

PROJECT AGREEMENT

THIS PROJECT AGREEMENT (hereinafter, the “Project Agreement”), is made as of December 1, 2021, by and between the **CITY OF YONKERS INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York, with offices at 470 Nepperhan Avenue, Suite 200, Yonkers, New York 10701 (“YIDA” or the “Agency”), and **HUDSON VIEW BUILDING #4 LLC**, a Delaware limited liability company authorized to do business in the State of New York, having offices c/o National Resources, 485 West Putnam Avenue, Greenwich, Connecticut 06830 (the “Company”), acting on behalf of itself and on behalf of Hudson View Building #3 LLC, i.Park Exterior Unit I LLC and i.Park Exterior Unit II LLC.

WITNESSETH:

WHEREAS, the Agency was created by Chapter 83 of the Laws of 1982 of the State of New York pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York (collectively, the “Act”) as a body corporate and politic and as a public benefit corporation of the State of New York; and

WHEREAS, the Company, for itself or on behalf of an entity to be formed, has submitted an application on or about October 15, 2021, as the same may be supplemented from time to time (as may be so supplemented, the “Application”), to the Agency requesting the Agency’s assistance with a certain project (the “Project”) consisting of: (i) the acquisition by the Agency of a leasehold interest, by lease from Hudson View Building #3 LLC, Hudson View Building #4 LLC, i.Park Exterior Unit I LLC and i.Park Exterior Unit II LLC, to a parcel or parcels of land located at 20 Wells Avenue (Block 2008, Lot 1), 29 Wells Avenue (Block 2009, Lot 1), 10 Woodworth Avenue, Suite 105 (Block 2015, Lot 105) and 10 Woodworth Avenue, Suite 106 (Block 2015, Lot 106), respectively, in the City of Yonkers, Westchester County, New York and any lands located in the City of Yonkers, Westchester County, New York, and occupied by license or easement during construction or improved by third parties for the benefit of the Project (collectively, the “Land”) and the existing improvements located thereon consisting principally of the existing Buildings 3, 4, and 5 (which, in the aggregate, are approximately 150,000 square feet) and the remaining surface lots and private road (collectively, the “Existing Improvements”); (ii) the interior replacement, rehabilitation or reconstruction of the Existing Improvements to provide additional studio space (including mill space), ancillary and support/accessory spaces for the studio, related parking improvements to existing surface parking areas and other related and ancillary improvements (collectively, the “New Improvements”, and collectively with the Existing Improvements, the “Improvements”); (iii) the acquisition and installation in and around the Existing Improvements and Improvements of certain items of equipment and other tangible personal property (the “Equipment”; and, collectively with the Land, the Existing Improvements and the Improvements, the “Facility”); and

WHEREAS, by resolution adopted on December 29, 2021 (the “Resolution”), the Agency authorized the Company to act as its agent for the purposes of undertaking the Project, subject to the Company entering into this Project Agreement; and

WHEREAS, by its Resolution, the Agency approved certain “financial assistance” (as such quoted terms is defined in the Act) for the benefit of the Company in connection with the Project

consisting of: (a) an exemption from all New York State and local sales and use tax for purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction or equipping of the Facility, (b) an exemption from any mortgage recording tax, as permitted by the laws of the State of New York, and (c) a partial abatement from real property taxes benefit conferred through a certain tax agreement, between the Agency and the Company (the "Tax Agreement") requiring the Company to make payments-in-lieu-of-taxes ("Tax Payments") for the benefit of each municipality and school district having taxing jurisdiction over the Project (collectively, the sales and use tax exemption benefit and the mortgage recording tax exemption benefit, and the partial abatement from real property taxes benefit, are hereinafter collectively referred to as the "Financial Assistance"); and

WHEREAS, pursuant to and in accordance with Sections 859-a and 874 of the Act, the Agency requires, as a condition and as an inducement for it to provide any Financial Assistance, that the Company enter into this Project Agreement for the purposes of, among other things, to govern administration of and provide assurances with respect to the provision and recapture of said Financial Assistance upon the terms herein set forth; and

WHEREAS, this Project Agreement sets forth the terms and conditions under which Financial Assistance shall be provided to the Company; and

WHEREAS, no agent status in favor of the Company or any subagent thereof, nor any amount of Financial Assistance shall be provided to the Company by the Agency prior to the effective date of this Project Agreement.

NOW THEREFORE, in consideration of the covenants herein contained and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

ARTICLE I. DEFINITIONS

Section 1.1 Definitions of Terms. The words and terms as used in this Project shall have the same meanings as used in Schedule A attached hereto and made a part hereof, unless the context or use indicates another or different meaning or intent.

ARTICLE II. REPRESENTATIONS AND COVENANTS

Section 2.1 Representations and Covenants of the Company. The Company makes the following representations and covenants in order to induce the Agency to proceed with the Project/Facility:

(a) The Company is a limited liability company duly formed, validly existing and in good standing under the laws of the State of New York, has the authority to enter into this Project Agreement, and has duly authorized the execution and delivery of this Project Agreement.

(b) Neither the execution and delivery of this Project Agreement, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions of this Project Agreement will conflict with or result in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Company is a party or by which it is bound, or will constitute a default under any of the foregoing, or result in the creation or imposition of any lien of any nature upon any of the property of the Company under the terms of any such instrument or agreement.

(c) The Facility and the operation thereof will conform with all applicable zoning, planning, and building laws and regulations of governmental authorities having jurisdiction over the Facility, and the Company shall defend, indemnify and hold the Agency harmless from any liability or expenses resulting from any failure by the Company to comply with the provisions of this Section 2.1 (c).

(d) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or, to the knowledge of the Company, threatened against or affecting the Company, to which the Company is a party, and in which an adverse result would in any way diminish or adversely impact the Company's ability to fulfill its obligations under this Project Agreement.

(e) The Company covenants that the Facility will comply in all respects with all environmental laws and regulations, and, except in compliance with environmental laws and regulations, (i) that no pollutants, contaminants, solid wastes, or toxic or hazardous substances will be stored, treated, generated, disposed of, or allowed to exist on the Facility, (ii) that the Company will take all reasonable and prudent steps to prevent an unlawful release of hazardous substances onto the Facility or onto any other property, (iii) that no asbestos will be incorporated into or disposed of on the Facility, (iv) that no underground storage tanks will be located on the Facility, and (v) that no investigation, order, agreement, notice, demand or settlement with respect to any of the above is threatened, anticipated, or in existence. The Company upon receiving any information or notice contrary to the representations contained in this Section 2.1 (e) shall immediately notify the Agency in writing with full details regarding the same. The Company hereby releases the Agency from liability with respect to, and agrees to defend, indemnify, and hold harmless the Agency, its executive director, directors, members, officers, employees, agents (other than the Company), representatives, successors, and assigns from and against any and all claims, demands, damages, costs, orders, liabilities, penalties, and expenses (including reasonable attorneys' fees) related in any way to any violation of the covenants or failure to be accurate of the representations contained in this Section 2.1 (e). In the event the Agency in its reasonable discretion deems it necessary to perform due diligence with respect to any of the above, or to have an environmental audit performed with respect to the Facility, the Company agrees to pay the expenses of same to the Agency upon demand.

(f) Any personal property acquired by the Company in the name of the Agency shall be located in the City of Yonkers, except for temporary periods during ordinary use.

(g) The Company hereby represents to the Agency that facilities and property that are primarily used in making retail sales of goods and services to customers who personally visit

the Facility will not constitute more than one-third (1/3) of the total costs of the Facility, except in accordance with New York General Municipal Law (the “GML”) Section 862.

(h) The Company acknowledges and agrees that, except to the extent of bond proceeds (to the extent bonds are issued by the Agency with respect to the Project), the Agency shall not be liable, either directly or indirectly or contingently, upon any such contract, agreement, invoice, bill or purchase order in any manner and to any extent whatsoever (including payment or performance obligations), and the Company shall be the sole party liable thereunder.

(i) The Company covenants and agrees that at all times, it will (i) maintain its existence and not dissolve, (ii) continue to be a limited liability company subject to service of process in the State and either organized under the laws of the State, or organized under the laws of any other state of the United States and duly qualified to do business in the State, (iii) not liquidate, wind-up or dissolve or otherwise sell, assign, or dispose of all or substantially all of its property, business or assets. This Project Agreement may not be assigned in whole or part without the prior written consent of the Agency or otherwise in accordance with the Leaseback Agreement.

(j) The Company confirms and acknowledges under the penalty of perjury that as of the date hereof, the Company, as owner, occupant, or operator of the Project receiving Financial Assistance from the Agency in connection with the Project, is in substantial compliance with all applicable local, state and federal tax, worker protection and environmental laws, rules and regulations. The Company agrees that it will, throughout the term of this Project Agreement, promptly comply in all material respects with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all federal, state, county, municipal and other governments, departments, commissions, boards, companies or associations insuring the premises, courts, authorities, officials and officers, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Facility or any part thereof, or to any use, manner of use or condition of the Facility or any part thereof. Notwithstanding the foregoing, the Company may in good faith contest the validity of the applicability of any requirement of the nature referred to this Section 2(j). In such event, the Company, with the prior written consent of the Agency (which shall not be unreasonably conditioned, delayed or withheld) may fail to comply with the requirement or requirements so contested during the period of such contest and any appeal therefrom unless the Agency shall notify the Company that it must comply with such requirement or requirements.

(k) The Company acknowledges receipt of the Agency’s Uniform Tax Exemption Policy, Policy for Suspension or Discontinuance of Financial Assistance and Recapture, Suspension and Discontinuance of Financial Assistance Policy.

(l) The Facility will be an additional studio space (including space) on the Land and will include ancillary and support/accessory spaces for the studio, related parking improvements to existing surface parking areas and other related and ancillary improvements.

ARTICLE III. GENERAL

Section 3.1 Purpose of Project. The purpose of the Financial Assistance with respect to the Project is to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of the Facility to advance job opportunities, health, general prosperity and economic welfare of the people of City of Yonkers, New York, and to specifically promote the investment commitment, employment commitment, and other commitments of the Company contained herein and in the Company's Application.

ARTICLE IV. FINANCIAL ASSISTANCE AND RECAPTURE OF BENEFITS

Section 4.1 In accordance with the Resolution and the Cost-Benefit Analysis (or such other equivalent document or report, as determined by the Agency) (the "CBA"), attached hereto as Schedule A-1, the Company further: (i) covenants, with respect to the Sales Tax Exemption, that it shall comply with this Project Agreement, specifically, but not limited to, Section 4.3 hereof; (ii) confirms that the Mortgage Recording Tax Exemption (as defined in Section 4.7 hereof) shall not exceed the Maximum Approved Mortgage Amount, as more fully described in Section 4.7 hereof, and (iii) confirms that the real property tax abatement to be provided to the Company shall conform to those disclosed within the CBA and as contained within the Tax Agreement, a copy of which Tax Agreement is attached hereto as Exhibit A.

Section 4.2 Tax Agreement. The parties hereto have executed or will execute the Lease Agreement, Leaseback Agreement, and the Tax Agreement. As provided in the Tax Agreement, a copy of which is attached hereto as Exhibit A, the Company agrees to make Tax Payments (as defined in the Tax Agreement) (in addition to paying all special ad valorem levies, special assessments or special district taxes and service charges against real property in the jurisdiction where the Facility is located).

Section 4.3 Sales Tax Exemption.

(a) The Agency agrees to acquire, construct and equip the Facility based on the Company specifications. The Agency hereby appoints and confirms its appointment of the Company as the true and lawful agent of the Agency to undertake the acquisition, constructing and equipping of the Project on behalf of itself and on behalf of Hudson View Building #3 LLC, i.Park Exterior Unit I LLC and i.Park Exterior Unit II LLC. The Agency and the Company hereby agree and intend this Project Agreement to constitute an existing contract pursuant to Section 6 of Chapter 58 of the Laws of 2020. Such appointment was made by the Agency pursuant to the Resolution.

(b) The Company, as agent for the Agency, will undertake the Project on behalf of itself and on behalf of Hudson View Building #3 LLC, i.Park Exterior Unit I LLC and i.Park Exterior Unit II LLC. The Company hereby agrees to limit its activities as agent for the Agency under the authority of the Resolution to acts reasonably related to the acquisition, rehabilitation and equipping of the Facility. The right of the Company to act as agent of the Agency shall expire on the earlier of (x) the completion of the Project, or (y) December 31, 2022 (the "Termination

Date”); provided, however, that the Agency may extend the Company’s agent appointment at its discretion upon the written request of the Company if such activities and improvements are not completed by such time, and further provided that the Agency shall not unreasonably withhold its consent to the extension of such appointment.

(c) Agency’s Exempt Status. The Agency constitutes a corporate governmental agency and a public benefit corporation under the laws of the State of New York, and therefore, in the exercise of its governmental functions, is exempt from the imposition of Sales and Use Taxes. As an exempt governmental entity, no exempt organization identification number has been issued to the Agency nor is one required. Notwithstanding the foregoing, the Agency makes no representation to the Company, any Agent (as defined in Schedule C attached hereto) or any third party that any Sales Tax Exemption is available under this Project Agreement.

(d) Scope of Authorization of Sales Tax Exemption. The Agency hereby authorizes the Company, subject to the terms and conditions of this Project Agreement, to act as its agent in connection with the Facility for the purpose of effecting purchases and leases of certain items so that such purchases and leases are exempt from the imposition of Sales and Use Taxes. The Agency’s authorization with respect to such Sales Tax Exemption provided to the Company and its Agents pursuant to this Project Agreement shall be subject to the following limitations:

(i) The Sales Tax Exemption shall be effective only for a term commencing on the date hereof and expiring upon the earliest of (A) the termination of this Project Agreement, (B) the Termination Date, (C) failure of the Company to file Form ST-340, as described in Section 4.5(g) below, (D) the termination of the Sales Tax Exemption authorization pursuant to Section 6.2 or (E) the date upon which the Company received the Maximum Sales Tax Exemption.

(ii) The Sales Tax Exemption authorization set forth herein shall automatically be suspended upon written notice to the Company that the Company is in default under this Project Agreement until such default is cured to the satisfaction of the Agency.

(iii) The Sales Tax Exemption authorization shall be subject to all of the terms, conditions and provisions of this Project Agreement.

(iv) The Sales Tax Exemption shall only be utilized for items which shall be purchased, incorporated, completed or installed for use only by the Company at the Facility or in connection with the Project (and not with any intention to sell, transfer or otherwise dispose of any such item to a Person as shall not constitute the Company), it being the intention of the Agency and the Company that the Sales Tax Exemption shall not be made available with respect to any item unless such item is used solely by the Company at the Facility or in connection with the Project.

(v) The Sales Tax Exemption shall not be used to benefit any person or entity, including any tenant or subtenant located at the Facility, other than the Company, without the prior written consent of the Agency.

(vi) By execution by the Company of this Project Agreement, the Company agrees to accept the terms hereof and represents and warrants to the Agency that the use of the Sales Tax Exemption by the Company or by any Agent is strictly for the purposes stated herein.

(vii) Upon the Termination Date, the Company and each Agent shall cease being agents of the Agency, and the Company shall immediately notify each Agent in writing of such termination.

(viii) The Company agrees that the aggregate amount of Sales Tax Exemption realized by the Company and by all Agents of the Company, if any, in connection with the Facility shall not exceed in the aggregate the Maximum Sales Tax Exemption.

Section 4.4 Procedures for Appointing Subagents. If the Company desires to seek the appointment of a contractor, a subcontractor or other party to act as the Agency's agent, including, but not limited, to the individuals and entities described on **Schedule B** attached hereto (a "Subagent") for the purpose of effecting purchases which are eligible for the Sales Tax Exemption pursuant to authority of this Project Agreement, it must complete the following steps:

(i) The Company shall have the right to amend **Schedule B** from time to time and shall be responsible for maintaining an accurate list of all parties acting as agent for the Agency. The Company's right to appoint Subagents is expressly conditioned upon updating of **Schedule B** attached hereto, along with, for each Subagent, the Company must complete and submit Form ST-60 to the Agency, attached hereto as **Exhibit B**. An Authorized Representative of the Agency must sign the Form ST-60 and return the same to the Company. Following receipt of the signed Form ST-60, the Company must file such Form ST-60 within thirty (30) days of the date that the Agency appoints a project operator or other person or entity to act as a Subagent of the Agency for purposes of extending the Sales Tax Exemption to such Subagent. The Company acknowledges and agrees that it shall be the Company's sole and exclusive responsibility to file a completed Form ST-60 with respect to any Subagent.

(ii) The Company shall ensure that each Subagent shall observe and comply with the terms and conditions of this Project Agreement.

(iii) Form ST-60 Not an Exemption Certificate. The Company acknowledges that the executed Form ST-60 designating the Company or any Subagent as an agent of the Agency shall not serve as a Sales Tax Exemption certificate or document. Neither the Company nor any other Agent may tender a copy of the executed Form ST-60 to any person required to collect sales or use tax as a basis to make such purchases exempt from tax. No such person required to collect sales or use taxes may accept the executed Form ST-60 in lieu of collecting any tax required to be collected. THE CIVIL AND CRIMINAL PENALTIES FOR MISUSE OF A COPY OF FORM ST-60 AS AN EXEMPTION CERTIFICATE OR DOCUMENT OR FOR FAILURE TO PAY OR COLLECT TAX SHALL BE AS PROVIDED IN LAW. IN ADDITION, THE USE BY A SUBAGENT, THE COMPANY, OR OTHER PERSON OR ENTITY OF SUCH FORM ST-60 AS AN EXEMPTION CERTIFICATE OR DOCUMENT SHALL BE DEEMED TO BE, UNDER ARTICLES TWENTY EIGHT AND THIRTY SEVEN OF THE NEW YORK STATE TAX AND FINANCE LAW (THE "TAX LAW"), THE ISSUANCE OF A FALSE OR FRAUDULENT EXEMPTION CERTIFICATE OR DOCUMENT WITH THE INTENT TO EVADE TAX.

