold estate created thereunder and the fee estate in the Premises.

The Underlying Lease is available for inspection during normal business hours at the office of the Agency, currently located at the address listed above.

IN WITNESS WHEREOF, the Company and the Agency have caused this Memorandum of Underlying Lease Agreement to be executed in their respective names, all as of the Closing Date.

COUNTIES OF WARREN AND WASHINGTON
INDUSTRIAL DEVELOPMENT AGENCY

By: 
David O'Brien, Chairman

STATE OF NEW YORK)
 SS
COUNTY OF WARREN)

On the 21st day of October in the year 2021, before me, the undersigned, a notary public in and for said state, personally appeared David O'Brien personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.


Notary Public

Kara I. Lais
Notary Public, State of New York
Saratoga County
#02LA6105701
Commission Expires February 17, 2024

SCHEDULE A

ALL THAT CERTAIN PIECE OR PARCEL OF LAND situate, lying and being in the Town of Lake George, County of Warren and the State of New York, more particularly bounded and described as follows:

BEGINNING at a point in the easterly bounds of New York State Highway Route #9 at the southwest corner of the remaining lands conveyed to Richard & Dorothy Madden by deed dated May 1980 and recorded in Book 636 of Deeds at page 199 after road taking for said New York State Highway Route #9; running thence along said lands of Madden the following two courses and distances:

- (1) North 50 degrees, 57 minutes and 36 seconds East, a distance of 72.70 feet to an iron pipe found in the ground for a corner;
- (2) North 07 degrees, 04 minutes and 35 seconds East, a distance of 100.33 feet to the lands of the State of New York;

thence riming along said lands the following six courses and distances:

- (1) North 69 degrees, 25 minutes and 28 seconds East, a distance of 152.07 feet to an iron rod found in the ground for a corner;
- (2) South 26 degrees, 09 minutes and 43 seconds East, a distance of 155.34 feet to an iron rod found in the ground for a corner;
- (3) South 12 degrees, 34 minutes and 31 seconds West, a distance of 188.01 feet to an iron rod found in the ground for a corner;
- (4) South 72 degrees, 54 minutes and 00 seconds East, a distance of 110.63 feet to an iron pipe found in the ground for a corner;
- (5) North 24 degrees, 57 minutes and 35 seconds East, a distance of 303.45 feet to an iron rod found in the ground for a corner;
- (6) South 51 degrees, 42 minutes and 17 seconds East, a distance of 276.55 feet to the westerly bounds of the Fort George Road;

thence running along the westerly bounds of the Fort George Road the following three courses and distances:

- (1) South 46 degrees, 33 minutes and 50 seconds West, a distance of 253.14 feet to an iron pipe found;
- (2) South 47 degrees, 27 minutes and 38 seconds West, a distance of 72.44 feet to an iron pipe found;
- (3) South 46 degrees, 37 minutes and 35 seconds West, a distance of 79.10 feet to a point for a corner;

thence along the northerly bounds of lands now or formerly of Rodriguez and Berke, North 83 degrees, 48 minutes and 17 seconds West, a distance of 402.89 feet to a point for a corner in the easterly bounds of said New York State Highway Route #9;

thence running along said New York State Highway Route #9 the following two courses and distances;

- (1) North 03 degrees, 06 minutes and 38 seconds East, a distance of 207.00 feet;
- (2) North 03 degrees, 59 minutes and 17 seconds West, a distance of 80.29 feet to the point and place of beginning.



WARREN COUNTY – STATE OF NEW YORK
 PAMELA J. VOGEL, COUNTY CLERK
 1340 STATE ROUTE 9,
 LAKE GEORGE, NEW YORK 12845

COUNTY CLERK'S RECORDING PAGE

THIS PAGE IS PART OF THE DOCUMENT – DO NOT DETACH



BOOK/PAGE: 6492 / 7
 INSTRUMENT #: 2021-9577
 Receipt#: 2021546141
 Clerk: CL
 Rec Date: 11/18/2021 01:44:57 PM
 Doc Grp: RP
 Descrip: LEASE AGREEMENT
 Num Pgs: 6
 Rec'd Frm: KERR DEVOE PC LAW FIRM
 Party1: WARREN WASHINGTON COUNTIES IDA
 Party2: PROSPECT MOUNTAIN VENTURES LLC
 Town: LAKE GEORGE

Recording:	
Cover Page	5.00
Recording Fee	45.00
Cultural Ed	14.25
Records Management - Coun	1.00
Records Management - Stat	4.75
TP584	5.00
Sub Total:	<u>75.00</u>
Transfer Tax	
Transfer Tax - State	0.00
Sub Total:	<u>0.00</u>
Total:	<u>75.00</u>
**** NOTICE: THIS IS NOT A BILL ****	
***** Transfer Tax *****	
Transfer Tax #: 907	
Transfer Tax	
Consideration: 0.00	
Total:	0.00

Record and Return To:

ROEMER WALLENS GOLD & MINEAUX LLP
 13 COLUMBIA CIRCLE
 ALBANY, NY 12203

WARNING***

*** Information may be amended during the verification process, and may not be reflected on this cover page.

I hereby certify that the within and foregoing was recorded in the Warren County Clerk's Office, State of New York.

