

RESOLUTION OF THE CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION IN CONNECTION WITH AN AMENDED LEASE-LEASEBACK TRANSACTION FOR THE 1002 OSWEGO STREET, LLC/UNITED AUTO SUPPLY OF SYRACUSE, WEST, INC. FACILITY, APPOINTING 1002 OSWEGO STREET, LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON ITS BEHALF AS AGENT OF THE AGENCY FOR THE PURPOSE OF CONSTRUCTING, RENOVATING AND EQUIPPING THE 2022 FACILITY, AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT.

WHEREAS, City of Utica Industrial Development Agency (the "Agency") previously provided financial assistance to 1002 Oswego Street, LLC (the "Company") relating to the (a) acquisition of a 7.00± acre parcel of vacant land formerly known as the Bossert Site located at 1002 Oswego Street, City of Utica, Oneida County, New York (the "Land"); (b) construction on the Land of a 20,000± square foot mixed-use commercial and retail building (the "Commercial Improvements") and acquisition and installation of machinery and equipment in the Commercial Improvements (the "Commercial Equipment") all for the purpose of the distribution of automotive parts and lubricants and providing a regional headquarters for United Auto Supply (the Commercial Improvements and the Commercial Equipment collectively, the "Commercial Facility"); and (c) the proposed construction on a 2.00± acre out-parcel situated on the Land of a commercial/retail structure (the "Retail Improvements") and acquisition and installation of machinery and equipment in the Retail Improvements (the "Retail Equipment") all for providing a retail convenience store or other equivalent retail/commercial use (the Retail Improvements and the Retail Equipment collectively, the "Retail Facility" and together with the Commercial Facility, the "Existing Facility"); and

WHEREAS, the Company leases the Existing Facility to the Agency pursuant to a Lease Agreement dated as of May 1, 2013 (the "Lease Agreement"), and the Agency leases the Existing Facility back to the Company pursuant to a leaseback agreement dated as of May 1, 2013 as amended on February 12, 2014 and September 30, 2016 (collectively, the "Existing Leaseback Agreement"); and

WHEREAS, the Company in turn subleases portions of the Commercial Facility to (a) United Auto Supply of Syracuse, West, Inc. (the "UAS Sublessee"), (b) Upstate Cerebral Palsy (the "UCP Sublessee") and (c) Orkin (the "Orkin Sublessee") for operation (each a "Sublessee" and collectively, the "Sublessees"); and

WHEREAS, the Company makes payments in lieu of taxes pursuant to a PILOT Agreement dated as of May 1, 2013 between the Agency and the Company (the “PILOT Agreement”); and

WHEREAS, payments under the PILOT Agreement are secured by a PILOT Mortgage dated September 30, 2016 (the “PILOT Mortgage”) from the Company and the Agency to the Agency on behalf of the tax authorities; and

WHEREAS, the Company has applied to the Agency to amend the transaction relating to the Existing Facility in which the Agency will assist in (i) the construction of a 21,600 ± square foot building (the “Addition”), which Addition will be constructed in lieu of the Retail Improvements; (ii) the renovation of the Commercial Improvements and (iii) the acquisition and installation of equipment in the Addition and the Commercial Improvements (the “Equipment”), all in furtherance of the Existing Facility to allow for the growth and expansion of the Sublessees (the Addition and the Equipment is referred to as the “2022 Facility,” and the construction and equipping of the Addition and the renovation and equipping of the Commercial Facility is referred to as the “2022 Project”), including, without limitation, the following as they relate to the construction and equipping of such 2022 Facility, whether or not any materials or supplies described below are incorporated into or become an integral part of such 2022 Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with construction and equipping, and (ii) purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with construction and equipping and (iii) all purchases, leases, rentals and uses of equipment, machinery, and other tangible personal property (including installation costs with respect thereto), installed or placed in, upon or under such building; and