(iv) Form ST-123 Requirement and Form FT-123 Requirement. As an agent of the Agency, the Company agrees that it will, and will cause each Subagent to, present to each seller or vendor a completed and signed Form ST-123, attached hereto as **Exhibit C-1**, for each contract,

agreement, invoice, bill or purchase order entered into by the Company or by any Subagent, as agent for the Agency, for the purpose of undertaking the Project.

As an agent of the Agency, the Company agrees that it will, and will cause each Subagent to, present to each seller or vendor a completed and signed Form FT-123, attached hereto as **Exhibit G-1**, for each contract, agreement, invoice, bill or purchase order for **fuel** entered into by the Company or by any Subagent, as agent for the Agency, for the purpose of undertaking the Project.

Form ST-123 and Form FT-123 require that each seller or vendor accepting Form ST-123 or Form FT-123 identify the Facility on each bill or invoice for purchases and indicate on the bill or invoice that the Agency or Agent or Company, as project operator of the Agency, was the purchaser. For the purposes of indicating who the purchaser is, each bill or invoice should state:

“I, [NAME OF COMPANY OR SUBAGENT], certify that I am a duly appointed agent of the CITY OF YONKERS INDUSTRIAL DEVELOPMENT AGENCY and that I am purchasing the tangible personal property or services for use in the HUDSON VIEW BUILDING #4 LLC Project at 20, 29, 32, and 39 Wells Avenue; 33 Woodworth Avenue; 10 Woodworth Avenue, Suites 105 and 106 (or at any lands located in the City of Yonkers, New York, and occupied by license or easement during construction or improved by third parties for the benefit of the IDA Project), being IDA OSC Project Number 5507-21-06A.”

For convenience purposes, in the instance where the vendor does not print on each invoice the acknowledgment as described in the prior sentence, an “Invoice Rider” (a copy of which is attached hereto as **Exhibit C-3**) can be utilized for record keeping purposes. The Company shall retain copies of all such contracts, agreements, invoices, bills and purchase orders for a period of not less than six (6) years from the date thereof. For each Subagent the Form ST-123 and Form FT-123 shall be completed as follows: (i) the “Project information” section of Form ST-123 and Form FT-123, attached hereto as **Exhibit C-1 and Exhibit G-1** respectively, should be completed using the name and address of the Facility as indicated on the Form ST-60 used to appoint the Subagent; (ii) the date that the Subagent was appointed as indicated on the Form ST-60.

All contracts entered into by the Company and Subagents thereof as agent for the Agency shall include the language contained within **Schedule C** attached hereto. **Failure by the Company and/or any Subagent thereof to include such language may disqualify the agent status and Sales Tax Exemption derived by virtue of this Project Agreement. The Company, for itself and on behalf of all duly appointed Subagents, hereby agrees that all contracts entered into by the Company and any Subagents thereof shall be available to the Agency for inspection and confirmation of the foregoing mandatory language.**

Section 4.5 **Form ST-340 Filing Requirement.** The Company shall annually a statement with the State Department of Taxation and Finance (the “Commissioner”) on “Annual Report of Sales and Use Tax Exemptions” (NYS Form ST-340, a copy of which is attached hereto as **Exhibit D**) regarding the value of Sales Tax Exemption the Company and its Subagents, if any,

have claimed pursuant to the agency conferred on the Company with respect to the Project in accordance with General Municipal Law Section 874(8). On or before February 15th of each year, the Company shall provide a copy of same to the Agency. The Company understands and agrees that the failure to file such annual statement will result in the removal of the Company's authority to act as agent for the Agency and/or Recapture of Agency Benefits as described in Section 4.8 hereof.

Section 4.6 GML Provisions Relating to Sales Tax Savings.

(a) The Company covenants and agrees to comply, and to cause each of its contractors, subcontractors, Subagents, persons or entities to comply, with the requirements of GML Sections 875(1) and (3) (the "GML Provisions"), as such provisions may be amended from time to time. In the event of a conflict between the other provisions of this Project Agreement and the GML Provisions, the GML Provisions shall control.

(b) The Company acknowledges and agrees that pursuant to GML Section 875(3), the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Company, Sales Tax Savings taken or purported to be taken by the Company, any Subagent or any other person or entity acting on behalf of the Company to which the Company is not entitled or which are in excess of the Maximum Sales Tax Exemption or which are for property or services not authorized or taken in cases where the Company, any Subagent or any other person or entity acting on behalf of the Company failed to comply with a material term or condition to use property or services in the manner required by this Project Agreement. The Company shall, and shall require each Subagent and any other person or entity acting on behalf of the Company, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such Sales Tax Savings and shall promptly pay over any such amounts to the Agency or any other entity that it requests receive the Sales Tax Savings. The failure to pay over such amounts to such recipient shall be grounds for the Commissioner to assess and determine State Sales and Use Taxes due from the Company under Article 28 of the Tax Law, together with any relevant penalties and interest due on such amounts.

Subject to the provisions of Section 4.6 (b) above, in the event that the Company or any Subagent shall utilize the Sales Tax Exemption in violation of the provisions of this Project Agreement, the Company shall promptly deliver notice of same to the Agency, and the Company shall, upon demand by the Agency, pay to or at the direction of the Agency a return of sales or use tax exemptions in an amount equal to all such unauthorized Sales Tax Savings together with interest at the rate of twelve percent (12%) per annum compounded daily from the date and with respect to the dollar amount for which each such unauthorized Sales Tax Exemption was availed of by the Company or any Subagent (as applicable).

(c) Upon request by the Agency with reasonable notice to the Company, the Company shall make available at reasonable times to the Agency and/or the Independent Accountant all such books, records, contracts, agreements, invoices, bills or purchase orders of the Company and any Agent, and require all appropriate officers and employees of the Company to respond to reasonable inquiries by the Agency and/or the Independent Accountant, as shall be necessary (i) to indicate in reasonable detail those costs for which the Company or any Subagent

shall have utilized the Sales Tax Exemption and the dates and amounts so utilized, and (ii) to permit the Agency to determine any amounts owed by the Company under this Section 4.6(c).

Section 4.7 Mortgage Recording Tax Exemption. Section 874 of the Act exempts the Agency from paying certain mortgage recording taxes except for the portion of the mortgage recording tax allocated to transportation districts referenced in Section 253(2)(a) of the New York State Real Property Tax Law. The Agency hereby grants to the Company exemption from mortgage recording taxes for one or more mortgages (collectively, the “Mortgage”) securing an aggregate principal amount not to exceed the Maximum Approved Mortgage Amount, or such greater amount as approved by the Agency in its sole and absolute discretion, in connection with the financing of the Project and any future financing, refinancing or permanent financing of the costs of the Project (the “Mortgage Recording Tax Exemption”). The Company represents and warrants (1) that the real property secured by the Mortgage is located within a transportation district referenced in Section 253(2)(a) of the Tax Law, and (2) that upon recording the Mortgage, the Company shall pay the mortgage recording tax allocated to transportation districts referenced in Section 253(a)(2) of the Tax Law.

Section 4.8 Recapture of Agency Benefits.

(a) It is understood and agreed by the parties hereto that the Agency is entering into this Project Agreement in order to provide the Financial Assistance to the Company for the Facility and to accomplish the public purposes of the Act. In consideration therefor, the Company hereby agrees that if there shall occur a Recapture Event (as defined below) after the after the date hereof, the Company shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, one hundred percent (100%) of the Recaptured Benefits.

(b) The term “Recaptured Benefits” shall mean all direct monetary benefits, tax exemptions and abatement and other financial assistance, if any, derived solely from the Agency’s participation in the transaction contemplated by this Project Agreement, including, but not limited to, the amount equal to 100% of the:

- (i) Mortgage Recording Tax Exemption;
- (ii) Sales Tax Exemption savings realized by or for the benefit of the Company, including any savings realized by any Subagent; and
- (iii) real property tax abatements granted pursuant to the Tax Agreement;

which Recaptured Benefits from time to time shall upon the occurrence of a Recapture Event in accordance with the provisions of Section 4.8 (c) below and the declaration of a Recapture Event by notice from the Agency to the Company be payable directly to the Agency or the State of New York if so directed by the Agency within ten (10) days after such notice.

(c) The term “Recapture Event” shall mean any of the following events:

(i) The occurrence and continuation of an Event of Default under this Project Agreement which remains uncured beyond any applicable notice and/or grace period, if any, provided hereunder; or

(ii) The Project shall cease to be a “Project” within the meaning of the Act as in effect on the date hereof, through the act or omission of the Company; or

(iii) The Company receives Sales Tax Savings in connection with property or services not authorized by the Agency as part of the Project; or

(iv) The Company receives Sales Tax Savings in connection with the Project in excess of the Maximum Approved Amount; provided, however, that the foregoing shall constitute a Recapture Event with respect to such excess Sales Tax Savings only. It is further provided that failure to repay the Sales Tax Savings within thirty (30) days shall constitute a Recapture Event with respect to all Recapture Benefits; or

(v) The Company has made a material false or misleading statement, or omitted any information which, if included, would have rendered any information in the application or supporting documentation false or misleading in any material respect, on its application for Financial Assistance; or

(vi) Failure of the Company to file a copy of the Form ST-340 with the Agency in compliance with Section 4.5 hereof; or

(vii) Failure of the Company to create or cause to be maintained at least two hundred and sixty five (265) full time equivalent (“FTE”) jobs at the Facility commencing after the issuance of a temporary certificate of occupancy for the Facility, which failure is not reflective of the business conditions of the Company or the subtenants of the Company, including without limitation loss of major sales, revenues, distribution or other adverse business developments and/or local, national or international economic conditions, trade issues or industry wide conditions.

Notwithstanding the foregoing, a Recapture Event shall not be deemed to have occurred if such event shall have arisen solely as a direct, immediate result of the exercise of remedies by any mortgagee, including, without limitation, the foreclosure of a mortgage or the acceptance of a deed in lieu of foreclosure.

In order to certify and verify the foregoing, the Company shall provide annually, to the Agency, a certified statement and documentation, an example of which is attached hereto as **Exhibit E**: (i) enumerating the FTE jobs retained and the full-time equivalent jobs created as a result of the Financial Assistance, by category, including full-time equivalent independent contractors or employees of independent contractors that work at the project location, (ii) indicating that the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created that was provided in the application for Financial Assistance is still accurate and if it is not still accurate, providing a revised list of salary and fringe benefit averages or ranges for categories of jobs retained and jobs created, and (iii) such other information, as so requested from time to time, to enable the Agency to assess the progress of the Project toward achieving the

investment, job retention, job creation, or other objectives of the Project indicated in the Application for Financial Assistance.

(d) In the event any payment owing by the Company under this Section shall not be paid on demand by the Agency, such payment shall bear interest from the date of such demand at a rate equal to one percent (1%) plus the Prime Rate, but in no event at a rate higher than the maximum lawful prevailing rate, until the Company shall have made such payment in full, together with such accrued interest to the date of payment, to the Agency (except as otherwise specified above).

(e) The Agency shall be entitled to deduct all reasonable out of pocket expenses of the Agency, including without limitation, reasonable legal fees, incurred with the recovery of all amounts due under this Section 4.8, from amounts received by the Agency pursuant to this Section 4.8.

(f) Notwithstanding the foregoing, a Recapture Event shall not be deemed to have occurred if such event shall have arisen solely as a direct, immediate result of the exercise of remedies by any mortgagee, including, without limitation, the foreclosure of a mortgage or the acceptance of a deed in lieu of foreclosure.

ARTICLE V. INSURANCE

Section 5.1 Insurance Required. Effective as of the date hereof and until the expiration or termination of the right of the Company to act as agent of the Agency hereunder, the Company shall maintain, or cause to be maintained by its subagent or subcontractors, certain insurance against such risks and for such amounts as are customarily insured against by businesses of like size and type, and paying, as the same become due and payable, all premiums in respect thereto, including, but not necessarily limited to:

(a) Insurance against loss or damage by fire, lightning and other casualties, with a uniform standard extended coverage endorsement, such insurance to be in an amount not less than the full replacement value of the Facility, exclusive of excavations and foundations, as determined by a recognized appraiser or insurer selected by the Company; or as an alternative to the foregoing, the Company may insure the Facility under a blanket insurance policy or policies covering not only the Facility but other properties as well, provided a periodic appraisal is performed and provided to the Agency.

(b) Workers' compensation insurance, disability benefits insurance, and each other form of insurance which the Agency or the Company is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the Company who are located at or assigned to the Facility.

(c) Insurance against loss or losses from liabilities imposed by law or assumed in any written contract (including the contractual liability assumed by the Company under Section 7.1 hereof) and arising from personal injury and death or damage to the property of others caused

by any accident or occurrence, with limits of not less than \$1,000,000 per accident or occurrence on account of personal injury, including death resulting therefrom, and \$300,000 per accident or occurrence on account of damage to the property of others, excluding liability imposed upon the Company by any applicable workers' compensation law. Such liability limits may be satisfied by any combination of primary and excess liability policies in the aggregate amount of not less than \$10,000,000.

Section 5.2 Additional Provisions Respecting Insurance. (a) All insurance required by Section 5.1(a) hereof shall name the Agency as a named insured and the insurance required by Section 5.1(c) shall name the Agency as an additional insured. All insurance shall be procured and maintained in financially sound and generally recognized responsible insurance companies selected by the Company and authorized to write such insurance in the State. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the Company is engaged. All policies evidencing such insurance shall provide (i) for payment of the losses of the Company and the Agency as their respective interest may appear, and (ii) that the insurance company shall endeavor to give thirty (30) days' prior written notice or such other notice as the policy provides for, of the cancellation thereof to the Company and the Agency.

(b) All such certificates of insurance of the insurers indicating that such insurance is in force and effect, and all policies (if applicable), shall be deposited with the Agency on the date hereof. Prior to the expiration of any such policy evidenced by said certificates, the Company shall furnish the Agency with evidence that the policy has been renewed or replaced or is no longer required by this Project Agreement.

ARTICLE VI. EVENTS OF DEFAULT AND REMEDIES

Section 6.1 The following shall each be "Events of Default" under this Project Agreement:

(a) the failure by the Company to observe and perform any covenant contained in Sections 2.1 (e), 2.1 (g), 2.1(i), 2.1 (j), 4.3, 4.4, 4.5, 4.6, 4.7, 5.1, 5.2, 7.1 and 7.6 hereof;

(b) the failure by the Company to pay the Recaptured Benefits on the date due;

(c) the occurrence and continuation of a Recapture Event;

(d) the occurrence of an Event of Default under the Leaseback Agreement, the Tax Agreement or that certain Guaranty, dated as of December 1, 2021, given by Hudson View Building #3 LLC, i.Park Exterior Unit I LLC and i.Park Exterior Unit II LLC to the Agency (the "Guaranty");

(e) the dissolution or liquidation of the Company; or the failure by the Company to release, stay, discharge, lift or bond within thirty (30) days any execution, garnishment, judgment or attachment of such consequence as may impair its ability to carry on its operations; or the failure by the Company generally to pay its debts as they become due; or an assignment by the Company for the benefit of creditors; or the commencement by the Company (as the debtor) of a case in

bankruptcy or any proceeding under any other insolvency law; or the commencement of a case in bankruptcy or any proceeding under any other insolvency law against the Company (as the debtor), wherein a court having jurisdiction in the premises enters a decree or order for relief against the Company as the debtor, or such case or proceeding is consented to by the Company or remains undismissed for ninety (90) days, or the Company consents to or admits the material allegations against it in any such case or proceeding; or a trustee, receiver or agent (however named) is appointed or authorized to take charge of substantially all of the property of the Company for the purpose of enforcing a lien against such Property or for the purpose of general administration of such Property for the benefit of creditors.

Section 6.2 Remedies on Default.

(a) Whenever any Event of Default shall have occurred and be continuing, the Agency may take, to the extent permitted by law, any one or more of the following remedial steps:

(i) declare, by written notice to the Company, to be immediately due and payable, whereupon the same shall become immediately due and payable: (A) all due and owing Recaptured Benefits and (B) all other payments due under this Project Agreement; or

(ii) terminate this Project Agreement and the Sales Tax Exemption authorization; or

(iii) take any other action at law or in equity which may appear necessary or desirable to collect the payments then due or thereafter to become due hereunder, and to enforce the obligations, agreements and covenants of the Company under this Project Agreement.

(b) No action taken pursuant to this Section 6.2 (including termination of the Project Agreement) shall relieve the Company from its obligation to make all payments required by the Leaseback Agreement or the Tax Agreement or Recaptured Benefits.

(c) Notwithstanding anything to the contrary herein, prior to exercising any remedy hereunder, the Lender (as defined in the Leaseback Agreement) shall be afforded all notice and cure rights set forth in Section 9.13 of the Leaseback Agreement as if such section was set forth in full herein, as such section may be modified, amended or supplemented, from time to time, by the Agency and the Company. Without limitation of the foregoing or any provisions of Section 9.13 of the Leaseback Agreement, the Agency agrees to provide such Lender with all notices of default, Event of Default and/or of the occurrence of a Recapture Event (which notice shall be given in the manner set forth in Section 7.3 hereof) under this Project Agreement simultaneously with the giving of such notice to the Company (to the extent information regarding such Lender is provided to the Agency by the Company or the Lender). Each notice of a Recapture Event, default or Event of Default, as the case may be, given by the Agency will state the amounts of any payments herein provided that are then claimed to be in default.

