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October 12, 2017

Russell E. Gaenzle
99 Garnsey Road
Pittsford, NY 14534

RE: Danskammer Generating Facility

Dear Russ:

As we discussed, the parent entities and holders of membership interests in Danskammer Energy, LLC ("Danskammer") have entered into a Purchase and Sale Agreement with Danskammer Holdings LLC ("Purchaser") to convey one hundred percent of the membership interests in Danskammer, the owner of Danskammer Station, a generating facility in Newburgh, New York, housing an approximate 500 MW power generating plant (the "Facility").

Danskammer entered into a lease/leaseback with the Orange County Industrial Development Agency ("OCIDA") in December, 2014 to obtain PILOT benefits for the Facility. Danskammer now seeks the approvals of OCIDA under (a) Section 6.3(a) of the Leaseback Agreement by and between OCIDA and Danskammer, dated as of December 1, 2014, and (b) Section VII of the Tax Agreement by and between OCIDA and Danskammer, dated as of December 1, 2014, permitting the "assignment" under such documents (being a change in control of Danskammer by virtue of such transfer of membership interests) of the ownership of Danskammer and confirmation of responsibility for all obligations to OCIDA under the Leaseback Agreement, the Tax Agreement and the various other IDA documents by the reconstituted Danskammer Energy, LLC, to be owned by Purchaser after such transfer of membership interests.

In addition, Danskammer requests that upon such transfer of membership interests, its current ownership and parent entities be fully released from any further liability under the Leaseback Agreement, the Tax Agreement and any of the other IDA documents relating to the Facility. It is expected that Danskammer and Purchaser shall enter into an assignment and assumption agreement at closing confirming the ongoing duties of Danskammer Energy, LLC (as its

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We expect that the sale of ownership interests will close before year-end. Accordingly, we seek OCIDA approval at its regular November meeting. And we will need to discuss necessary steps and costs to consider whether it makes sense to seek mortgage recording tax benefits. Should you need Danskammer to be present at, or answer any questions in advance of, the OCIDA meeting, please let me know. Of course, if you have any questions, please call.

Sincerely,



Brian Flanagan

BF/mad

cc: Mark Greenberg

ownership is reconstituted) to be fully responsible under all of the IDA documents, and confirming the release of Danskammer's current ownership and parent entities from any continuing liability under the IDA documents. Such assumption of liability and release shall also extend to the host benefit community agreements currently in place with the Town of Newburgh and Marlboro Central School District. We expect that your counsel will need to review all of the necessary assignment and assumption documentation and we understand that the reasonable attorneys fees for such review shall be borne by Danskammer.

We thought it would also be helpful to provide you some background information regarding the Purchaser. Purchaser was formed to acquire and hold the membership interests of Danskammer. It currently has no assets. The membership interests of Purchaser are wholly-owned by Danskammer HoldCo LLC, a Delaware limited liability company ("Purchaser Parent"). Danskammer Investments LLC, a Delaware limited liability company ("Investments") will own one hundred percent of the voting interests in Purchaser Parent. Investments is owned directly or indirectly through various investment vehicles by Tiger Infrastructure Partners Fund II Danskammer AIV LP, a Delaware limited partnership ("Tiger Infrastructure") and other affiliated investment vehicles (collectively, the "Tiger Funds"). Emil W. Henry, Jr. (the "Principal") indirectly controls the management of each of the Tiger Funds. The Tiger Funds and other investment vehicles controlled by the Tiger Funds also have limited partners that own passive, non-controlling interests that do not allow the limited partners to manage, direct or control activities of these funds and investment vehicles or any facilities owned by Danskammer. The Tiger Funds are infrastructure focused private equity funds with headquarters in New York. The Tiger Funds invest in infrastructure businesses in the energy, transportation and communication sectors. The Tiger Funds currently manage over \$325 million of capital for its investors. The principals of the Tiger Funds have significant experience investing in, owning and managing, energy and infrastructure assets and businesses and have collectively invested over \$4 billion of equity in infrastructure and other private equity investments.

My understanding is that as presently structured, the sale of membership interests is being financed in part by one of the current Danskammer owners, Mercuria Investments US, Inc. ("Mercuria"). So the transaction will include a mortgage securing some portion of the purchase price to be held in favor of Mercuria. OCIDA will need to be a party to that mortgage. I would like to discuss with you the possibility of structuring the financing to obtain mortgage recording tax benefits. Obviously we will need to understand whether such financing could be wrapped into the existing structure or whether a new IDA transaction would be required. If the latter, we need to discuss timing and cost.