WHEREAS, the Company will lease the 2022 Facility to the Agency, and the Agency and the Company will further amend the Existing Leaseback Agreement to add and include the 2022 Facility to the Existing Facility (collectively, the “Facility”) and to add and include the 2022 Project to the Existing Project (collectively, the “Project”), pursuant to Article 18-A of the General Municipal Law of the State of New York and Chapter 710 of the Laws of 1981 of the State of New York, as may be amended from time to time (collectively, the “Act”); and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the 2022 Project and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from sales and use taxes on purchases relating

to the 2022 Project, exemptions from mortgage recording taxes, and reduction of real property taxes on the increased assessment resulting from the 2022 Project for a period of five years during which time the Company will pay no increased taxes in year one, 30% of increased taxes in year two, 40% of increased taxes in year three, 50% of increased taxes in year four, and 75% of increased taxes in year five, which financial assistance is a deviation from the Agency's Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein; and

WHEREAS, based upon representations made by the Company in the Application, the value of the Financial Assistance relating to the 2022 Project is described as follows:

Sales and use tax exemptions estimated at \$218,750.00;

Mortgage recording tax exemptions estimated at \$18,750.00

Real property tax abatement estimated at \$149,769.00; and

WHEREAS, prior to the closing of an amended lease-leaseback transaction, and the granting of any financial assistance, a public hearing (the "Hearing") will be held so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency, or the location or nature of the 2022 Facility, can be heard; and

WHEREAS, notice of the Hearing will be given prior to the closing of an amended lease-leaseback transaction, and the granting of any tax benefits, and such notice (together with proof of publication) will be substantially in the form annexed hereto as **Exhibit A**; and

WHEREAS, the minutes of the Hearing are or will be annexed hereto as **Exhibit B**; and

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed amended lease-leaseback transaction, is either an inducement to the Company to maintain and expand the Existing Facility or is necessary to maintain the competitive position of the Company in its industry.

NOW, THEREFORE, BE IT RESOLVED by the City of Utica Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

- Section 1. (a) The construction and equipping of the 2022 Facility and the financial assistance thereof by the Agency, through the extended lease of the Facility to the Company by the Agency pursuant to an amended lease-leaseback transaction, is in furtherance of the Existing Facility and will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the City of Utica and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act and the same is, therefore, approved;
- (b) It is desirable and in the public interest for the Agency to enter into an amended lease-leaseback transaction, for the purpose of providing financial assistance for the construction and equipping of the 2022 Facility all in furtherance of the Existing Facility, together with necessary incidental expenses in connection therewith as reflected in the Company's application to the Agency and as amended from time to time prior to the closing of the amended lease-leaseback transaction.
- Section 2. The form and substance of a proposed inducement agreement (in substantially the form presented to this meeting) by and between the Agency and the Company setting forth the undertakings of the Agency and the Company with respect to the closing of the amended lease-leaseback transaction, and the development of the 2022 Facility (the "Agreement") are hereby approved. The Chairman of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agreement, with such changes in terms and form as the Chairman shall approve. The execution thereof by the Chairman shall constitute conclusive evidence of such approval.
- Section 3. Subject to the conditions set forth in Section 4.02 of the Agreement, the Agency shall (i) construct, renovate and equip the 2022 Facility, (ii) acquire a leasehold interest in the 2022 Equipment and (iii) lease the 2022 Facility back to the Company pursuant to the amended Leaseback Agreement.
- Section 4. The Company is herewith and hereby appointed the agent of the Agency to construct, renovate, equip and complete the 2022 Facility. The Company is hereby empowered to delegate its status as agent of the Agency to agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company may choose in order to construct,

renovate, equip and complete the 2022 Facility. The terms and conditions for the appointment of the Company as agent of the Agency for the purposes described in this resolution are set forth in the form of the attached letter addressed to the Company, marked as **Exhibit C** to this resolution. The form of such letter is incorporated herein by reference and is approved and adopted by the Agency, and the Chairman or Executive Director of the Agency or any other duly authorized official of the Agency are authorized to execute and deliver such letter to the Company. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company as agents of the Agency solely for purposes of making sales or leases of goods, services, and supplies to the 2022 Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company, as agent of the Agency shall be deemed to be on behalf of the Agency and for the benefit of the 2022 Facility. The Company shall indemnify the Agency with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company, as agent of the Agency.