Section 6.3 Remedies Cumulative. No remedy herein conferred upon or reserved to the Agency is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Project Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any

right or power accruing upon any default shall impair any such right and power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Agency to exercise any remedy reserved to it in this Article VI it shall not be necessary to give any notice, other than such notice as may be herein expressly required in this Project Agreement.

Section 6.4 Agreement to Pay Attorneys' Fees and Expenses. In the event the Company should default under any of the provisions of this Project Agreement and the Agency should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Company herein contained, the Company shall, on demand therefor, pay to the Agency the fees of such attorneys and such other expenses so incurred.

ARTICLE VII. MISCELLANEOUS

Section 7.1 Hold Harmless Provision. The Company hereby releases the Agency from, agrees that the Agency shall not be liable for, and agrees to indemnify, defend and hold the Agency and its executive director, directors, members, officers, employees, agents (other than the Company), representatives, successors and assigns harmless from and against, any and all (i) liability for loss or damage to property or injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to the Facility or arising by reason of or in connection with the occupation or the use thereof or the presence on, in or about the Facility or breach by the Company of this Project Agreement or (ii) liability arising from or expense incurred by the Agency's financing, acquiring, constructing, equipping, owning and leasing of the Facility, including without limiting the generality of the foregoing, all causes of action and reasonable attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. The foregoing indemnities shall apply notwithstanding the fault or negligence on the part of the Agency, or any of its respective executive director, directors, members, officers, agents or employees and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability, except that such indemnities will not be applicable with respect to willful misconduct or gross negligence on the part of the Agency or any other person or entity to be indemnified.

Section 7.2 This Project Agreement may be executed in any number of counterparts each of which shall be deemed an original but which together shall constitute a single instrument.

Section 7.3 All notices, claims and other communications hereunder shall be in writing and shall be deemed to be duly given if personally delivered or mailed first class, postage prepaid, or by a nationally-recognized overnight courier, addressed as follows:

To the Agency: City of Yonkers Industrial Development Agency
470 Nepperhan Avenue, Suite 200
Yonkers, New York 10701
Attn: Executive Director

With a copy to: Harris Beach PLLC
445 Hamilton Avenue, Suite 1200
White Plains, New York 10601
Attn: Shawn M. Griffin, Esq. and Michael V. Curti, Esq.

To the Company: Hudson View Building #4 LLC
c/o National Resources
485 West Putnam Avenue
Greenwich, Connecticut 06830

With a copy to: Daniel Pennessi, Esq.
c/o National Resources
485 West Putnam Avenue
Greenwich, Connecticut 06830

or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section. All notices shall be deemed given when mailed or personally delivered in the manner provided in this Section.

Section 7.4 This Project Agreement shall be governed by, and all matters in connection herewith shall be construed and enforced in accordance with, the laws of the State of New York applicable to agreements executed and to be wholly performed therein and the parties hereto hereby agree to submit to the personal jurisdiction of the federal or state courts located in Westchester County, New York.

Section 7.5 The warranties, representations, obligations and covenants of the Company under this Project Agreement shall be absolute and unconditional and shall remain in full force and effect during the term of this Project Agreement, shall be deemed to have been relied upon by the Agency, and shall survive the delivery and termination of this Project Agreement to the Agency, regardless of any investigation made by the Agency. This Project Agreement shall survive any termination or expiration of the Leaseback Agreement or the Tax Agreement, as described below.

[Remainder of This Page Left Blank]

Section 7.6 By executing this Project Agreement, the Company, acting on behalf of itself and on behalf of Hudson View Building #3 LLC, i.Park Exterior Unit I LLC and i.Park Exterior Unit II LLC, covenants and agrees to pay all fees, costs and expenses incurred by the Agency for (a) legal services, including, but not limited to, those provided by the Agency's general counsel and bond/transaction counsel, (b) other consultants retained by the Agency, if any, in connection with the Project; and (c) with respect to Agency's enforcement of any event of default or failure to comply with the terms of this Project Agreement (including reasonable attorney fees). The Company, acting on behalf of itself and on behalf of Hudson View Building #3 LLC, i.Park Exterior Unit I LLC and i.Park Exterior Unit II LLC, further covenants and agrees that the Company is liable for payment to the Agency of all charges referred to above, as well as all other actual costs and expenses incurred by the Agency in undertaking the Project notwithstanding the occurrence of any of (i) the Company's withdrawal, abandonment, cancellation or failure to pursue the Project; (ii) the inability of the Agency or the Company to procure the services of one or more financial institutions to provide financing for the Project; or (iii) the Company's failure, for whatever reason, to undertake and/or successfully complete the Project on behalf of itself and on behalf of Hudson View Building #3 LLC, i.Park Exterior Unit I LLC and i.Park Exterior Unit II LLC.

[Signature Page Follows]

[Signature Page to Project Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Project Agreement as of the day and year first above written.

**CITY OF YONKERS INDUSTRIAL
DEVELOPMENT AGENCY**

By: Marlyn Anderson
Name: Marlyn Anderson
Title: Secretary

HUDSON VIEW BUILDING #4 LLC

By: _____
Name: Joseph Cotter
Title: President

[Signature Page to Project Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Project Agreement as of the day and year first above written.

**CITY OF YONKERS INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Name: Marlyn Anderson
Title: Secretary

HUDSON VIEW BUILDING #4 LLC

By: _____
Name: Joseph Cotter
Title: President



SCHEDULE A

SCHEDULE OF DEFINITIONS

“**Authorized Representative**” means, in the case of the Agency, the Executive Director, the Chairman, Vice Chairman, Secretary, Assistant Secretary, and such additional persons as, at the time, are designated to act on behalf of the Agency; and in the case of the Company, the members and such additional persons as, at the time, are designated to act on behalf of the Company.

“**Independent Accountant**” shall mean an independent certified public accountant or firm of independent certified public accountants selected by the Company and approved by the Agency (such approval not to be unreasonably withheld or delayed).

“**Lease Agreement**” shall mean that certain Lease Agreement, dated as of December 1, 2021, by and between the Company and the Agency.

“**Leaseback Agreement**” shall mean that certain Leaseback Agreement, dated as of December 1, 2021, by and between the Agency and the Company.

“**Maximum Sales Tax Exemption**” shall mean the aggregate maximum dollar amount of Sales Tax Savings that the Company and all Subagents acting on behalf the Company are permitted to receive under this Project Agreement, which shall equal **\$2,218,750**, or such maximum dollar amount as may be determined by the Agency pursuant to such additional documents as may be required by the Agency for such increase.

“**Maximum Approved Mortgage Amount**” shall mean **\$50,000,000.00**.

“**Prime Rate**” means (i) if no Lender (as defined in the Leaseback Agreement) exists, the rate designated by *The Wall Street Journal* from time to time as its “prime rate”, or (ii) if a Lender exists, the rate designated by the Lender from time to time as its “prime rate”.

“**Sales Tax Exemption**” shall mean an exemption from Sales and Use Taxes resulting from the Agency’s participation in the Facility.

“**Sales and Use Taxes**” shall mean local and State sales and compensating use taxes and fees imposed pursuant to Article 28 of the New York State Tax Law, as the same may be amended from time to time.

“**Sales Tax Savings**” shall mean all Sales Tax Exemption savings relating to Sales and Use Taxes realized by or for the benefit of the Company, including any savings realized by any Subagent, pursuant to this Project Agreement.

“**State Sales and Use Taxes**” shall mean sales and compensating use taxes and fees imposed by Article 28 of the New York State Tax Law but excluding such taxes imposed in a city by Section 1107 or 1108 of such Article 28, as the same may be amended from time to time.

SCHEDULE A-1

CBA

[Attached]

Economic and Fiscal Impact

HUDSON VIEW BUILDING #4LLC

LIONSGATE PHASE 2

City of Yonkers
Industrial Development Agency

DECEMBER 23, 2021

PREPARED BY:



Hudson View Building #4 LLC– Summary

About the Project

Lionsgate Studio is expanding its facility in the City of Yonkers to create additional studio space, ancillary support services, and parking. This is anticipated to increase the economic activity and create more jobs in the city.

This analysis evaluates the impacts of the expansion Project, which is a component of the company's operating plan. An analysis of Lionsgate Studio's full operating and fiscal performance has therefore not been performed. This report evaluates the benefits and costs of the component Project under two financial assistance packages, measures whether the anticipated financial performance makes a positive contribution to the facility in Yonkers, and determines whether financial assistance is necessary to Project feasibility.

\$162 million Project Cost, including \$50 million for construction and equipment

Between 701 permanent jobs created and retained in Yonkers, plus 80 construction-related jobs.

Two PILOT schedules were analyzed for the Project, a 10-year and a 15-year term. Each financial assistance package is analyzed and shown separately in this report.

Each PILOT scenario achieves a rate of return that would be acceptable for a standalone investment, and both show a positive cash flow contribution to the facility in Yonkers.

Summary of Project Results in the City of Yonkers

Summary of Project Results in the City of Yonkers

	10 Year PILOT	15 Year PILOT
Permanent Jobs Retained or Created	701	701
Estimated Annual Wages	\$ 75,722,345	\$ 75,722,345
Net Fiscal Benefit	\$ 11,513,656	\$ 17,585,656
Benefit/Cost Ratio	3.10	3.21
<u>Return on Investment Benchmark: Cost Savings or Breakeven</u>		
Return on Investment over PILOT Period	8.70%	10.89%

Jobs and wages include indirect and induced as well as jobs at the Project.

Summary of Results – 10 Year PILOT

Summary of Economic Impact on Yonkers

Economic Impact on Yonkers, 10-Year PILOT

	Construction Period	Annual Operations
Total Jobs	80	701
Total Earnings	\$ 5,047,705	\$ 75,722,345
Total Sales	\$ 10,205,607	\$ 268,676,189
Sales Tax Revenue (One Year)	\$ 28,391	\$ 425,903
Sales Tax Revenue (10 Years)	NA	\$ 3,825,707

Summary of Financial Assistance

Total Financial Assistance Requested by Applicant, 10 Year PILOT

	Total Project	City of Yonkers and Schools	State, Counties, and MTA
10-Year PILOT Abatement, Present Value	\$ 5,480,045	\$ 4,722,435	\$ 757,610
Mortgage Recording Tax Exemption	\$ 1,200,000	\$ 333,360	\$ 866,640
Sales Tax Exemption on Construction Materials	\$ 4,437,500	\$ 421,875	\$ 4,015,625
Totals	\$ 11,117,545	\$ 5,477,670	\$ 5,639,875

Fiscal Benefits vs. Costs for Yonkers

Fiscal Benefits/ Costs, Yonkers and School District, 10 Year PILOT

Fiscal Benefits (Total New Revenue)

Sales Tax from Construction Earnings	\$ 28,391
Sales Tax from Employee Spending	\$ 3,825,707
Real Property Tax, 10 Yrs.	\$ 13,137,228
Total Fiscal Benefits	\$ 16,991,326

Fiscal Costs (Foregone Revenue)

Property Tax	\$ 4,722,435
Mortgage Recording Tax	\$ 333,360
Construction Sales Tax	\$ 421,875
Total Fiscal Costs (Foregone Revenue)	\$ 5,477,670

Net Benefit **\$11,513,656**

Benefit / Cost Ratio **\$3.10 to \$1.00**

Performance is measured over the PILOT period of 10 years.

Summary of Results – 15 Year PILOT

Summary of Economic Impact on Yonkers

Economic Impact on Yonkers

	Construction Period	Annual Operations
Total Jobs	80	701
Total Earnings	\$ 5,047,705	\$ 75,722,345
Total Sales	\$ 10,205,607	\$ 268,676,189
Sales Tax Revenue (One Year)	\$ 28,391	\$ 425,903
Sales Tax Revenue (15 Years)	NA	\$ 5,472,536

Summary of Financial Assistance

Total Financial Assistance Requested by Applicant, 15 Year PILOT

	Total Project	City of Yonkers and Schools	State, Counties, and MTA
15-Year PILOT Abatement, Present Value	\$ 8,368,535	\$ 7,211,594	\$ 1,156,941
Mortgage Recording Tax Exemption	\$ 1,200,000	\$ 333,360	\$ 866,640
Sales Tax Exemption on Construction Materials	\$ 4,437,500	\$ 421,875	\$ 4,015,625
Totals	\$ 14,006,035	\$ 7,966,829	\$ 6,039,206

Fiscal Benefits vs. Costs for Yonkers

Net Benefit **\$17,585,656**

Benefit / Cost Ratio **\$3.21 to \$1.00**

Performance is measured over the PILOT period of 15 years. The fact that the benefit/cost ratio is higher than for the 10-year PILOT is a result of the longer period of time during which benefits accrue. PILOT benefits, when compared to full taxes, decline over time as the Project's payments increase. As a result, benefits continue to accrue (sales taxes) while assistance declines, improving the ratio when compared to a shorter time period.

Fiscal Benefits/ Costs, Yonkers and School District, 15 Year PILOT

<u>Fiscal Benefits (Total New Revenue)</u>	
Sales Tax from Construction Earnings	\$ 28,391
Sales Tax from Employee Spending	\$ 5,472,536
Real Property Tax, 15 Yrs.	\$ 20,051,558
Total Fiscal Benefits	\$ 25,552,485

<u>Fiscal Costs (Foregone Revenue)</u>	
Property Tax	\$ 7,211,594
Mortgage Recording Tax	\$ 333,360
Construction Sales Tax	\$ 421,875
Total Fiscal Costs (Foregone Revenue)	\$ 7,966,829

Reasonableness of Financial Assistance

An objective, third-party review of the assumptions and estimated operating and financial performance of a project helps Industrial Development Agencies perform a complete review. This analysis and opinion answer three important questions:

- ◆ *Are the operating assumptions within norms for the region?*
- ◆ *Is the assistance necessary for the Project to be financially feasible, and therefore undertaken by the Applicant?*
- ◆ *If assistance is awarded, will the project's financial performance be within range of market expectations for similar projects in the region, and therefore reasonable?*

This analysis concludes that the answer to each of these questions is yes: the assumptions are within norms for the region, the assistance is necessary to Project feasibility, and the financial performance for the Applicant is within range of expectations.

Evaluation of Investment Returns and Benchmarks, Comparison of PILOT Schedules

	10 Year PILOT	15 Year PILOT	No PILOT (15 Years)
Project Cost	\$ 162,000,000	\$ 162,000,000	\$ 162,000,000
Developer Investment	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000
Equity as % of Project Costs, Benchmark 30%	15.43%	15.43%	15.43%
<u>Equity Dividend Rates, Benchmark 7.29% - 15.73%</u>			
Years 1-5	8.19%	8.34%	4.68%
Years 6-10	9.22%	10.88%	7.96%
Years 1-10	8.70%	9.61%	6.32%
Years 1-15	9.99%	10.89%	8.40%
Sum of Net Cash Flow, Years 1-10	\$ 21,759,282	\$ 24,027,653	\$ 15,810,147
Sum of Net Cash Flow, Years 11-15	\$ 15,697,979	\$ 16,823,750	\$ 15,697,979
<u>Debt Service Coverage, Benchmark 1.40 to 2.05%</u>			
Average	1.46	1.58	1.45
Range	1.39 to 1.53	1.39 to 1.79	1.17 to 1.77

Benchmarks: RealtyRates Investor Survey Q4 2021

For the purposes of comparing financial performance only, outcomes of the 10-year PILOT are measured over a period of 15 years, which includes the PILOT period plus 10 years of full taxes.

IMPACTS OF CONSTRUCTION

Economic Impact

The Applicant estimates that construction will cost \$50 million over an 18-month period. Our analysis of available goods and materials for construction work in Westchester and Yonkers found that approximately 19% of construction spending will be in Yonkers and create direct, indirect and induced impacts. The impact model uses sales (\$9,375,000) as the direct input to determine the total jobs, earnings, and additional sales to be generated. The \$9,375,000 in new Yonkers spending (Table 1) will support a total of 80 jobs and over \$5.0 million of earnings within Yonkers during the construction phase, as shown in Table 2.

Table 1

Construction Phase Spending	
<u>Includes Labor and Materials</u>	<u>Construction</u>
Total Construction Cost	\$ 50,000,000
Percent Sourced in Westchester County	75%
Costs Sourced in Westchester County	\$ 37,500,000
Percent of County Sourcing in Yonkers	25%
Net New Construction Spending in Yonkers (Direct Sales)	\$ 9,375,000
Percent of Total Construction Activity Occuring in Yonkers	19%

Source: All costs from Applicant. Percent sourced subject to rounding.

Note: Percent sourced in Westchester and Yonkers based on market analysis of available construction related goods and services.

Table 2

Economic Impact in Yonkers - Construction Phase			
	<u>Jobs</u>	<u>Earnings</u>	<u>Sales</u>
Direct	75	\$ 4,687,500	\$ 9,375,000
Indirect	3	\$ 185,757	\$ 472,178
Induced	2	\$ 174,449	\$ 358,429
Total	80	\$ 5,047,705	\$ 10,205,607

Source: Emsi, Camoin Associates Note: Model adjusted based on information from Applicant.