This sheet constitutes the Clerks endorsement required by Section 316 of the Real Property Law of the State of New York.

Pamela J. Vogel
 Warren County Clerk

576

70
5

**COUNTIES OF WARREN AND WASHINGTON
INDUSTRIAL DEVELOPMENT AGENCY**

AND

PROSPECT MOUNTAIN VENTURES LLC

MEMORANDUM OF LEASE AGREEMENT

Dated as of October 27, 2021

**RELATING TO PREMISES LOCATED WITHIN THE TOWN OF LAKE GEORGE,
COUNTY OF WARREN (TAX MAP PARCEL NO.: 264.10-1-31)**

**THIS DOCUMENT IS INTENDED TO CONSTITUTE A MEMORANDUM OF A LEASE
FOR AN INTEREST IN REAL ESTATE, AND IS INTENDED TO BE RECORDED IN LIEU
OF SUCH LEASE AGREEMENT, IN ACCORDANCE WITH THE PROVISIONS OF
SECTION 294 OF THE NEW YORK REAL PROPERTY LAW.**

MEMORANDUM OF LEASE AGREEMENT

The undersigned, COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation duly organized and existing under the laws of the State of New York, having its office at 5 Warren Street, Glens Falls, New York 12801, as lessor (referred to in the hereinafter described Lease Agreement as the "Agency"), and PROSPECT MOUNTAIN VENTURES LLC, a limited liability company organized pursuant to the laws of the State of New York, with an address at 18 State Route 149, Lake George, New York 12845, as lessee (referred to in the hereinafter described Lease Agreement as the "Company"), have entered into a certain lease agreement (the "Lease Agreement") dated as of October 27, 2021 (the "Closing Date").

The Lease Agreement memorializes a leasehold interest to be held, in connection with a certain project undertaken by the Agency (the "Project"), which consists of: (i) the acquisition by the Agency of a leasehold interest in certain real property located at 2200 State Route 9 in the Town of Lake George, County of Warren, New York (the "Land"); (ii) the planning, design, renovation, operation and maintenance by the Company of an approximately 50,000+/- square foot facility to be used by the Company as a boat showroom, boat storage space and office space (collectively, the "Improvements"); (iii) the acquisition of and installation in and around the Land and Improvements by the Company of machinery, equipment, fixtures and other items of tangible personal property (the "Equipment" and, collectively with, the Land and the Improvements, the "Facility"); and (iv) entering into a straight lease transaction (within the meaning of subdivision (15) of Section 854 of the Act), pursuant to which the Agency will retain a leasehold interest in the Facility for a period of time and sublease such interest in the Facility back to the Company (the "Straight Lease Transaction"), all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, Chapter 862 of the Laws of 1971 of the State of New York (collectively, the "Act"), as amended.

The Company will transfer a leasehold interest in and to the Land, which is more particularly described in Schedule A, hereto, to the Agency pursuant to an underlying lease, dated as of the Closing Date. The Agency will lease the Project Facility to the Company pursuant to the terms of the Lease Agreement. The Lease Agreement obligates the Company to make periodic lease payments and, among other things, further obligates the Company to provide indemnity and certain other payments, including certain payments required by a Payment In Lieu of Taxes Agreement (the "PILOT Agreement") by and between the Agency and the Company, dated as of the Closing Date. The Agency will release all right, title and interest in and to the Land and the Project Facility back to the Company in accordance with the provisions contained within the Lease Agreement. The Lease Agreement shall terminate on the earliest to occur of (1) the date upon which the PILOT Agreement terminates pursuant to its terms, including, but not limited to an event of default or (2) upon the termination by the Agency pursuant to Article X thereof, the termination of the term of the Lease Agreement.

The Lease Agreement is available for inspection during normal business hours at the office of the Agency, currently located at the address listed above.

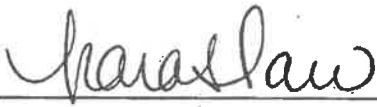
IN WITNESS WHEREOF, the Agency and the Company have caused this Memorandum of Lease Agreement to be executed in their respective names, all as of the Closing Date.

**COUNTIES OF WARREN AND WASHINGTON
INDUSTRIAL DEVELOPMENT AGENCY**

By: 
David O'Brien, Chairman

STATE OF NEW YORK)
 SS
COUNTY OF WARREN)

On the 21st day of October in the year 2021, before me, the undersigned, a notary public in and for said state, personally appeared David O'Brien personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

Kara I. Lais
Notary Public, State of New York
Saratoga County
#02LA6105701
Commission Expires February 17, 2024

SCHEDULE A

ALL THAT CERTAIN PIECE OR PARCEL OF LAND situate, lying and being in the Town of Lake George, County of Warren and the State of New York, more particularly bounded and described as follows:

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