- Section 5. The law firm of Bond, Schoeneck & King, PLLC is appointed Transaction Counsel and Agency Counsel in connection with the amended lease-leaseback transaction.
- Section 6. Counsel to the Agency and Transaction Counsel are hereby authorized to work with counsel to the Company and others to prepare, for submission to the Agency, all documents necessary to effect the amended lease-leaseback transaction.
- Section 7. The Chairman of the Agency is hereby authorized and directed (i) to distribute copies of this resolution to the Company, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.
- Section 8. This resolution shall take effect immediately.



I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meetings, (ii) the meeting was a public meeting open for the public to attend in person and public notice of the time and place of said meeting was duly given, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of November, 2022.



Jack N. Spaeth, Assistant Secretary

## **EXHIBIT A NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York State General Municipal Law, will be held by the City of Utica Industrial Development Agency (the "Agency") on the 24th day of February 2022 at 9:30 a.m., local time, at Utica City Hall, Urban and Economic Conference Room, Second Floor, One Kennedy Plaza, Utica, New York in connection with the following matters:

The Agency previously provided financial assistance to 1002 Oswego Street, LLC (the "Company") relating to the (a) acquisition of a 7.00± acre parcel of vacant land formerly known as the Bossert Site located at 1002 Oswego Street, City of Utica, Oneida County, New York (the "Land"); (b) construction on the Land of a 20,000± square foot mixed-use commercial and retail building (the "Commercial Improvements") and acquisition and installation of machinery and equipment in the Commercial Improvements (the "Commercial Equipment") all for the purpose of the distribution of automotive parts and lubricants and providing a regional headquarters for United Auto Supply (the Commercial Improvements and the Commercial Equipment collectively, the "Commercial Facility"); and (c) the proposed construction on a 2.00± acre out-parcel situated on the Land of a commercial/retail structure (the "Retail Improvements") and acquisition and installation of machinery and equipment in the Retail Improvements (the "Retail Equipment") all for providing a retail convenience store or other equivalent retail/commercial use (the Retail Improvements and the Retail Equipment collectively, the "Retail Facility" and together with the Commercial Facility, the "Facility"). The Company leases the Facility to the Agency, and the Agency leases the Facility back to the Company pursuant to a leaseback agreement dated as of May 1, 2013 (the "Leaseback Agreement"). The Company in turn subleases portions of the Commercial Facility to (a) United Auto Supply of Syracuse, West, Inc. (the "UAS Sublessee"), (b) Upstate Cerebral Palsy (the "UCP Sublessee") and (c) Orkin (the "Orkin Sublessee") for operation. The Company makes payments in lieu of taxes pursuant to a PILOT Agreement dated as of May 1, 2013 between the Agency and the Company (the "PILOT Agreement").

The Company has applied to the Agency to enter into an amended transaction in which the Agency will assist in (i) the construction of a 21,600 ± square foot building (the "Addition") to lease to the UCP Sublessee to allow for growth and expansion of its integrated behavioral health clinic, which Addition will be constructed in lieu of the Retail Improvements; (ii) the renovation of the Commercial Improvements to allow for the expansion of the UAS Sublessee for the purpose of providing wholesale distribution of automotive parts and lubricants and (iii) the acquisition and installation of equipment in the Addition and the Commercial Improvements (the "Equipment") (the Addition and the Equipment is referred to as the "2022 Facility") and the construction and equipping of the Addition and the renovation and equipping of the Commercial Facility is referred to as the "2022 Project").

The Company will lease the 2022 Facility to the Agency, and the Agency and the Company will amend the Leaseback Agreement to add and include the 2022 Facility and the 2022 Project. At the end of the lease term, the Agency will terminate its leasehold interest in the Facility. The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from sales and use taxes on purchases relating to the 2022 Project, exemptions from mortgage recording taxes and reduction of real property taxes on the increased assessment resulting from the 2022 Project for a period of five years during which time the Company will pay no increased taxes in year one, 30% of increased taxes in year two,



40% of increased taxes in year three, 50% of increased taxes in year four, and 75% of increased taxes in year five, which proposed financial assistance is a deviation from the Agency's Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein.