Sales Tax Generated (Benefit)

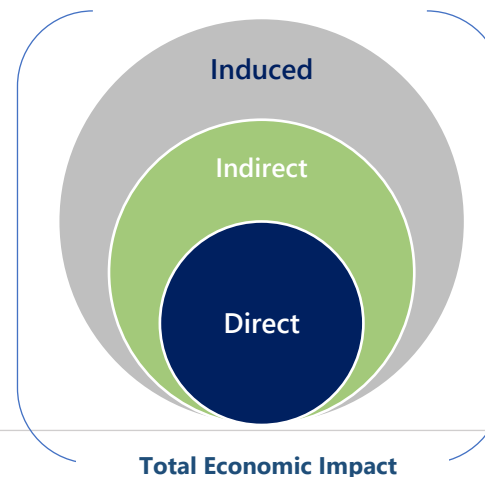
The one-time construction phase earnings will generate new sales tax.

Table 3 **One-Time Sales Tax Revenue
Temporary Construction Phase**

Total New Earnings	\$ 5,047,705
Amount Spent in City (50%)	\$ 2,523,853
Amount Taxable (25%)	\$ 630,963
Effective City Sales Tax Rate	4.50%
New City Tax Revenue	\$ 28,391

Source: YIDA provided sales tax rate calculation of 50.7% x 8.875% to reflect city share of local tax.

Measuring the Total Economic "Ripple Effect"



Consumer to business spending
(employees spending earnings at store)

Business to business spending (buying
lumber for construction)

New on-site activity (construction
workers)

IMPACTS OF OPERATION

Economic Impact

Camoin Associates evaluated the annual economic impacts of the retained and newly created jobs, employee spending of wages in the Yonkers economy, and sales tax generated by that spending. As shown in Table 4, direct jobs at the Project support jobs at other businesses and suppliers (Indirect) and at local businesses where wages are spent (Induced). The full “ripple effect” of the economic activity attributable to the Project is therefore measured.

Economic Impact of Operations

The Applicant anticipates that the Project will create or retain between 265 and 420 jobs in Yonkers within three years of project completion. For purposes of the analysis, the mid-point of 343 jobs was used.

Table 4

Economic Impact - On-Site Operations			
	<u>Jobs</u>	<u>Earnings</u>	<u>Sales</u>
Direct	343	\$ 50,651,028	\$ 197,404,858
Indirect	292	\$ 19,164,705	\$ 56,096,415
Induced	66	\$ 5,906,612	\$ 15,174,916
Total	701	\$ 75,722,345	\$ 268,676,189

Source: Emsi, Camoin Associates

Sales Tax Generated – Operations

The new earnings from operation will generate new sales tax.

Table 5

Sales Tax Revenue, On-Site Operations			
	<u>Annually</u>	<u>Over 10 Years</u>	<u>Over 15 Years</u>
Total New Earnings	\$ 75,722,345	\$ 680,182,399	\$ 972,976,361
Amount Spent in City (50%)	\$ 37,861,172	\$ 340,091,199	\$ 486,488,181
Amount Taxable (25%)	\$ 9,465,293	\$ 85,022,800	\$ 121,622,045
Effective City Sales Tax Rate	4.50%	4.50%	4.50%
New City Tax Revenue	\$ 425,903	\$ 3,825,707	\$ 5,472,536

Source: YDA provided sales tax rate calculation of 50.7% x 8.875% to reflect city share of local tax.

Note: 15-Year estimates are discounted present value at 2%.

CALCULATING SALES AND USE TAX REVENUE

New sales and use tax revenue is an important fiscal benefit of industrial development. Employees, both during the construction phase and project operation, spend a portion of their earnings within the City of Yonkers. A portion of these purchases are taxable and generate new tax revenue.

Based on an analysis of retail spending patterns and the availability of goods within the city using data from Esri and Emsi, it is assumed that 50% of earnings will be spent in the city. Only a portion of spending will be on purchases of taxable goods; this is assumed to be 25%.

PILOT SCHEDULE AND COMPARISON

The Agency requested that two PILOT timelines be analyzed, a 10-year and a 15-year.

Each PILOT proposes payments based on a percentage of full taxes otherwise due on the completed project, and is structured to have a maximum abatement of no more than 35% of full taxes.

Each PILOT estimates an 18-month construction period, with the first year's payment adjusted to reflect the unimproved status. In year 2, the full value of the improvements is used to calculate taxes and PILOT payments.

Table 6

PILOT Summary, 10 Year PILOT				
<u>Comparison of Taxes on Full Value of Project and with PILOT</u>				
	City of Yonkers	School District	County	All Jurisdictions
Taxes without PILOT	\$ 4,636,487	\$ 8,500,740	\$ 2,107,578	\$ 15,244,806
Less: PILOT Payments	\$ (2,969,811)	\$ (5,444,982)	\$ (1,349,968)	\$ (9,764,761)
Foregone Revenue	\$ 1,666,676	\$ 3,055,758	\$ 757,610	\$ 5,480,045
Abatement Percent	35%	35%	35%	35%
<u>Net New Taxes Compared with No Project</u>				
PILOT Payments	\$ 2,969,811	\$ 5,444,982	\$ 1,349,968	\$ 9,764,761
Less: Taxes without Project	\$ (1,391,133)	\$ (2,550,565)	\$ (632,359)	\$ (4,574,057)
Net New Tax Revenue	\$ 1,578,677	\$ 2,894,417	\$ 717,609	\$ 5,190,704
<i>All taxes are present value with a 2% discount rate</i>				

Table 7

PILOT Summary, 15 Year PILOT				
<u>Comparison of Taxes on Full Value of Project and with PILOT</u>				
	City of Yonkers	School District	County	All Jurisdictions
Taxes without PILOT	\$ 7,076,744	\$ 12,974,814	\$ 3,216,830	\$ 23,268,388
Less: PILOT Payments	\$ (4,531,575)	\$ (8,308,390)	\$ (2,059,889)	\$ (14,899,854)
Foregone Revenue	\$ 2,545,169	\$ 4,666,425	\$ 1,156,941	\$ 8,368,535
Abatement Percent	34%	34%	34%	34%
<u>Net New Taxes Compared with No Project</u>				
PILOT Payments	\$ 4,531,575	\$ 8,308,390	\$ 2,059,889	\$ 14,899,854
Less: Taxes without Project	\$ (2,086,700)	\$ (3,825,848)	\$ (948,538)	\$ (6,861,086)
Net New Tax Revenue	\$ 2,444,875	\$ 4,482,542	\$ 1,111,351	\$ 8,038,768
<i>All taxes are present value with a 2% discount rate</i>				

FINANCIAL ASSISTANCE REQUESTED – 10 YEAR PILOT

The following table presents the requested financial assistance (foregone revenue) for the entire Project. The City of Yonkers and its school district are shown, as is Westchester County.

Table 8

Estimated Financial Assistance Requested over 10 Years

	Total Project	City of Yonkers	Yonkers School District	Westchester County	Table Reference
<u>Sales Tax Exemption on Construction Materials</u>					
Construction Materials Sourced by Jurisdiction (1)	100%	18.750%	0%	Varies	Table 1
Construction Materials Costs, Estimated	\$ 50,000,000	\$ 9,375,000	\$ -	Varies	Table 1
Sales Tax Rate, Aggregate and Retained by Municipality (2)	<u>8.875%</u>	<u>4.500%</u>	<u>0.000%</u>	<u>Varies</u>	
Estimated Sales Tax Exemption (3)	\$ 4,437,500	\$ 421,875	\$ -	\$ 4,015,625	
<u>Mortgage Recording Tax Exemption</u>					
Estimated Mortgage Amount	\$ 80,000,000	\$ 80,000,000	\$ -	\$ 80,000,000	
Mortgage Recording Tax Benefit, Percent of Mortgage (3)	<u>1.500%</u>	<u>Note 4</u>		<u>Note 4</u>	
Estimated Mortgage Recording Tax Exemption	\$ 1,200,000	\$ 333,360		\$ 866,640	
<u>Real Property Tax Abatement</u>					
Estimated Real Property Taxes if no PILOT, Present Value	\$ 15,244,806	\$ 4,636,487	\$ 8,500,740	\$ 2,107,578	Table 6
Less: Estimated PILOT Tax Payments, Present Value	\$ (9,764,761)	\$ (2,969,811)	\$ (5,444,982)	\$ (1,349,968)	Table 6
Real Property Tax Abatement, Present Value	\$ 5,480,045	\$ 1,666,676	\$ 3,055,758	\$ 757,610	Table 6
Estimated Financial Assistance Requested, Total Present Value	\$ 11,117,545	\$ 2,421,911	\$ 3,055,758	\$ 5,639,875	

Present Value Discount Rate is 2%.

(1) 75% of materials are estimated to be purchased in Westchester County, and 25% of that amount in the City of Yonkers: 25% x 75% = 18.75% of total.

(2) Exemptions on estimated purchases in Yonkers only. City of Yonkers retains 50.7% of the total rate of 8.875% on purchases within the City, or 4.5%. Source: City of Yonkers IDA.

(3) Total is maximum abatement assuming all materials purchases owe the full 8.875%. Actual abatement will vary depending on sales tax rates at the location of purchase.

(4) Westchester County rate is 1.5%. City of Yonkers retains 27.78% of the total collected. Source: City of Yonkers IDA.

FISCAL BENEFITS AND COSTS – 10 YEAR PILOT

The Applicant has stated that if no financial assistance is provided, the Project will not be undertaken. The estimated tax revenues would therefore not be generated. In addition, while tax abatements are often considered costs, they actually represent foregone revenue, not an expenditure of funds or a reduction in revenue already being received.

It is still useful for the Agency's evaluation of a Project to see a ratio of fiscal benefits to costs, or foregone revenue. The table below compares the fiscal benefits (not the economic benefits) of the Project to the fiscal costs, or foregone revenues, and calculates Benefit / Cost ratios.

Table 10

Fiscal Benefits and Costs of Financial Assistance over 10 Years				
	City of Yonkers	Yonkers School District	Total Effects in Yonkers	Table Reference
Fiscal Benefits				
One-time Sales Tax Revenue from Construction Earnings (1)	\$ 28,391	\$ -	\$ 28,391	Table 3
Sales Tax Revenue from On-Site Employee Spending, Present Value	\$ 3,825,707	\$ -	\$ 3,825,707	Table 5
Property Tax Revenue from Project if No PILOT is Awarded	<u>\$ 4,636,487</u>	<u>\$ 8,500,740</u>	<u>\$ 13,137,228</u>	Table 6
Total Fiscal Benefits	\$ 8,490,585	\$ 8,500,740	\$ 16,991,326	
Fiscal Costs (Foregone Revenue)				
Foregone One-Time Sales Tax on Construction Sales	\$ 421,875	\$ -	\$ 421,875	Table 8
Foregone One-Time Mortgage Recording Tax	\$ 333,360	\$ -	\$ 333,360	Table 8
Foregone Property Tax Revenue, Present Value (Exemption)	<u>\$ 1,666,676</u>	<u>\$ 3,055,758</u>	<u>\$ 4,722,435</u>	Table 8
Total Costs of Financial Assistance	\$ 2,421,911	\$ 3,055,758	\$ 5,477,670	
Benefits to Costs	3.51	2.78	3.10	

(1) Sales tax on construction materials anticipated to be purchased in the City only.

FINANCIAL ASSISTANCE REQUESTED – 15 YEAR PILOT

The following table presents the requested financial assistance (foregone revenue) for the entire Project. The City of Yonkers and its school district are shown, as is Westchester County.

Table 9

Estimated Financial Assistance Requested over 15 Years

	Total Project	City of Yonkers	Yonkers School District	Westchester County	Table Reference
<u>Sales Tax Exemption on Construction Materials</u>					
Construction Materials Sourced by Jurisdiction (1)	100%	18.750%	0%	Varies	Table 1
Construction Materials Costs, Estimated	\$ 50,000,000	\$ 9,375,000	\$ -	Varies	Table 1
Sales Tax Rate, Aggregate and Retained by Municipality (2)	<u>8.875%</u>	<u>4.500%</u>	<u>0.000%</u>	<u>Varies</u>	
Estimated Sales Tax Exemption (3)	\$ 4,437,500	\$ 421,875	\$ -	\$ 4,015,625	
<u>Mortgage Recording Tax Exemption</u>					
Estimated Mortgage Amount	\$ 80,000,000	\$ 80,000,000	\$ -	\$ 80,000,000	
Mortgage Recording Tax Benefit, Percent of Mortgage (3)	<u>1.500%</u>	<u>Note 4</u>		<u>Note 4</u>	
Estimated Mortgage Recording Tax Exemption	\$ 1,200,000	\$ 333,360		\$ 866,640	
<u>Real Property Tax Abatement</u>					
Estimated Real Property Taxes if no PILOT, Present Value	\$ 23,268,388	\$ 7,076,744	\$ 12,974,814	\$ 3,216,830	Table 6
Less: Estimated PILOT Tax Payments, Present Value	<u>\$ (14,899,854)</u>	<u>\$ (4,531,575)</u>	<u>\$ (8,308,390)</u>	<u>\$ (2,059,889)</u>	<u>Table 6</u>
Real Property Tax Abatement, Present Value	\$ 8,368,535	\$ 2,545,169	\$ 4,666,425	\$ 1,156,941	Table 6
Estimated Financial Assistance Requested, Total Present Value	\$ 14,006,035	\$ 3,300,404	\$ 4,666,425	\$ 6,039,206	

Present Value Discount Rate is 2%.

(1) 75% of materials are estimated to be purchased in Westchester County, and 25% of that amount in the City of Yonkers: 25% x 75% = 18.75% of total.

(2) Exemptions on estimated purchases in Yonkers only. City of Yonkers retains 50.7% of the total rate of 8.875% on purchases within the City, or 4.5%. Source: City of Yonkers IDA.

(3) Total is maximum abatement assuming all materials purchases owe the full 8.875%. Actual abatement will vary depending on sales tax rates at the location of purchase.

(4) Westchester County rate is 1.5%. City of Yonkers retains 27.78% of the total collected. Source: City of Yonkers IDA.

FISCAL BENEFITS AND COSTS – 15 YEAR PILOT

The Applicant has stated that if no financial assistance is provided, the Project will not be undertaken. The estimated tax revenues would therefore not be generated. In addition, while tax abatements are often considered costs, they actually represent foregone revenue, not an expenditure of funds or a reduction in revenue already being received.

It is still useful for the Agency's evaluation of a Project to see a ratio of fiscal benefits to costs, or foregone revenue. The table below compares the fiscal benefits (not the economic benefits) of the Project to the fiscal costs, or foregone revenues, and calculates Benefit / Cost ratios.

Table 11

Fiscal Benefits and Costs of Financial Assistance over 15 Years				
	City of Yonkers	Yonkers School District	Total Effects in Yonkers	Table Reference
Fiscal Benefits				
One-time Sales Tax Revenue from Construction Earnings (1)	\$ 28,391	\$ -	\$ 28,391	Table 3
Sales Tax Revenue from On-Site Employee Spending, Present Value	\$ 5,472,536	\$ -	\$ 5,472,536	Table 5
Property Tax Revenue from Project if No PILOT is Awarded	<u>\$ 7,076,744</u>	<u>\$ 12,974,814</u>	<u>\$ 20,051,558</u>	Table 7
Total Fiscal Benefits	\$ 12,577,671	\$ 12,974,814	\$ 25,552,485	
Fiscal Costs (Foregone Revenue)				
Foregone One-Time Sales Tax on Construction Sales	\$ 421,875	\$ -	\$ 421,875	Table 10
Foregone One-Time Mortgage Recording Tax	\$ 333,360	\$ -	\$ 333,360	Table 10
Foregone Property Tax Revenue, Present Value (Exemption)	<u>\$ 2,545,169</u>	<u>\$ 4,666,425</u>	<u>\$ 7,211,594</u>	Table 10
Total Costs of Financial Assistance	\$ 3,300,404	\$ 4,666,425	\$ 7,966,829	
Benefits to Costs	3.81	2.78	3.21	

(1) Sales tax on construction materials anticipated to be purchased in the City only.

FINANCING PLAN

The financing plan is the same for both PILOTs analyzed. Sources and uses of funds, or capital structure of the Project, is debt equity.

Table 12

Sources and Uses of Funds		
<u>Sources of Funds</u>		
Senior Debt	\$ 80,000,000	76%
<u>Equity and Working Capital</u>	<u>\$ 25,000,000</u>	<u>24%</u>
Total Sources	\$ 105,000,000	100%
<u>Uses of Funds</u>		
Property Valuation	\$ 45,000,000	43%
Hard Construction Costs	\$ 55,000,000	52%
Financing Costs and Transaction Fees	\$ 2,000,000	2%
<u>Soft Costs</u>	<u>\$ 3,000,000</u>	<u>3%</u>
Total Uses	\$ 105,000,000	100%

Source: Applicant

OPERATING PERFORMANCE – 10 Year PILOT

The table below evaluates the operating outcomes based on the Applicant's pro forma cashflows.

For comparison purposes, operations were benchmarked against other multifamily housing projects as reported by RealtyRates.

Results Summary

- The Applicant's vacancy rate is within the range of industrial/flex space in the region.
- Effective Gross Income (EGI), meets regional benchmarks, but expenses and debt are high, leaving less cash, as a percent of EGI, than the benchmark.
- The Project is able to pay the full principal and interest on the expected long-term financing.

