

CLOSING ITEM NO.: B-4

COUNTY OF CLINTON INDUSTRIAL DEVELOPMENT AGENCY  
190 Banker Road  
Suite 500  
Plattsburgh, New York 12901

November 1, 2013

To Whom It May Concern:

Re: New York State Sales or Use Tax Exemption  
County of Clinton Industrial Development Agency  
The Development Corporation Project

Pursuant to TSB-M-87(7) issued by the New York State Department of Taxation and Finance on April 1, 1987 (the "Policy Statement"), The Development Corporation Clinton County, New York (the "Company") has requested a letter from County of Clinton Industrial Development Agency (the "Agency"), a public benefit corporation created pursuant to Chapter 1030 of 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 225 of the 1971 Laws of New York, as amended, constituting Section [Section] of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") containing the information required by the Policy Statement regarding the sales tax exemption with respect to the captioned project (the "Project") located on or used in connection with a leasehold interest (the "Leased Land") and a license interest (the "Licensed Land") in a parcel of land located at Lot 21A, Gus Lapham Drive in the Town of Plattsburgh, Clinton County, New York (the Leased Land and the Licensed Land being collectively referred to as the "Project Site").

The Company has applied to and been approved for financial assistance from the Agency in the matter of completion of the Project on the Project Site. The Project includes the following: (A) (1) the acquisition of an interest or interests in an approximately 3.59 acre parcel of land known as Lot 21A on Gus Lapham Drive in the Town of Plattsburgh, Clinton County, New York (collectively, the "Land"), (2) the construction thereon of a building to contain approximately 20,000 square foot of space and related improvements on the Land (collectively, the "Facility") and (3) the acquisition and installation thereon and therein of various machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to be leased by the Company for use as a warehouse/light assembly; (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 property transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) of the Project Facility to the Company pursuant to the terms of a lease agreement dated as of September 1, 2013 (the "Lease Agreement") by and between the Agency, as landlord, and the Company, as tenant. Please be advised that on or about November 1, 2013, the Agency executed and delivered the Lease Agreement, pursuant to which the Agency appointed the Company as agent of the Agency to acquire, construct, reconstruct and/or install the Project Facility.

Pursuant to the Lease Agreement, the Company, as agent of the Agency, is authorized to make purchases of materials to be incorporated in the Project and machinery and equipment constituting a part of the Project, and purchases or rentals of supplies, tools, equipment, or services necessary to acquire, construct, reconstruct and/or or install the Project.

To ensure that the above purchases or rentals are exempt from any sales or use tax imposed by the State of New York or any governmental instrumentality located within the State of New York, the vendor must identify the Project on each bill and invoice for such purchases and indicate on the bill or invoice that the Company as agent for the Agency was the purchaser (e.g., "The Development Corporation Clinton County, New York, as agent for County of Clinton Industrial Development Agency"). In addition, the following procedures should be observed:

1. Each bill and invoice should identify the date of delivery and indicate the place of delivery.
2. Payment should be made by the Company acting as agent, directly to the vendor from a requisition from a special project fund of the payor.
3. Deliveries should be made to the Project Site, or under certain circumstances (such as where the materials require additional fabrication before installation on the Project Site or for storage to protect materials from theft or vandalism prior to installation at the Project Site) deliveries may be made to a site other than the Project Site, providing the ultimate delivery of the materials is made to the Project Site. Where deliveries are made to a site other than the Project Site, the purchases should be billed or invoiced by the vendor to the Company as agent of the Agency, identify the date and place of delivery, the Agency's full name and address and the Project Site where the materials will ultimately be delivered for installation.

Pursuant to Section 874(8) of the Act, the Company, as agent of the Agency, must annually file a statement with the New York State Department of Taxation and Finance, on a form and in such a manner as is prescribed by the Commissioner of Taxation and Finance, of the value of all sales tax exemptions claimed by the Company under the authority granted by the Agency. The penalty for failure to file such a statement under Section 874(8) of the Act shall be the removal of authority to act as an agent for the Agency.

Pursuant to Section 874(9) of the Act, the Company, as agent of the Agency, must file within thirty (30) days of the date the Agency designates the Company as agent of the Agency, a statement with the New York State Department of Taxation and Finance, on a form and in such manner as prescribed by the Commissioner of Taxation and Finance, identifying the Company as agent of the Agency.

This letter shall serve as proof of the existence of an agency contract between the Agency and the Company for the SOLE EXPRESS PURPOSE OF SECURING EXEMPTION FROM NEW YORK STATE SALES AND USE TAXES FOR THE PROJECT ONLY. NO OTHER PRINCIPAL/AGENT RELATIONSHIP BETWEEN THE AGENCY AND THE COMPANY IS INTENDED OR MAY BE IMPLIED OR INFERRED BY THIS LETTER.

It is hereby further certified that, under the Policy Statement, since the Agency is a public benefit corporation, neither the Agency nor the Company as its agent, is required to furnish an "Exempt Organization Certificate" in order to secure exemption from any sales or use tax for such items or services.

Under the Policy Statement, a copy of this letter received by any vendor or seller to the Company as agent for the Agency, may be accepted by such vendor or seller as a "statement and additional documentary evidence of such exemption" as provided by New York State Tax Law Section 1132(c)(1), thereby relieving such vendor or seller from the obligation to collect sales and use tax on purchases or rentals of such materials, supplies, tools, equipment, or services by the Agency through its agent, the Company.

THIS LETTER SHALL BE IN EFFECT UNTIL MARCH 1, 2014.

COUNTY OF CLINTON

C O C I D A

INDUSTRIAL DEVELOPMENT AGENCY

In the event you have any questions with respect to the above, please do not hesitate to call Erin M. Hynes, Executive Director of the Agency, at 518-563-3100.

Very truly yours,

COUNTY OF CLINTON INDUSTRIAL  
DEVELOPMENT AGENCY

By:   
(Vice) Chairman

COUNTY OF CLINTON

COCLIDA

INDUSTRIAL DEVELOPMENT AGENCY