A representative of the Agency will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance or the location or nature of the 2022 Facility. Comments may also be submitted to the Agency in writing or electronically prior to the Public Hearing. Members of the public may listen to the Public Hearing by calling 1-408-418-9388 (Access code: 2632 424 3270). Minutes of the Public Hearing will be transcribed and posted on the Agency's website. A copy of the Application for Financial Assistance filed by the Company with the Agency, including an analysis of the costs and benefits of the proposed Facility, is available for public inspection at the offices of the Agency, One Kennedy Plaza, Utica, New York.

CITY OF UTICA INDUSTRIAL  
DEVELOPMENT AGENCY

Dated: February 3, 2022

By: /s/ Vincent J. Gilroy, Jr., Chairman

## EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON FEBRUARY 24, 2022

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY  
AMENDED LEASE-LEASEBACK TRANSACTION  
(1002 OSWEGO STREET, LLC/ UNITED AUTO SUPPLY  
2022 FACILITY EXPANSION)

- 
1. Jack N. Spaeth, Executive Director of the City of Utica Industrial Development Agency (the "Agency"), called the hearing to order.
  2. The Executive Director, also being the Assistant Secretary of the Agency, recorded the minutes of the hearing.
  3. The Executive Director then described the proposed financial assistance and the location and nature of the Facility to be financed as follows:

The Agency previously provided financial assistance to 1002 Oswego Street, LLC (the "Company") relating to the (a) acquisition of a 7.00± acre parcel of vacant land formerly known as the Bossert Site located at 1002 Oswego Street, City of Utica, Oneida County, New York (the "Land"); (b) construction on the Land of a 20,000± square foot mixed-use commercial and retail building (the "Commercial Improvements") and acquisition and installation of machinery and equipment in the Commercial Improvements (the "Commercial Equipment") all for the purpose of the distribution of automotive parts and lubricants and providing a regional headquarters for United Auto Supply (the Commercial Improvements and the Commercial Equipment collectively, the "Commercial Facility"); and (c) the proposed construction on a 2.00± acre out-parcel situated on the Land of a commercial/retail structure (the "Retail Improvements") and acquisition and installation of machinery and equipment in the Retail Improvements (the "Retail Equipment") all for providing a retail convenience store or other equivalent retail/commercial use (the Retail Improvements and the Retail Equipment collectively, the "Retail Facility" and together with the Commercial Facility, the "Facility"). The Company leases the Facility to the Agency, and the Agency leases the Facility back to the Company pursuant to a leaseback agreement dated as of May 1, 2013 (the "Leaseback Agreement"). The Company in turn subleases portions of the Commercial Facility to (a) United Auto Supply of Syracuse, West, Inc. (the "UAS Sublessee"), (b) Upstate Cerebral Palsy (the "UCP Sublessee") and (c) Orkin (the "Orkin Sublessee") for operation. The Company makes payments in lieu of taxes pursuant to a PILOT Agreement dated as of May 1, 2013 between the Agency and the Company (the "PILOT Agreement").

The Company has applied to the Agency to enter into an amended transaction in which the Agency will assist in (i) the construction of a 21,600 ± square foot building (the “Addition”) to lease to the UCP Sublessee to allow for growth and expansion of its integrated behavioral health clinic, which Addition will be constructed in lieu of the Retail Improvements; (ii) the renovation of the Commercial Improvements to allow for the expansion of the UAS Sublessee for the purpose of providing wholesale distribution of automotive parts and lubricants and (iii) the acquisition and installation of equipment in the Addition and the Commercial Improvements (the “Equipment”) (the Addition and the Equipment is referred to as the “2022 Facility”) and the construction and equipping of the Addition and the renovation and equipping of the Commercial Facility is referred to as the “2022 Project”).