Table 13

Operations Snapshot, Year 5, 10-Year PILOT

Category and Performance	Project Performance	Project Performance	Benchmark Performance	Evaluation
		As a % of Rental Income		
Rental Income	\$ 9,837,446			
Less: Vacancy	\$ (983,745)	10.0%	9.8%	Meets
<u>Add: Expense Reimbursement</u>	<u>\$ 282,018</u>			
Effective Gross Income (EGI)	\$ 9,135,719	92.9%	90.0%	Meets
		As a % of EGI		
Operating Expenses and Reserve	\$ 1,339,383			
<u>Real Property Taxes</u>	<u>\$ 974,455</u>			
Expenses before Debt	\$ 2,313,838	25.3%		
<u>Debt Service</u>	<u>\$ 4,720,000</u>			
Expenses after Debt	\$ 7,033,838	77.0%	40.9%	High
Cashflow after Operating Costs, Taxes, Debt	\$ 2,101,881	23.0%	59.2%	Low

Source: Applicant. Benchmarks: RealtyRates Market Survey Q4 2021. Evaluation by Storrs Associates.

OPERATING PERFORMANCE – 15 Year PILOT

The table below evaluates the operating outcomes based on the Applicant's pro forma cashflows.

For comparison purposes, operations were benchmarked against other multifamily housing projects as reported by RealtyRates.

Results Summary, Similar to 10-Year PILOT

- The Applicant's vacancy rate is within the range of industrial/flex space in the region.
- Effective Gross Income (EGI), meets regional benchmarks, but expenses and debt are high, leaving less cash, as a percent of EGI, than the benchmark.
- The Project is able to pay the full principal and interest on the expected long-term financing.

Table 14 **Operations Snapshot, 15-Year PILOT**

Category and Performance		Project Performance	Benchmark Performance	Evaluation
		<u>As a % of Rental Income</u>		
Rental Income	\$ 9,837,446			
Less: Vacancy	\$ (983,745)	10.0%	9.8%	Meets
<u>Add: Expense Reimbursement</u>	<u>\$ 282,018</u>			
Effective Gross Income (EGI)	\$ 9,135,719	92.9%	90.0%	Meets
		<u>As a % of EGI</u>		
Operating Expenses and Reserve	\$ 1,339,383			
<u>Real Property Taxes</u>	<u>\$ 797,281</u>			
Expenses before Debt	\$ 2,136,664	23.4%		
<u>Debt Service</u>	<u>\$ 4,720,000</u>			
Expenses after Debt	\$ 6,856,664	75.1%	40.9%	High
Cashflow after Operating Costs, Taxes, Debt	\$ 2,279,055	24.9%	59.2%	Low

Source: Applicant. Benchmarks: RealtyRates Market Survey Q4 2021. Evaluation by Storrs Associates.

Attachment 1: 10-Year PILOT

Proposed 10-Year PILOT and Foregone Revenue, All Jurisdictions

Fiscal Year Ending June 30	Total Estimated Taxes without PILOT	PILOT Payments	Foregone Revenue, all Jurisdictions	Abatement: Reduction from Full Taxes	PILOT as a Percent of Full Taxes
1	\$ 818,405	\$ 466,554	\$ (351,852)	43%	57%
2	\$ 1,669,547	\$ 500,864	\$ (1,168,683)	70%	30%
3	\$ 1,702,938	\$ 596,028	\$ (1,106,910)	65%	35%
4	\$ 1,736,997	\$ 781,648	\$ (955,348)	55%	45%
5	\$ 1,771,737	\$ 974,455	\$ (797,281)	45%	55%
6	\$ 1,807,171	\$ 1,174,661	\$ (632,510)	35%	65%
7	\$ 1,843,315	\$ 1,382,486	\$ (460,829)	25%	75%
8	\$ 1,880,181	\$ 1,598,154	\$ (282,027)	15%	85%
9	\$ 1,917,785	\$ 1,821,895	\$ (95,889)	5%	95%
10	\$ 1,956,140	\$ 1,858,333	\$ (97,807)	5%	95%
Total	\$ 17,104,216	\$ 11,155,080	\$ (5,949,136)	35%	65%
Present Value	\$ 15,244,806	\$ 9,764,761	\$ (5,480,045)	n/a	n/a

Source: Applicant, Storrs Associates. Present Value discount rate is 2%.

Proposed 10-Year PILOT and Foregone Revenue, City of Yonkers

Fiscal Year Ending June 30	Total Estimated Taxes without PILOT	PILOT Payments	Foregone Revenue, all Jurisdictions	Abatement: Reduction from Full Taxes	PILOT as a Percent of Full Taxes
1	\$ 248,906	\$ 141,896	\$ (107,011)	43%	57%
2	\$ 507,769	\$ 152,331	\$ (355,438)	70%	30%
3	\$ 517,924	\$ 181,273	\$ (336,651)	65%	35%
4	\$ 528,282	\$ 237,727	\$ (290,555)	55%	45%
5	\$ 538,848	\$ 296,366	\$ (242,482)	45%	55%
6	\$ 549,625	\$ 357,256	\$ (192,369)	35%	65%
7	\$ 560,618	\$ 420,463	\$ (140,154)	25%	75%
8	\$ 571,830	\$ 486,055	\$ (85,774)	15%	85%
9	\$ 583,266	\$ 554,103	\$ (29,163)	5%	95%
10	\$ 594,932	\$ 565,185	\$ (29,747)	5%	95%
Total	\$ 5,202,000	\$ 3,392,656	\$ (1,809,344)	35%	65%
Present Value	\$ 4,636,487	\$ 2,969,811	\$ (1,666,676)	n/a	n/a

Source: Applicant, Storrs Associates. Present Value discount rate is 2%.

Proposed 10-Year PILOT and Foregone Revenue, Yonkers School District

Fiscal Year Ending June 30	Total Estimated Taxes without PILOT	PILOT Payments	Foregone Revenue, all Jurisdictions	Abatement: Reduction from Full Taxes	PILOT as a Percent of Full Taxes
1	\$ 456,356	\$ 260,158	\$ (196,198)	43%	57%
2	\$ 930,965	\$ 279,290	\$ (651,676)	70%	30%
3	\$ 949,585	\$ 332,355	\$ (617,230)	65%	35%
4	\$ 968,576	\$ 435,859	\$ (532,717)	55%	45%
5	\$ 987,948	\$ 543,371	\$ (444,577)	45%	55%
6	\$ 1,007,707	\$ 655,009	\$ (352,697)	35%	65%
7	\$ 1,027,861	\$ 770,896	\$ (256,965)	25%	75%
8	\$ 1,048,418	\$ 891,155	\$ (157,263)	15%	85%
9	\$ 1,069,386	\$ 1,015,917	\$ (53,469)	5%	95%
10	\$ 1,090,774	\$ 1,036,236	\$ (54,539)	5%	95%
Total	\$ 9,537,576	\$ 6,220,246	\$ (3,317,330)	35%	65%
Present Value	\$ 8,500,740	\$ 5,444,982	\$ (3,055,758)	n/a	n/a

Source: Applicant, Storrs Associates. Present Value discount rate is 2%.

Proposed 10-Year PILOT and Foregone Revenue, Westchester County

Fiscal Year Ending June 30	Total Estimated Taxes without PILOT	PILOT Payments	Foregone Revenue, all Jurisdictions	Abatement: Reduction from Full Taxes	PILOT as a Percent of Full Taxes
1	\$ 113,144	\$ 64,501	\$ (48,643)	43%	57%
2	\$ 230,813	\$ 69,244	\$ (161,569)	70%	30%
3	\$ 235,429	\$ 82,400	\$ (153,029)	65%	35%
4	\$ 240,138	\$ 108,062	\$ (132,076)	55%	45%
5	\$ 244,941	\$ 134,717	\$ (110,223)	45%	55%
6	\$ 249,840	\$ 162,396	\$ (87,444)	35%	65%
7	\$ 254,836	\$ 191,127	\$ (63,709)	25%	75%
8	\$ 259,933	\$ 220,943	\$ (38,990)	15%	85%
9	\$ 265,132	\$ 251,875	\$ (13,257)	5%	95%
10	\$ 270,434	\$ 256,913	\$ (13,522)	5%	95%
Total	\$ 2,364,640	\$ 1,542,178	\$ (822,462)	35%	65%
Present Value	\$ 2,107,578	\$ 1,349,968	\$ (757,610)	n/a	n/a

Source: Applicant, Storrs Associates. Present Value discount rate is 2%.

Attachment 2: 15-Year PILOT

Proposed 15-Year PILOT and Foregone Revenue, All Jurisdictions

Fiscal Year Ending June 30	Total Estimated Taxes without PILOT	PILOT Payments	Foregone Revenue, all Jurisdictions	Abatement: Reduction from Full Taxes	PILOT as a Percent of Full Taxes
1	\$ 818,405	\$ 466,554	\$ (351,852)	43%	57%
2	\$ 1,669,547	\$ 500,864	\$ (1,168,683)	70%	30%
3	\$ 1,702,938	\$ 596,028	\$ (1,106,910)	65%	35%
4	\$ 1,736,997	\$ 694,799	\$ (1,042,198)	60%	40%
5	\$ 1,771,737	\$ 797,281	\$ (974,455)	55%	45%
6	\$ 1,807,171	\$ 903,586	\$ (903,586)	50%	50%
7	\$ 1,843,315	\$ 1,013,823	\$ (829,492)	45%	55%
8	\$ 1,880,181	\$ 1,128,109	\$ (752,072)	40%	60%
9	\$ 1,917,785	\$ 1,246,560	\$ (671,225)	35%	65%
10	\$ 1,956,140	\$ 1,467,105	\$ (489,035)	25%	75%
11	\$ 1,995,263	\$ 1,596,211	\$ (399,053)	20%	80%
12	\$ 2,035,168	\$ 1,729,893	\$ (305,275)	15%	85%
13	\$ 2,075,872	\$ 1,868,285	\$ (207,587)	10%	90%
14	\$ 2,117,389	\$ 2,011,520	\$ (105,869)	5%	95%
15	\$ 2,159,737	\$ 2,051,750	\$ (107,987)	5%	95%
Total	\$ 27,487,645	\$ 18,072,367	\$ (9,415,278)	34%	66%
Present Value	\$ 23,268,388	\$ 14,899,854	\$ (8,368,535)	n/a	n/a

Source: Applicant, Storrs Associates. Present Value discount rate is 2%.

Proposed 15-Year PILOT and Foregone Revenue, City of Yonkers

Fiscal Year Ending June 30	Total Estimated Taxes without PILOT	PILOT Payments	Foregone Revenue, all Jurisdictions	Abatement: Reduction from Full Taxes	PILOT as a Percent of Full Taxes
1	\$ 248,906	\$ 141,896	\$ (107,011)	43%	57%
2	\$ 507,769	\$ 152,331	\$ (355,438)	70%	30%
3	\$ 517,924	\$ 181,273	\$ (336,651)	65%	35%
4	\$ 528,282	\$ 211,313	\$ (316,969)	60%	40%
5	\$ 538,848	\$ 242,482	\$ (296,366)	55%	45%
6	\$ 549,625	\$ 274,813	\$ (274,813)	50%	50%
7	\$ 560,618	\$ 308,340	\$ (252,278)	45%	55%
8	\$ 571,830	\$ 343,098	\$ (228,732)	40%	60%
9	\$ 583,266	\$ 379,123	\$ (204,143)	35%	65%
10	\$ 594,932	\$ 446,199	\$ (148,733)	25%	75%
11	\$ 606,830	\$ 485,464	\$ (121,366)	20%	80%
12	\$ 618,967	\$ 526,122	\$ (92,845)	15%	85%
13	\$ 631,346	\$ 568,212	\$ (63,135)	10%	90%
14	\$ 643,973	\$ 611,775	\$ (32,199)	5%	95%
15	\$ 656,853	\$ 624,010	\$ (32,843)	5%	95%
Total	\$ 8,359,970	\$ 5,496,449	\$ (2,863,521)	34%	66%
Present Value	\$ 7,076,744	\$ 4,531,575	\$ (2,545,169)	n/a	n/a

Source: Applicant, Storrs Associates. Present Value discount rate is 2%.

Proposed 15-Year PILOT and Foregone Revenue, Yonkers School District

Fiscal Year Ending June 30	Total Estimated Taxes without PILOT	PILOT Payments	Foregone Revenue, all Jurisdictions	Abatement: Reduction from Full Taxes	PILOT as a Percent of Full Taxes
1	\$ 456,356	\$ 260,158	\$ (196,198)	43%	57%
2	\$ 930,965	\$ 279,290	\$ (651,676)	70%	30%
3	\$ 949,585	\$ 332,355	\$ (617,230)	65%	35%
4	\$ 968,576	\$ 387,431	\$ (581,146)	60%	40%
5	\$ 987,948	\$ 444,577	\$ (543,371)	55%	45%
6	\$ 1,007,707	\$ 503,853	\$ (503,853)	50%	50%
7	\$ 1,027,861	\$ 565,324	\$ (462,537)	45%	55%
8	\$ 1,048,418	\$ 629,051	\$ (419,367)	40%	60%
9	\$ 1,069,386	\$ 695,101	\$ (374,285)	35%	65%
10	\$ 1,090,774	\$ 818,081	\$ (272,694)	25%	75%
11	\$ 1,112,590	\$ 890,072	\$ (222,518)	20%	80%
12	\$ 1,134,842	\$ 964,615	\$ (170,226)	15%	85%
13	\$ 1,157,538	\$ 1,041,785	\$ (115,754)	10%	90%
14	\$ 1,180,689	\$ 1,121,655	\$ (59,034)	5%	95%
15	\$ 1,204,303	\$ 1,144,088	\$ (60,215)	5%	95%
Total	\$ 15,327,538	\$ 10,077,432	\$ (5,250,105)	34%	66%
Present Value	\$ 12,974,814	\$ 8,308,390	\$ (4,666,425)	n/a	n/a

Source: Applicant, Storrs Associates. Present Value discount rate is 2%.

Proposed 15-Year PILOT and Foregone Revenue, Westchester County

Fiscal Year Ending June 30	Total Estimated Taxes without PILOT	PILOT Payments	Foregone Revenue, all Jurisdictions	Abatement: Reduction from Full Taxes	PILOT as a Percent of Full Taxes
1	\$ 113,144	\$ 64,501	\$ (48,643)	43%	57%
2	\$ 230,813	\$ 69,244	\$ (161,569)	70%	30%
3	\$ 235,429	\$ 82,400	\$ (153,029)	65%	35%
4	\$ 240,138	\$ 96,055	\$ (144,083)	60%	40%
5	\$ 244,941	\$ 110,223	\$ (134,717)	55%	45%
6	\$ 249,840	\$ 124,920	\$ (124,920)	50%	50%
7	\$ 254,836	\$ 140,160	\$ (114,676)	45%	55%
8	\$ 259,933	\$ 155,960	\$ (103,973)	40%	60%
9	\$ 265,132	\$ 172,336	\$ (92,796)	35%	65%
10	\$ 270,434	\$ 202,826	\$ (67,609)	25%	75%
11	\$ 275,843	\$ 220,674	\$ (55,169)	20%	80%
12	\$ 281,360	\$ 239,156	\$ (42,204)	15%	85%
13	\$ 286,987	\$ 258,288	\$ (28,699)	10%	90%
14	\$ 292,727	\$ 278,090	\$ (14,636)	5%	95%
15	\$ 298,581	\$ 283,652	\$ (14,929)	5%	95%
Total	\$ 3,800,138	\$ 2,498,486	\$ (1,301,652)	34%	66%
Present Value	\$ 3,216,830	\$ 2,059,889	\$ (1,156,941)	n/a	n/a

Source: Applicant, Storrs Associates. Present Value discount rate is 2%.

THE PROJECT TEAM

Rachel Selsky
Vice President, Camoin 310

Victoria Storrs
President & Founder, Storrs Associates

Leading action to
grow your economy



SCHEDULE B

LIST OF APPOINTED AGENTS¹

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____

¹ FOR EACH AGENT APPOINTED BY THE COMPANY, A NYS FORM ST-60 MUST BE COMPLETED AND FILED BY THE COMPANY WITH THE NYS DEPARTMENT OF TAXATION AND FINANCE IDA UNIT INDICATING THE APPOINTMENT OF SUCH AGENT OF THE COMPANY.

SCHEDULE C

MANDATORY AGENT AND SUBAGENT CONTRACT LANGUAGE

“This contract is being entered into by **[NAME OF COMPANY OR NAME OF SUBAGENT]** (the “Agent”), as agent for and on behalf of the **CITY OF YONKERS INDUSTRIAL DEVELOPMENT AGENCY** (the “Agency”), in connection with a certain project of the Agency for the benefit of **HUDSON VIEW BUILDING #4 LLC**, a Delaware limited liability company, consisting in part of the acquisition and installation of certain machinery, equipment and building materials, all for incorporation and installation in certain premises located at located at 20, 29, 32, and 39 Wells Avenue; 33 Woodworth Avenue; 10 Woodworth Avenue, Suites 105 and 106, City of Yonkers, New York, and any lands located in the City of Yonkers, New York, and occupied by license or easement during construction or improved by third parties for the benefit of the Agency Project (the “Premises”). The acquisition of the machinery, equipment and building materials to be incorporated and installed in the Premises and all services and rentals of equipment related to the acquisition, construction and equipping of the Project shall be exempt from all New York State and local sales and use taxes if the acquisition thereof is effected in accordance with the terms and conditions set forth in the Project Agreement, dated as of December 1, 2021 (the “Project Agreement”), by and between the Agency and HUDSON VIEW BUILDING #4 LLC; and the Agent hereby represents that this contract is in compliance with the terms of the Project Agreement. This contract is non-recourse to the Agency, and the Agency shall not be directly, indirectly or contingently liable or obligated hereunder in any manner or to any extent whatsoever. By execution or acceptance of this contract, the vendor/contractor hereby acknowledges and agrees to the terms and conditions set forth in this paragraph.”

EXHIBIT A
FORM OF TAX AGREEMENT

[Attached]

CITY OF YONKERS INDUSTRIAL DEVELOPMENT AGENCY

AND

**HUDSON VIEW BUILDING #3 LLC, HUDSON VIEW BUILDING #4 LLC, I.PARK
EXTERIOR UNIT I LLC AND I.PARK EXTERIOR UNIT II LLC**

TAX AGREEMENT

Dated as of December 1, 2021

Affected Tax Jurisdictions:

Westchester County

City of Yonkers

Property Address / Tax Map Number(s):

20 Wells Avenue (Block 2008, Lot 1; owned by Hudson View Building #3 LLC)

29 Wells Avenue (Block 2009, Lot 1; owned by Hudson View Building #4 LLC)

10 Woodworth Avenue, Suite 105 (Block 2015, Lot 105; owned by i.Park Exterior Unit I LLC)

10 Woodworth Avenue, Suite 106 (Block 2015, Lot 106; owned by i.Park Exterior Unit II LLC)

City of Yonkers

Westchester County, New York

TAX AGREEMENT

THIS TAX AGREEMENT (the “Agreement”), dated as of December 1, 2021, by and among **CITY OF YONKERS INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation duly existing under the laws of the State of New York with its offices located at 470 Nepperhan Avenue, Suite 200, Yonkers, New York 10701 (the “Agency”) and **HUDSON VIEW BUILDING #3 LLC, HUDSON VIEW BUILDING #4 LLC, I.PARK EXTERIOR UNIT I LLC** and **I.PARK EXTERIOR UNIT II LLC**, each a Delaware limited liability company authorized to do business in the State of New York, having offices c/o National Resources, 485 West Putnam Avenue, Greenwich, Connecticut 06830 (collectively, the “Company”). For purposes of this Agreement, the term “Company” shall include and refer to each of Hudson View Building #3 LLC, Hudson View Building #4 LLC, i.Park Exterior Unit I LLC and i.Park Exterior Unit II LLC, named herein and their undertakings hereunder shall be joint and several and each representation, warranty and covenant and agreement in this Agreement shall apply to each such Company named herein.

W I T N E S S E T H :

WHEREAS, the Agency was created by Chapter 83 of the Laws of 1982 of the State of New York pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York (collectively, the “Act”) as a body corporate and politic and as a public benefit corporation of the State of New York; and

WHEREAS, the Company has submitted an application on or about October 15, 2021, as the same may be supplemented from time to time (as may be so supplemented, the “Application”), to the Agency requesting the Agency’s assistance with respect to a certain project (the “Project”) consisting of: (i) the acquisition by the Agency of a leasehold interest, by lease from Hudson View Building #3 LLC, Hudson View Building #4 LLC, i.Park Exterior Unit I LLC and i.Park Exterior Unit II LLC, to a parcel or parcels of land located at 20 Wells Avenue (Block 2008, Lot 1), 29 Wells Avenue (Block 2009, Lot 1), 10 Woodworth Avenue, Suite 105 (Block 2015, Lot 105) and 10 Woodworth Avenue, Suite 106 (Block 2015, Lot 106), respectively, in the City of Yonkers, Westchester County, New York and any lands located in the City of Yonkers, Westchester County, New York, and occupied by license or easement during construction or improved by third parties for the benefit of the Project (collectively, the “Land”) and the existing improvements located thereon consisting principally of the existing Buildings 3, 4, and 5 (which, in the aggregate, are approximately 150,000 square feet) and the remaining surface lots and private road (collectively, the “Existing Improvements”); (ii) the interior replacement, rehabilitation or reconstruction of the Existing Improvements to provide additional studio space (including mill space), ancillary and support/accessory spaces for the studio, related parking improvements to existing surface parking areas and other related and ancillary improvements (collectively, the “New Improvements”, and collectively with the Existing Improvements, the “Improvements”); (iii) the acquisition and installation in and around the Existing Improvements and Improvements of certain items of equipment and other tangible personal property (the “Equipment”; and, collectively with the Land, the Existing Improvements and the Improvements, the “Facility”) and (iv) the subleasing of the Facility, as so furnished and

equipped, to the Company for use and operation by the Company under and pursuant to the terms of the Leaseback Agreement (as defined herein); and

WHEREAS, in order to induce the Company to undertake the Project, the Agency is willing to take title to or a leasehold interest in the Facility pursuant to a certain Lease Agreement, dated as of December 1, 2021 (the "Lease Agreement"), by and between the Company and the Agency; and

WHEREAS, the Agency will lease its interest in the Facility back to the Company pursuant to the terms and conditions of a certain Leaseback Agreement, dated as of December 1, 2021 (the "Leaseback Agreement"), by and between the Agency and the Company; and

WHEREAS, pursuant to Section 874(1) of the Act, the Agency is exempt from the payment of taxes imposed upon real property and improvements owned by it or under its jurisdiction, control or supervision, other than special charges as defined by Section 2.1 which shall be paid by the Company outside this Tax Agreement as billed by the respective third parties; and

WHEREAS, the Agency and the Company deem it necessary and proper to enter into an agreement making provisions for payments in lieu of taxes by the Company to the Agency for the benefit of Westchester County and the City of Yonkers, inclusive of the City of Yonkers Dependent School District (collectively, the "Affected Tax Jurisdictions"); and

NOW, THEREFORE, in consideration of the covenants herein contained and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

Section I - Payment in lieu of Ad Valorem Taxes:

Section 1.1 Exemption Application. A.) Subject to the completion and filing by the Agency or its designee at the direction of the Agency on or before the taxable status date **October 15, 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 Facility shall be exempt from Real Estate Taxes for the periods set forth in Section 1.3. For purposes of the foregoing "Real Estate Taxes" means all general levy real estate taxes levied against the Facility by the County and City, including Real Estate Taxes levied by the City for its Dependent School District. The Company shall provide 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 Leaseback 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, specifically including but not limited to Real Estate Taxes for years prior to and after the tax years covered by this Tax Agreement. 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.) Agreement to Make Payments. The parties agree and acknowledge that payments made under this Agreement are for purposes of obtaining revenues for public purposes, and to provide a revenue source that the Affected Tax Jurisdictions would otherwise lose because the subject parcels are exempt from the payment of real property taxes pursuant to Section 412-a of the Real Property Tax Law and Section 874 of the General Municipal Law. The Company shall pay to the Agency (for the benefit of the Affected Tax Jurisdictions), as an in lieu of tax payment, an amount equal to the Tax Payments as set forth on Schedule A (the “Tax Payments”) for the periods described in Section 1.3.

All Tax Payments shall be mailed to the Agency at: City of Yonkers Industrial Development Agency (Attn: Executive Director), 470 Nepperhan Avenue, Suite 200, Yonkers, New York 10701, or as otherwise directed by the Agency. The Company hereby agrees to make all such Tax Payments without further notice or invoice from the Agency or the Affected Tax Jurisdictions. All checks shall be made payable as directed by the Agency from time to time.

(i) The Company hereby waives any and all rights it may have to any refund of prior tax payments for the periods prior to the periods described in Section 1.3.

(ii) The Agency and the Company intend to establish a fixed payment schedule of Tax Payments that are in lieu of real estate taxes with respect to the Facility that, absent a default by the Company or a change in law, shall provide tax certainty for the Company and revenue certainty for the Affected Tax Jurisdictions. The parties hereto acknowledge that the Company shall have all of the rights and remedies of a taxpayer, including the right to institute a grievance with respect to Real Estate Taxes as provided below. The Company hereby agrees for the benefit of the Affected Tax Jurisdictions to not seek a refund of any taxes paid or to be paid for periods prior to the periods described in Section 1.3.

(iii) Right to Grieve Assessed Value of the Property for Purposes of Calculating Full Taxes. Notwithstanding the foregoing, the Company shall have the right to institute a judicial or other review of the assessed value of the Facility, whether pursuant to the provisions of Article 7 of the RPTL or other applicable law, as the same may be amended from time to time; provided, however, that no such judicial or other review or settlement thereof shall have any effect on the Company’s obligations under this Agreement, including, without limitation, the Company’s obligation to make the Tax Payments when due. Such judicial or other review shall only be for purposes of setting the assessed value

of the Facility as though the Facility was on the tax rolls of each Affected Tax Jurisdiction as taxable real property, but shall have no effect on the other terms of this Agreement or the tax-exempt status of the Facility during the term of this Agreement. Furthermore, the Company shall not seek a refund of any Tax Payments or taxes paid or to be paid and expressly waives and releases its right to seek such refund.

(iv) Right to Grieve Assessed Value of the Property for Purposes of Calculating Special Charges. At any time during the term of this Agreement, the Company shall only be entitled to institute a grievance which would cause an adjustment of the Special Charges (as defined in Section 2.1) and the Company shall be limited to the right to refunds related to grievances involving Special Charges.

(v) Except as set forth herein, the Tax Payments as set forth in Schedule A shall not be contested, grieved or refuted during and for the term of this Agreement and the Company shall not seek a refund of any taxes paid or to be paid.

(vi) Allocation. The Agency shall remit to the Affected Tax Jurisdictions amounts received hereunder, if any, within thirty (30) days of receipt of said payment and shall allocate said payments among the Affected Tax Jurisdictions in the same proportion as taxes would have been allocated but for the Agency's involvement, unless the Affected Tax Jurisdictions have consented in writing to a specific allocation.

1.2 Valuation of Future Additions to the Facility: If there shall be a future addition to the Facility that has not been described in the Application constructed or added in any manner after the date of this Agreement, the Company shall notify the Agency of such future addition ("Future Addition"). The notice to the Agency shall contain a copy of the Application for a building permit, plans and specifications, and any other relevant evidence that the Agency may thereafter request. Upon the earlier of substantial completion, or the issuance of a certificate of occupancy for any such Future Addition to the Facility, the Company shall become liable for payment of an increase in the Tax Payment. The Agency shall notify the Company of any proposed increase in the Tax Payment related to such Future Addition. If the Company shall disagree with the determination of assessed value for any Future Additions made by the Agency, then and in that event that valuation shall be fixed by a court of competent jurisdiction. Notwithstanding any disagreement between the Company and the Agency, the Company shall pay the increased Tax Payment until a different Tax Payment shall be established. If a lesser Tax Payment is determined in any proceeding or by subsequent agreement of the parties, the Tax Payment shall be re-computed and any excess payment shall be refunded to the Company or, in the Agency's sole discretion, such excess payment shall be applied as a credit against the next succeeding Tax Payment(s).

1.3 Period of Benefits.

The tax benefits provided for herein shall be deemed to include: (i) the 2024 County tax year through the 2033 County tax year and (ii) the 2023-2024 City tax year through the 2032-2033 City tax year. **This Tax Agreement shall expire on December 31, 2033** with the understanding that the Company will be making a payment hereunder for the 2034 County tax

year and the 2033-2034 City tax years 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. The Company agrees that it will not seek any tax exemption for the Facility which could provide benefits for more than the periods provided for herein and specifically agrees that the exemptions provided for herein, to the extent actually received (based on the number of lease years elapsed), supersede and are in substitution of the exemptions provided by Section 485-b of the New York Real Property Tax Law ("RPTL"); provided, the foregoing shall not be interpreted to limit the Company and Agency from subsequently agreeing to additional benefits based upon commitments to make additional improvements or changes in use from time to time between the Agency and the Company. It is hereby agreed and understood that the Affected Tax Jurisdictions can rely upon and enforce the above waiver to the same extent as if they were signatories hereto.

Section II - Special District Charges, Special Assessments and other charges.

2.1 *Special District Charges and other payments:* Special district charges, special assessments, special ad valorem levies specifically including but not limited to charges imposed by the City of Yonkers for frontage feet ("CC001"); Housing Units ("CC002"); ETPA Charge ("CC003"); and a Safety Inspection Fee ("CC004") and district charges including but not limited to pure water charges and Westchester County sewer district charges (collectively the "Special Charges"), are not included in the amount of the Tax Payment and are to be paid in full in accordance with normal billing practices.

Section III - Transfer of Facility.

3.1 In the event this Agreement terminates and the property is not timely transferred back to the Company, the Company agrees to pay no later than the next tax lien date (plus any applicable grace period), to each of the Affected Tax Jurisdictions, an amount equal to the taxes and assessments which would have been levied on the Facility if the Facility had been classified as fully taxable as of the date of transfer or loss of eligibility of all or a portion of the exemption described herein or date of termination.

Section IV - Assessment Challenges.

4.1 The Company shall have all of the rights and remedies of a taxpayer with respect to any Special Charges as if and to the same extent as if the Company were the owner of the Facility.

4.2 The Company shall file any accounts or tax returns required by the appropriate real estate tax assessment office and tax levy officers and provide information to the Agency as requested from time to time.

4.3 The Company shall file any accounts or tax returns required by the appropriate real estate tax assessment office and tax levy officers and provide information to the Agency as requested from time to time.

Section V - Changes in Law.

5.1 To the extent the Facility is declared to be subject to taxation or assessment by an amendment to the Act, other legislative change, or by final judgment of a Court of competent jurisdiction, the obligations of the Company hereunder shall, to such extent, be null and void.

Section VI - Events of Default.

6.1 The following shall constitute “Events of Default” hereunder. The failure by the Company to: (i) make the payments described in Section I within thirty (30) days of the Payment Date (the “Delinquency Date”); (ii) make any other payments described herein on or before the last day of any applicable cure period within which said payment can be made without penalty; or (iii) the occurrence and continuance of any events of default under the Lease Agreement (as defined in the Leaseback Agreement) or the Leaseback Agreement after the expiration of any applicable cure periods. Upon the occurrence of any Event of Default hereunder, in addition to any other right or remedy the Agency and/or the Affected Tax Jurisdictions may have at law or in equity, but subject to the rights of any Lender (as defined in the Leaseback Agreement) as set forth in Section 6.3 below, the Agency and/or Affected Tax Jurisdictions may, immediately and without further notice to the Company (but with notice to the Agency with respect to actions maintained by the Affected Tax Jurisdictions) pursue any action in the courts to enforce payment or to otherwise recover directly from the Company any amounts so in default. The Agency and the Company hereby acknowledge the right of the Affected Tax Jurisdictions to recover directly from the Company any amounts so in default pursuant to Section 874(6) of the General Municipal Law and the Company shall immediately notify the Agency of any action brought, or other measure taken, by any Affected Tax Jurisdiction to recover any such amount.

6.2 If payments pursuant to Section I herein are not made by the Delinquency Dates, or if any other payment required to be made hereunder is not made by the last day of any applicable cure period within which said payment can be made without penalty, the Company shall pay penalties and interest as follows. With respect to payments to be made pursuant to Section I herein, if said payment is not received by the Delinquency Date defined in Section 6.1 herein, Company shall pay, in addition to said payment, (i) a late payment penalty equal to five percent (5%) of the amount due and (ii) for each month, or any part thereof, that any such payment is delinquent beyond the first month, interest on the total amount due plus the late payment penalty, in an amount equal to one percent (1%) per month. With respect to all other payments due hereunder, if said payment is not paid within any applicable cure period, Company shall pay, in addition to said payment, the greater of the applicable penalties and interest or penalties and interest which would have been incurred had payments made hereunder been tax payments to the Affected Tax Jurisdictions.

6.3 Prior to the Agency exercising any remedy hereunder, any Lender, as defined in the Leaseback Agreement shall be afforded all notice and the cure rights set forth in Section 9.13 of the Leaseback Agreement as if such section were set forth in full herein, as such section may be modified, amended or supplemented, from time to time, by the Agency and the Company. Without limitation of the foregoing or any provisions of Section 9.13 of the Leaseback Agreement, the Agency agrees to provide such Lender with all notices of default, Event of Default and/or of the occurrence of a Recapture Event (which notice shall be given in the manner set forth in Section 8.2 hereof) under this Agreement simultaneously with the giving of such notice to the Company (to the extent information regarding such Lender is provided to the Agency by the Company or the Lender). Each notice of a Recapture Event, default or Event of Default, as the case may be, given by the Agency will state the amounts of any payments herein provided that are then claimed to be in default.

Section VII - Assignment.

7.1 No portion of any interest in this Agreement may be assigned by the Company, nor shall any person other than the Company be entitled to succeed to or otherwise obtain any benefits of the Company hereunder without the prior written consent of the Agency, which shall not be unreasonably withheld or delayed.

Section VIII – Miscellaneous.

8.1 This Agreement may be executed in any number of counterparts each of which shall be deemed an original but which together shall constitute a single instrument.

8.2 Notices. All notices, certificates and other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when delivered and, if delivered by mail, shall be sent by certified mail, postage prepaid, or to a nationally recognized courier such as Federal Express, addressed as follows:

To the Agency:

City of Yonkers Industrial Development Agency
470 Nepperhan Avenue, Suite 200
Yonkers, New York 10701
Attention: President & CEO

With Copies To:

Harris Beach PLLC
445 Hamilton Avenue, Suite 1200
White Plains, New York 10601
Attention: Shawn M. Griffin, Esq. and Michael V. Curti, Esq.