The Company will lease the 2022 Facility to the Agency, and the Agency and the Company will amend the Leaseback Agreement to add and include the 2022 Facility and the 2022 Project. At the end of the lease term, the Agency will terminate its leasehold interest in the Facility. The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from sales and use taxes on purchases relating to the 2022 Project, exemptions from mortgage recording taxes and reduction of real property taxes on the increased assessment resulting from the 2022 Project for a period of five years during which time the Company will pay no increased taxes in year one, 30% of increased taxes in year two, 40% of increased taxes in year three, 50% of increased taxes in year four, and 75% of increased taxes in year five, which proposed financial assistance is a deviation from the Agency’s Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein.

4. The Executive Director then opened up the hearing for comments from the floor for or against the proposed financial assistance and the location and nature of the Facility. The following is a listing of the persons heard and a summary of their views:

**No comments were submitted.**

5. The Executive Director then asked if there were any further comments, and, there being none, the hearing was closed at 9:45 AM.



Jack N. Spaeth, Assistant Secretary

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

I, the undersigned Assistant Secretary of the City of Utica Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the foregoing copy of the minutes of a public hearing held by the City of Utica Industrial Development Agency (the "Agency") on February 24, 2022 at 9:30 a.m., local time, at Utica City Hall, Urban and Economic Conference Room, Second Floor, One Kennedy Plaza, Utica, New York with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of the minutes in connection with such matter.

I FURTHER CERTIFY that (i) the hearing was a public meeting open for the public to attend in person and public notice of the time and place of said meeting was duly given, (ii) the hearing in all respects was duly held, and (iii) members of the public had an opportunity to be heard.

IN WITNESS WHEREOF, I have hereunto set my hand as of November 4, 2022.



Jack N. Spaeth, Assistant Secretary

## EXHIBIT C

(To be copied on Agency letterhead and delivered to the Company when appropriate.)

\_\_\_\_\_, 2022

James Ranalli, Member  
1002 Oswego Street, LLC  
1200 State Fair Boulevard  
Syracuse, New York 13209

RE: *City of Utica Industrial Development Agency 2022 Amended Lease-Leaseback Transaction (1002 Oswego Street, LLC/United Auto Supply of Syracuse, West, Inc. Facility)*

Dear Mr. Ranalli:

City of Utica Industrial Development Agency (the "Agency") previously provided financial assistance to 1002 Oswego Street, LLC (the "Company") relating to the (a) acquisition of a 7.00± acre parcel of vacant land formerly known as the Bossert Site located at 1002 Oswego Street, City of Utica, Oneida County, New York (the "Land"); (b) construction on the Land of a 20,000± square foot mixed-use commercial and retail building (the "Commercial Improvements") and acquisition and installation of machinery and equipment in the Commercial Improvements (the "Commercial Equipment") all for the purpose of the distribution of automotive parts and lubricants and providing a regional headquarters for United Auto Supply (the Commercial Improvements and the Commercial Equipment collectively, the "Commercial Facility"); and (c) the proposed construction on a 2.00± acre out-parcel situated on the Land of a commercial/retail structure (the "Retail Improvements") and acquisition and installation of machinery and equipment in the Retail Improvements (the "Retail Equipment") all for providing a retail convenience store or other equivalent retail/commercial use (the Retail Improvements and the Retail Equipment collectively, the "Retail Facility" and together with the Commercial Facility, the "Facility").

Pursuant to a resolution duly adopted on January 12, 2022, the Agency appointed 1002 Oswego Street, LLC, on behalf of itself and/or the principals of 1002 Oswego Street, LLC, and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") the true and lawful agent of the Agency to enter into a transaction in which the Agency will assist in (i) the construction of a 21,600 ± square foot building (the "Addition"), which Addition will be constructed in lieu of the Retail Improvements; (ii) the renovation of the Commercial Improvements and (iii) the acquisition and installation of equipment in the Addition and the Commercial Improvements (the "Equipment"), all in furtherance of the Existing Facility to allow for the growth and expansion of the Sublessees (the Addition and the Equipment is referred to as the "2022 Facility," and the construction and equipping of the Addition and the renovation and equipping of the Commercial Facility is referred to as the "2022 Project").