To the Company:

Hudson View Building #3 LLC
Hudson View Building #4 LLC
i.Park Exterior Unit I LLC
i.Park Exterior Unit II LLC

c/o National Resources
485 West Putnam Avenue
Greenwich, Connecticut 06830

With a Copy To:

Daniel Pennessi
c/o National Resources
485 West Putnam Avenue
Greenwich, Connecticut 06830

or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section. All notices shall be deemed given when mailed or personally delivered in the manner provided in this Section. Any notice hereunder may be given by counsel for a party with the same force and effect as if given by such party.

8.3 This Agreement shall be governed by, and all matters in connection herewith shall be construed and enforced in accordance with, the laws of the State of New York applicable to agreements executed and to be wholly performed therein and the parties hereto hereby agree to submit to the personal jurisdiction of the federal or state courts located in Westchester County, New York.

8.4 Notwithstanding any other term or condition contained herein, all obligations of the Agency hereunder shall constitute a special obligation payable solely from the revenues and other monies, if any, derived from the Facility and paid to the Agency by the Company. Neither member of the Agency nor any person executing this Agreement on its behalf shall be liable personally under this Agreement. No recourse shall be had for the payment of the principal or interest on amounts due hereunder or for any claim based upon or in respect of any modification of or supplement hereto against any past, present or future member, officer, agent, servant, or employee, as such, of the Agency, or of any successor or political subdivision, either directly or through the Agency or any such successor, all such liability of such members, officer, agents, servants and employees being, to the extent permitted by law, expressly waived and released by the acceptance hereof and as part of the consideration for the execution of this Agreement.

8.5. Severance. In order to effectuate a stand-alone “straight-lease transaction” (as such term is defined in Title 1 of Article 18-A of the General Municipal Law of the State of New York) for any Company in connection with any financing or for any other reason, each Company shall have the right, on written notice to the Agency (and without further board approval of the Agency), to sever its respective rights and obligations contained herein to itself (or together with any other Company named herein and/or to one or more entities affiliated with such Company). Upon so notifying the Agency the parties will prepare separate agreements (including, but not limited to, a separate environmental compliance and indemnification agreement(s), lease agreement(s) and leaseback agreement(s)) to reflect any stand-alone “straight-lease transaction” with respect to any such Company requesting such severance. Upon such severance and the execution and delivery of such separate agreements, the joint and several liability obligations of each Company (as set forth in Section 8.6 hereof) shall cease and be of no force and effect.

8.6. Joint and Several Liability. Subject to Section 8.5 hereof, each Company, by entering into and executing this Agreement, is accepting joint and several liability hereunder in consideration of the “financial assistance” (as such term is defined in Title 1 of Article 18-A of the General Municipal Law of the State of New York) to be provided by the Agency under the “straight-lease transaction”, for the mutual benefit, directly and indirectly, of each Company and in consideration of the undertakings of each other Company to accept joint and several liability for their respective obligations.

Each Company, jointly and severally, hereby irrevocably and unconditionally accepts, not merely as a surety but as a co-debtor, joint and several liability with the other Company, with respect to the payment and performance of all of their respective obligations hereunder, it being the intention of the parties hereto that all of their respective obligations hereunder shall be joint and several obligations of each Company without preference or distinction between them.

If and to the extent that any Company shall fail to make any payment with respect to any of their respective obligations hereunder as and when due or to perform any of their respective obligations hereunder in accordance with the terms hereof, then, in each such event, any other Company shall make such payment with respect to, or perform, such obligations.

The obligations of each Company under the provisions of this Section constitute full recourse obligations of each Company enforceable against each such Company, irrespective of the validity, regularity or enforceability of this Agreement as against any particular Company. Each and every representation, warranty, covenant and agreement made by the Company, or any of them, hereunder shall be joint and several, whether or not so expressed, and such obligations of any Company shall not be subject to any counterclaim, setoff, recoupment or defense based upon any claim any Company may have against any other Company, and shall remain in full force and effect without regard to, and shall not be released, discharged or in any way affected by, any circumstances or condition affecting any other Company, including, without limitation (a) any waiver, consent, extension, renewal, indulgence or other action or inaction under or in respect of this Agreement with respect to any other Company, or any exercise or non-exercise of any right, remedy, power or privilege hereunder with respect to any other Company, or the failure to give notice of any of the foregoing to any other Company, (b) any invalidity or unenforceability, in whole or in part, of this Agreement with respect to any other Company, (c) any failure on the part of any other Company for any reason to perform or comply with any term hereof; (d) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceeding with respect to any other Company or its properties or creditors; or (e) any other occurrence whatsoever, whether similar or dissimilar to the foregoing, with respect to any other Company. Each Company hereby waives any requirement or diligence or promptness on the part of the Agency in the enforcement of its rights hereunder with respect to the obligations of any Company. Without limiting the foregoing, any failure to make any demand upon, to pursue or exhaust any rights or remedies against any Company, or any delay with respect thereto, shall not affect the respective obligations of the other Company hereunder.

[SIGNATURE PAGE FOLLOWS]

[Signature Page to Tax Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**CITY OF YONKERS INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Marlyn Anderson, Secretary

HUDSON VIEW BUILDING #3 LLC

HUDSON VIEW BUILDING #4 LLC

By: _____
Joseph Cotter, President

By: _____
Joseph Cotter, President

I.PARK EXTERIOR UNIT I LLC

I.PARK EXTERIOR UNIT II LLC

By: _____
Joseph Cotter, President

By: _____
Joseph Cotter, President

SCHEDULE A

to

Tax Agreement

Dated as of December 1, 2021

by and between

City of Yonkers Industrial Development Agency

and Hudson View Building #3 LLC, Hudson View Building #4 LLC, i.Park Exterior Unit I LLC

and i.Park Exterior Unit II LLC

Pursuant to the terms of Section 1.1 of this Tax Agreement, “Tax Payments” shall mean an amount per annum equal to the following amounts for the period designated:

TAX AGREEMENT YEAR	CITY YEAR	COUNTY YEAR	PAYMENT DATE	ESTIMATED TOTAL TAX PAYMENTS*	TAX PAYMENTS (Percent of Full Taxes) *
1	2023- 2024	2024	September 1, 2023	\$466,554	57%
2	2024- 2025	2025	September 1, 2024	\$500,864	30%
3	2025- 2026	2026	September 1, 2025	\$596,028	35%
4	2026- 2027	2027	September 1, 2026	\$781,648	45%
5	2027- 2028	2028	September 1, 2027	\$974,455	55%
6	2028- 2029	2029	September 1, 2028	\$1,174,661	65%
7	2029- 2030	2030	September 1, 2029	\$1,382,486	75%
8	2030- 2031	2031	September 1, 2030	\$1,598,154	85%
9	2031- 2032	2032	September 1, 2031	\$1,821,895	95%
10	2032- 2033	2033	September 1, 2032	\$1,858,333	95%

The Agency’s leasehold interest in the Facility shall expire on **December 31, 2033**. The Company shall pay the 2034 County tax bill and the 2033-2034 City tax bill and tax bills for all subsequent tax years on the dates and in the amounts as if the Agency did not hold a leasehold interest in the Facility on the tax status date with respect to said tax years. Tax Payments in the initial year (City 2023-2024, County 2024 tax years) shall not be less than the Full Taxes that were due on the Facility in the City 2022-2023, County 2023 tax years. “Full Taxes” means, with respect to any tax year, all real property taxes payable with respect to the Facility for such tax year, calculated with respect to the current tax year, without regard to the Agency’s leasehold interest in the Facility and as if no real property tax exemption was available hereunder.

Estimated TAX PAYMENTS have been included for reference purposes only and are projections of what the TAX PAYMENTS may be in the future and are not to be used to determine the actual TAX PAYMENTS that are due and owing during the term of the Tax Agreement.

* Does NOT include Special District Charges - City will send separate bill.

EXHIBIT B

**FORM OF NYS FORM ST-60 TO BE COMPLETED BY COMPANY AND FILED WITH
THE NYS TAX DEPARTMENT IDA UNIT FOR EACH OF ITS SUBAGENTS WITHIN
THIRTY (30) DAYS OF APPOINTMENT**

[See Attached Page]



Department of Taxation and Finance

IDA Appointment of Project Operator or Agent For Sales Tax Purposes

ST-60
(1/18)

The industrial development agency or authority (IDA) **must** submit this form within **30 days** of the appointment of a project operator or agent, whether appointed directly by the IDA or indirectly by the operator or another agent.

For IDA use only**IDA information**

Name of IDA	City of Yonkers Industrial Development Agency			IDA project number (use OSC numbering system for projects after 1998)	5507-21-06A
Street address	470 Neppherhan Avenue, Suite 200			Telephone number	(914) 509-8651
City	State	ZIP code	Email address (optional)		
Yonkers	NY	10701	N/A		

Project operator or agent information

Name of IDA project operator or agent	Mark an X in the box if directly appointed by the IDA: <input type="checkbox"/>	Employer identification or Social Security number	
Street address	Telephone number ()	Primary operator or agent? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
City	State	ZIP code	Email address (optional)
			N/A

Project information

Name of project			
Hudson View Building #4 LLC Project			
Street address of project site		*and any lands located in the City of Yonkers and occupied by license or easement during construction or improved by third parties for the benefit of the Project	
20 Wells Ave, 29 Wells Ave, 10 Woodworth Ave Suite 105 and 106*			
City	State	ZIP code	Email address (optional)
Yonkers	NY	10701	N/A
Purpose of project			
The project consists of (i) the acquisition of a parcel or parcels of land located at 20 Wells Avenue (Block 2008, Lot 1), 29 Wells Avenue (Block 2009, Lot 1), 10 Woodworth Avenue, Suite 105 (Block 2015, Lot 105) and 10 Woodworth Avenue, Suite 106 (Block 2015, Lot 106), (ii) the interior replacement, rehabilitation or reconstruction of buildings on the parcels to provide additional studio space and improvements to existing surface parking areas, (iii) the acquisition and installation of certain items of equipment and other tangible personal property.			

Description of goods and services intended to be exempted from New York State and local sales and use taxes			
Goods and services, inclusive of fuel and utilities, whether the goods and services are purchased or rented, and notwithstanding that they continue to constitute personal property or the item is used after the completion of the Project, or the item is geographically located outside the legal boundaries of the Project Facility; provided there is a reasonable basis to acquire the item to benefit the Project.			
Date project operator or agent appointed (mmddyy)	Date project operator or agent status ends (mmddyy)	123122	Mark an X in the box if this is an extension to an original project: <input type="checkbox"/>
Estimated value of goods and services that will be exempt from New York State and local sales and use tax: All agents; all in 25,000,000.00		Estimated value of New York State and local sales and use tax exemption provided: All agents; all in 2,218,750.00	

Certification: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements with the knowledge that willfully providing false or fraudulent information with this document may constitute a felony or other crime under New York State Law, punishable by a substantial fine and possible jail sentence. I also understand that the Tax Department is authorized to investigate the validity of any information entered on this document.

Print name of officer or employee signing on behalf of the IDA	Print title		
Marlyn Anderson	Secretary		
Signature	Date	Telephone number	
	12/21/21	(914) 509-8651	

EXHIBIT C-1

NYS FORM ST-123 FOR USE BY THE COMPANY

[See Attached Page]



New York State Department of Taxation and Finance

New York State Sales and Use Tax

**IDA Agent or Project Operator
Exempt Purchase Certificate****Effective for projects beginning on or after June 1, 2014****ST-123**

(7/14)

This certificate is not valid unless all entries have been completed.

Note: To be completed by the purchaser and given to the seller. Do not use this form to purchase motor fuel or diesel motor fuel exempt from tax. See Form FT-123, *IDA Agent or Project Operator Exempt Purchase Certificate for Fuel*.

Name of seller	Name of agent or project operator Hudson View Building #4 LLC		
Street address	Street address c/o National Resources, 485 West Putnam Avenue		
City, town, or village	State	ZIP code	
Greenwich	CT	06830	
Agent or project operator sales tax ID number (see instructions)			

Mark an **X** in one: ☐ Single-purchase certificate ☒ Blanket-purchase certificate (valid only for the project listed below)**To the seller:**

You must identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

Project information

I certify that I am a duly appointed agent or project operator of the named IDA and that I am purchasing the tangible personal property or services for use in the following IDA project and that such purchases qualify as exempt from sales and use taxes under my agreement with the IDA.

Name of IDA City of Yonkers Industrial Development Agency		
Name of project Hudson View Building #4 LLC Project		IDA project number (use OSC number) 5507-21-06A
Street address of project site 20 Wells Ave, 29 Wells Ave, 10 Woodworth Ave Suite 105 and 106*		* and any lands located in the City of Yonkers and occupied by license or easement during construction or improved by third parties for the benefit of the Project.
City, town, or village Yonkers	State NY	ZIP code 10701
Enter the date that you were appointed agent or project operator (mm/dd/yy) 12 / 29 / 21		Enter the date that agent or project operator status ends (mm/dd/yy) 12 / 31 / 22

Exempt purchases(Mark an **X** in boxes that apply)

- ☒ A. Tangible personal property or services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) used to complete the project, but not to operate the completed project
- ☐ B. Certain utility services (gas, propane in containers of 100 pounds or more, electricity, refrigeration, or steam) used to complete the project, but not to operate the completed project
- ☐ C. Motor vehicle or tangible personal property installed in a qualifying motor vehicle

Certification: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements and issue this exemption certificate with the knowledge that this document provides evidence that state and local sales or use taxes do not apply to a transaction or transactions for which I tendered this document and that willfully issuing this document with the intent to evade any such tax may constitute a felony or other crime under New York State Law, punishable by a substantial fine and a possible jail sentence. I understand that this document is required to be filed with, and delivered to, the vendor as agent for the Tax Department for the purposes of Tax Law section 1838 and is deemed a document required to be filed with the Tax Department for the purpose of prosecution of offenses. I also understand that the Tax Department is authorized to investigate the validity of tax exclusions or exemptions claimed and the accuracy of any information entered on this document.

Signature of purchaser or purchaser's representative (include title and relationship)	Date
Type or print the name, title, and relationship that appear in the signature box	

Instructions

To the purchaser

You may use Form ST-123 if you:

- have been appointed as an agent or project operator by an industrial development agency (IDA) and
- the purchases qualify for exemption from sales and use tax as described in the IDA contract.

You may use Form ST-123 as a single-purchase certificate or as a blanket certificate covering the first and subsequent purchases qualifying for the project listed.

Agent or project operator sales tax ID number — If you are registered with the Tax Department for sales tax purposes, you must enter your sales tax identification number on this certificate. If you are not required to be registered, enter **N/A**.

Industrial development agencies and authorities (IDAs) are public benefit corporations under General Municipal Law Article 18-A and the Public Authorities Law, for the purpose of promoting, developing, encouraging, and assisting in the acquisition, construction, reconstruction, improvement, maintenance, equipping, and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreational facilities in New York State.

IDAs are exempt from the payment of sales and use tax on their purchases, in accordance with Tax Law section 1116(a)(1). However, IDAs do not normally make direct purchases for projects. Commonly, IDAs instead appoint a business enterprise or developer, contractor, or subcontractor as its agent or project operator. Such purchases made by the agent or project operator, acting within the authority granted by the IDA, are deemed to be made by the IDA and therefore exempt from tax.

Example 1: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment necessary for completion of the project, as agent for the IDA. Contractor X rents a backhoe and a bulldozer for site preparation, purchases concrete and lumber to construct a building, and purchases machinery to be installed in the building. All these purchases by contractor X as agent of the IDA are exempt from tax.

Example 2: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment to be incorporated into the project, as agent for the IDA. Contractor X makes the same purchases as in Example 1. Since the concrete, lumber, and machinery will actually be incorporated into the project, contractor X may purchase these items exempt from tax. However, rental of the backhoe and bulldozer is not exempt since these transactions are normally taxable and the IDA agreement does not authorize contractor X to make such rentals as agent of the IDA.

A contractor or subcontractor not appointed as agent or project operator of an IDA must present suppliers with Form ST-120.1, *Contractor Exempt Purchase Certificate*, when making purchases that are ordinarily exempt from tax in accordance with Tax Law sections 1115(a)(15) and 1115(a)(16). For more information, see Form ST-120.1.

Exempt purchases

To qualify, the purchases must be made within the authority granted by the IDA and used to complete the project (not to operate the completed project).

- Mark box A to indicate you are purchasing tangible personal property and services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) exempt from tax.
- Mark box B to indicate you are purchasing certain consumer utility services used in completing the project exempt from tax. This includes gas, electricity, refrigeration, and steam; and gas, electric, refrigeration, and steam services.
- Mark box C to indicate you are purchasing a motor vehicle or tangible personal property related to a qualifying motor vehicle exempt from tax.

Misuse of this certificate

Misuse of this exemption certificate may subject you to serious civil and criminal sanctions in addition to the payment of any tax and interest due. These include:

- A penalty equal to 100% of the tax due;
- A \$50 penalty for each fraudulent exemption certificate issued;
- Criminal felony prosecution, punishable by a substantial fine and a possible jail sentence; and
- Revocation of your *Certificate of Authority*, if you are required to be registered as a vendor. See TSB-M-09(17)S, *Amendments that Encourage Compliance with the Tax Law and Enhance the Tax Department's Enforcement Ability*, for more information.

To the seller

When making purchases as agent or project operator of an IDA, the purchaser must provide you with this exemption certificate with all entries completed to establish the right to the exemption. You **must** identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

As a New York State registered vendor, you may accept an exemption certificate in lieu of collecting tax and be protected from liability for the tax if the certificate is valid. The certificate will be considered valid if it is:

- accepted in good faith;
- in your possession within 90 days of the transaction; and
- properly completed (all required entries were made).