It is the intent of the Agency that this agency appointment include, from the effective date of such appointment, authority to purchase, lease and otherwise use on behalf of the Agency all materials, equipment, goods, services and supplies to be incorporated into and made an integral part of the 2022 Facility and also include the following activities as they relate to the 2022 Project, whether or not any materials, equipment or supplies described below are incorporated into or become an integral part of the Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the 2022 Project; (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the 2022 Project including all utility services and (iii) all purchases, leases, rentals and uses of equipment, machinery, and other tangible personal property (including installation costs), installed or placed in, upon or under such building, including all repairs and replacements of such property.

The agency appointment includes the power to delegate such agency appointment, in whole or in part, to agents, subagents, contractors, subcontractors, materialmen, suppliers and vendors of the Company and to such other parties as the Company chooses so long as they are engaged, directly or indirectly, in the activities hereinbefore described.

In exercising this agency appointment, the Company, its agents, subagents, contractors and subcontractors, should give the supplier or vendor a copy of this letter to show that the Company, its agents, subagents, contractors and subcontractors are each acting as agent for the Agency. Construction contracts, purchase orders and other agreements relating to the project should be executed by the Company, or any sub-agent appointed by the Company, as agent of the Agency. Also, purchases must be billed or invoiced by the vendor to the Company, or any sub-agent appointed by the Company, as agent of the Agency (e.g. "1002 Oswego Street, LLC as agent for the City of Utica Industrial Development Agency"). The supplier or vendor should identify the Facility as the "**1002 Oswego Street, LLC Facility Expansion**" on each bill or invoice and indicate thereon that the Company, its agents, subagents, contractors and subcontractors acted as agent for the City of Utica Industrial Development Agency in making the purchase. You and each of your agents, subagents, contractors and/or subcontractors claiming a sales tax exemption in connection with the Facility must execute a copy of the Contract in Lieu of Exemption Certificate attached hereto, and must complete a New York State Department of Taxation and Finance Form ST-60. Original copies of each Contract in Lieu of Exemption Certificate and completed Form ST-60 must be delivered to the Agency within five (5) days of the appointment of each of your agents, subagents, contractors or subcontractors. Any agent, subagent, contractor or subcontractor of the Company which delivers completed Form ST-60 to the Agency will be deemed to be the agent, subagent, contractor or subcontractor of the Agency for purposes of constructing, renovating and equipping the 2022 Facility. **Failure to comply with these requirements may result in loss of sales tax exemptions for the Facility.**

You should be aware that the New York State General Municipal Law requires you to file with the New York State Department of Taxation and Finance Form ST-340 (Annual Report

of Sales and Use Tax Exemptions Claimed by Agent/Project Operator of Industrial Development Agency/Authority) regarding the value of sales tax exemptions you, your agents, consultants or subcontractors have claimed pursuant to the authority we have conferred on you with respect to the 2022 Project. This statement must be filed on an annual basis for as long as the Company is claiming a sales tax exemption. **The penalty for failure to file such statement is the removal of your authority to act as an agent.**

The value of exemptions from sales and use taxes on materials and equipment currently authorized by the Agency is estimated at \$218,750.00. If the exemptions claimed by the Company exceed (i) \$100,000.00 for purchases made between January 12, 2022 and February 24, 2022 or (ii) \$218,750.00 in the aggregate, it may subject the Company to recapture of New York State portion of sales tax.

The aforesaid appointment of the Company as agent of the Agency to construct and equip the Facility shall **expire on January 12, 2023**. If, for some reason, this transaction never closes, you will be liable for payment of the sales tax, if applicable and you are not otherwise exempt, on all materials purchased.

Please sign and return a copy of this letter for our files.

Very truly yours,

**CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Jack N. Spaeth, Executive Director

**ACCEPTED and AGREED**

**1002 OSWEGO STREET, LLC**

By: \_\_\_\_\_  
James Ranalli  
Member