An exemption certificate is accepted in good faith when you have no knowledge that the exemption certificate is false or is fraudulently given, and you exercise reasonable ordinary due care. If you do not receive a properly completed certificate within 90 days after the delivery of the property or service, you will share with the purchaser the burden of proving the sale was exempt.

You must also maintain a method of associating an invoice (or other source document) for an exempt sale with the exemption certificate you have on file from the purchaser. You must keep this certificate at least three years after the due date of your sales tax return to which it relates, or the date the return was filed, if later.

Privacy notification

New York State Law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our Web site, or, if you do not have Internet access, call and request Publication 54, *Privacy Notification*. See *Need help?* for the Web address and telephone number.

Need help?



Visit our Web site at **www.tax.ny.gov**

- get information and manage your taxes online
- check for new online services and features



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To order forms and publications: (518) 457-5431



Text Telephone (TTY) Hotline

(for persons with hearing and speech disabilities using a TTY): (518) 485-5082

NYS FORM ST-123 FOR USE BY SUBAGENTS OF COMPANY

[See Attached Page]

**IDA Agent or Project Operator
Exempt Purchase Certificate****Effective for projects beginning on or after June 1, 2014****ST-123**

(7/14)

This certificate is not valid unless all entries have been completed.

Note: To be completed by the purchaser and given to the seller. Do not use this form to purchase motor fuel or diesel motor fuel exempt from tax. See Form FT-123, *IDA Agent or Project Operator Exempt Purchase Certificate for Fuel*.

Name of seller	Name of agent or project operator
Street address	Street address
City, town, or village	City, town, or village
State	State
ZIP code	ZIP code
Agent or project operator sales tax ID number (see instructions)	

Mark an **X** in one: ☐ Single-purchase certificate ☒ Blanket-purchase certificate (valid only for the project listed below)**To the seller:**

You must identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

Project information

I certify that I am a duly appointed agent or project operator of the named IDA and that I am purchasing the tangible personal property or services for use in the following IDA project and that such purchases qualify as exempt from sales and use taxes under my agreement with the IDA.

Name of IDA		
City of Yonkers Industrial Development Agency		
Name of project	IDA project number (use OSC number)	
Hudson View Building #4 LLC Project	5507-21-06A	
Street address of project site		
20 Wells Ave, 29 Wells Ave, 10 Woodworth Ave Suite 105 and 106*		
* and any lands located in the City of Yonkers and occupied by license or easement during construction or improved by third parties for the benefit of the Project.		
City, town, or village	State	ZIP code
Yonkers	NY	10701
Enter the date that you were appointed agent or project operator (mm/dd/yy)	Enter the date that agent or project operator status ends (mm/dd/yy) 12 / 31 / 22	

Exempt purchases(Mark an **X** in boxes that apply)

- ☒ A. Tangible personal property or services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) used to complete the project, but not to operate the completed project
- ☐ B. Certain utility services (gas, propane in containers of 100 pounds or more, electricity, refrigeration, or steam) used to complete the project, but not to operate the completed project
- ☐ C. Motor vehicle or tangible personal property installed in a qualifying motor vehicle

Certification: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements and issue this exemption certificate with the knowledge that this document provides evidence that state and local sales or use taxes do not apply to a transaction or transactions for which I tendered this document and that willfully issuing this document with the intent to evade any such tax may constitute a felony or other crime under New York State Law, punishable by a substantial fine and a possible jail sentence. I understand that this document is required to be filed with, and delivered to, the vendor as agent for the Tax Department for the purposes of Tax Law section 1838 and is deemed a document required to be filed with the Tax Department for the purpose of prosecution of offenses. I also understand that the Tax Department is authorized to investigate the validity of tax exclusions or exemptions claimed and the accuracy of any information entered on this document.

Signature of purchaser or purchaser's representative (include title and relationship)	Date
Type or print the name, title, and relationship that appear in the signature box	

Instructions

To the purchaser

You may use Form ST-123 if you:

- have been appointed as an agent or project operator by an industrial development agency (IDA) and
- the purchases qualify for exemption from sales and use tax as described in the IDA contract.

You may use Form ST-123 as a single-purchase certificate or as a blanket certificate covering the first and subsequent purchases qualifying for the project listed.

Agent or project operator sales tax ID number — If you are registered with the Tax Department for sales tax purposes, you must enter your sales tax identification number on this certificate. If you are not required to be registered, enter **N/A**.

Industrial development agencies and authorities (IDAs) are public benefit corporations under General Municipal Law Article 18-A and the Public Authorities Law, for the purpose of promoting, developing, encouraging, and assisting in the acquisition, construction, reconstruction, improvement, maintenance, equipping, and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreational facilities in New York State.

IDAs are exempt from the payment of sales and use tax on their purchases, in accordance with Tax Law section 1116(a)(1). However, IDAs do not normally make direct purchases for projects. Commonly, IDAs instead appoint a business enterprise or developer, contractor, or subcontractor as its agent or project operator. Such purchases made by the agent or project operator, acting within the authority granted by the IDA, are deemed to be made by the IDA and therefore exempt from tax.

Example 1: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment necessary for completion of the project, as agent for the IDA. Contractor X rents a backhoe and a bulldozer for site preparation, purchases concrete and lumber to construct a building, and purchases machinery to be installed in the building. All these purchases by contractor X as agent of the IDA are exempt from tax.

Example 2: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment to be incorporated into the project, as agent for the IDA. Contractor X makes the same purchases as in Example 1. Since the concrete, lumber, and machinery will actually be incorporated into the project, contractor X may purchase these items exempt from tax. However, rental of the backhoe and bulldozer is not exempt since these transactions are normally taxable and the IDA agreement does not authorize contractor X to make such rentals as agent of the IDA.

A contractor or subcontractor not appointed as agent or project operator of an IDA must present suppliers with Form ST-120.1, *Contractor Exempt Purchase Certificate*, when making purchases that are ordinarily exempt from tax in accordance with Tax Law sections 1115(a)(15) and 1115(a)(16). For more information, see Form ST-120.1.

Exempt purchases

To qualify, the purchases must be made within the authority granted by the IDA and used to complete the project (not to operate the completed project).

- Mark box A to indicate you are purchasing tangible personal property and services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) exempt from tax.
- Mark box B to indicate you are purchasing certain consumer utility services used in completing the project exempt from tax. This includes gas, electricity, refrigeration, and steam; and gas, electric, refrigeration, and steam services.
- Mark box C to indicate you are purchasing a motor vehicle or tangible personal property related to a qualifying motor vehicle exempt from tax.

Misuse of this certificate

Misuse of this exemption certificate may subject you to serious civil and criminal sanctions in addition to the payment of any tax and interest due. These include:

- A penalty equal to 100% of the tax due;
- A \$50 penalty for each fraudulent exemption certificate issued;
- Criminal felony prosecution, punishable by a substantial fine and a possible jail sentence; and
- Revocation of your *Certificate of Authority*, if you are required to be registered as a vendor. See TSB-M-09(17)S, *Amendments that Encourage Compliance with the Tax Law and Enhance the Tax Department's Enforcement Ability*, for more information.

To the seller

When making purchases as agent or project operator of an IDA, the purchaser must provide you with this exemption certificate with all entries completed to establish the right to the exemption. You **must** identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

As a New York State registered vendor, you may accept an exemption certificate in lieu of collecting tax and be protected from liability for the tax if the certificate is valid. The certificate will be considered valid if it is:

- accepted in good faith;
- in your possession within 90 days of the transaction; and
- properly completed (all required entries were made).

An exemption certificate is accepted in good faith when you have no knowledge that the exemption certificate is false or is fraudulently given, and you exercise reasonable ordinary due care. If you do not receive a properly completed certificate within 90 days after the delivery of the property or service, you will share with the purchaser the burden of proving the sale was exempt.

You must also maintain a method of associating an invoice (or other source document) for an exempt sale with the exemption certificate you have on file from the purchaser. You must keep this certificate at least three years after the due date of your sales tax return to which it relates, or the date the return was filed, if later.

Privacy notification

New York State Law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our Web site, or, if you do not have Internet access, call and request Publication 54, *Privacy Notification*. See *Need help?* for the Web address and telephone number.

Need help?



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Text Telephone (TTY) Hotline

(for persons with hearing and speech disabilities using a TTY): (518) 485-5082

EXHIBIT C-3

INVOICE RIDER FORM

I, _____, the _____ of _____ certify that I am a duly appointed agent of the CITY OF YONKERS INDUSTRIAL DEVELOPMENT AGENCY (the “Agency”) and that I am purchasing the tangible personal property or services for use in the following Agency Project and that such purchases qualify as exempt from sales and use taxes under Project Agreement, dated as of December 1, 2021, by and between the Agency and HUDSON VIEW BUILDING #4 LLC.

Name of the Project:	Hudson View Building #4 LLC Project
Street address of the Project Site:	20, 29, 32, and 39 Wells Avenue; 33 Woodworth Avenue; 10 Woodworth Avenue, Suites 105 and 106, and any lands located in the City of Yonkers, New York, and occupied by license or easement during construction or improved by third parties for the benefit of the Project
IDA OSC project number:	5507-21-06A

EXHIBIT D

NYS FORM ST-340

[See Attached Page]



Department of Taxation and Finance

Annual Report of Sales and Use Tax Exemptions Claimed by Agent/Project Operator of Industrial Development Agency/Authority (IDA)

ST-340
(1/18)

For period ending December 31, _____ (enter year)

Project information

Name of IDA agent/project operator Hudson View Building #4 LLC		Employer identification number (EIN) 46-2465610	
Street address c/o Nat. Resources, 485 West Putnam Ave.		Telephone number ()	
City Greenwich,		State CT	ZIP code 06830
Name of IDA City of Yonkers Industrial Development Agency	Name of project Hudson View Building #4 LLC Project		IDA project number 5507-21-06A
Street address of project site 20 Wells Ave, 29 Wells Ave, 10 Woodworth Ave Suite 105 and 106*		* and any lands located in City of Yonkers and occupied by license or easement during construction or improved by third parties for the benefit of the Project	
City Yonkers		State NY	ZIP code 10701
Date project began 122921	Completion date of project 123122 Actual <input type="checkbox"/> Expected <input checked="" type="checkbox"/>		
Total sales and use tax exemptions (actual tax savings; not total purchases)			\$

Representative information (not required)

Authorized representative, if any	Title
Street address	Telephone number ()
City	State ZIP code

Certification

I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements with the knowledge that willfully providing false or fraudulent information with this document may constitute a felony or other crime under New York State Law, punishable by a substantial fine and possible jail sentence. I also understand that the Tax Department is authorized to investigate the validity of any information entered on this document.		
Print name of officer, employee, or authorized representative		Title of person signing
Signature		Date

If you do not annually file a complete report, **we may remove** your authority to act as an IDA agent/project operator.

Mail completed report to:

**NYS TAX DEPARTMENT
IDA UNIT
W A HARRIMAN CAMPUS
ALBANY NY 12227-0866**If not using U.S. Mail, see Publication 55, *Designated Private Delivery Services*.

Instructions

General information

Who must file

The General Municipal Law (GML) and the Public Authorities Law require the agent/project operator (also known as the *project occupant*) of an Industrial Development Agency or Authority (IDA) to file an annual report with the Tax Department. The agent/project operator required to file this report is the person **directly** appointed by the IDA to act for and to represent the IDA for the project. The agent/project operator is ordinarily the one for whom the IDA project was created.

There is usually only one agent/project operator directly appointed by the IDA for an IDA project. However, if the IDA directly appoints multiple agents/project operators, each agent/project operator must file this form (unless they are related corporations).

Only the agent/project operators directly appointed by the IDA must file Form ST-340. Contractors, subcontractors, consultants, or agents appointed by the agent/project operators should **not** themselves file Form ST-340. However, the agent/project operators must include on Form ST-340 information obtained from such contractors, subcontractors, consultants, and agents, as described below.

What you must report

The report must show the **total value** of all state and local **sales and use taxes exempted** during the calendar year, as a result of the project's designation as an IDA project. This includes:

- the value of the exemptions the agent/project operator (you) obtained; and
- the value of the exemptions obtained by your contractors, subcontractors, consultants, and others, whether or not appointed as agents of the IDA.

Include only the **total combined** exemptions obtained by the above people. A breakdown of the total is not required. However, since the report must include the value of the exemptions they obtained, you must keep records of the amounts others report to you.

You must make it clear to the contractors, subcontractors, consultants, and others that they must keep accurate tax information and have it available, so that you can comply with the annual reporting requirements.

Do not include on this report the amount of any sales and use tax exemptions from other provisions of the Tax Law (for example, manufacturer's production equipment exemption, research and development exemption, or contractor's exemption for tangible personal property incorporated into a project of an exempt organization).

When the report is due

You must file Form ST-340 on a calendar-year basis. It is due by the last day of February of the following year. The reporting requirement applies to IDA projects started on or after July 21, 1993.

Project information

At the top of the form, identify the reporting period by entering the year in the space provided. If an address is required, always include the ZIP code.

Name of IDA agent/project operator: Enter your name, address, employer identification number (EIN), and telephone number.

Name of IDA and IDA project number: Enter the name and address of the IDA. If more than one IDA is involved in a particular project, you must file a separate report for the tax exemptions attributable to each IDA. Also enter the ID project number.

Name of project: Enter the name of the project and the address of the project site. If you are involved in more than one project, you

must file a separate report for each project, even if authorized by the same IDA.

Date project began: Enter the date the project started (this means the earliest of the date of any bond or inducement resolution, the execution of any lease, or any bond issuance). Include month, day, and year.

Completion date of project: Enter the date installation, lease, or rental of property (for example, machinery or computers) on the project ended, or the date the project is expected to be completed. Mark an **X** in the appropriate box to indicate if the date entered is actual or expected.

Total sales and use tax exemptions: Enter the total amount of New York State and local sales and use taxes exempted during the reporting period as a result of the project's receipt of IDA financial assistance (*if none, enter 0*). This includes exemptions obtained at the time of purchase, as well as through a refund or credit of tax paid. Include the sales and use taxes exempted on purchases of property or services incorporated into or used on the exempt project. This includes the taxes exempted on purchases made by or on behalf of the agent/project operator, the general contractor for the project, and any subcontractors, consultants, or others. Do **not** enter total purchases.

Representative information

If applicable, enter the name, address, title (for example, attorney or accountant), and telephone number of the individual you authorize to submit this report. This section is not required.

Certification

Enter the name and title of the person signing on your behalf (for example, the IDA agent/project operator's officer, employee, or other authorized representative). Your officer, employee, or authorized representative must sign and date the report.

Mail completed report to:

**NYS TAX DEPARTMENT
IDA UNIT
W A HARRIMAN CAMPUS
ALBANY NY 12227-0866**

If not using U.S. Mail, see Publication 55, *Designated Private Delivery Services*.

Need help?



Visit our website at **www.tax.ny.gov**

- get information and manage your taxes online
- check for new online services and features

Telephone assistance

Sales Tax Information Center: 518-485-2889

To order forms and publications: 518-457-5431

Text Telephone (TTY) or TDD: Dial 7-1-1 for the New York Relay Service

Privacy notification

New York State Law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request for personal information, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our website, or, if you do not have Internet access, call and request Publication 54, *Privacy Notification*. See *Need help?* for the Web address and telephone number.

EXHIBIT E

**FORM OF ANNUAL EMPLOYMENT AND
FINANCIAL ASSISTANCE CERTIFICATION LETTER**

Company name and address: HUDSON VIEW BUILDING #4 LLC
c/o National Resources
485 West Putnam Avenue
Greenwich, Connecticut 06830

Project Name: **HUDSON VIEW BUILDING #4 LLC PROJECT**

Job Information

Current number of full-time equivalent employees ("FTE") retained at the project location, including FTE contractors or employees of independent contractors that work at the project location, by job category:

Category	FTE	Average Salary and Fringe Benefits or Ranges
Management		
Professional		
Administrative	_____	_____
Production		
Other		

Current number of full-time equivalent employees ("FTE") created at the project location, including FTE contractors or employees of independent contractors that work at the project location, by job category:

Category	FTE	Average Salary and Fringe Benefits or Ranges
Management		
Professional		
Administrative		
Production		
Other		

A copy of the NYS 45 form for the project location is required to be submitted with this report. If the NYS 45 form is not available for the specific project location or the form does not accurately reflect the full time jobs created, an internal payroll report verifying the total jobs by employment category as outlined above at the location is required with this submission.

Financing Information

Has the Agency provided project financing assistance (generally through issuance of a bond or note)

Yes No

If financing assistance was provided, please provide:

- Original principal balance of bond or note issued \$ _____

- Outstanding principal balance of such bond or note
as of December 31 \$ _____

- Outstanding principal balance of such bond or note
as of December 31 \$ _____

Final maturity date of the bond or note

Sales Tax Abatement Information

Did your Company or any appointed subagents receive Sales Tax Abatement for your Project During the prior year?

Yes No

If so, please provide the amount of sales tax savings received by the Company and all appointed subagents \$ _____

(Attach copies of all ST-340 sales tax reports that were submitted to New York State by the Company and all subagents for the reporting period. Please also attached all ST-60's filed for subagents for the reporting period)

Mortgage Recording Tax Information

Did your company receive Mortgage Tax Abatement on your Project during the prior year?

Yes No

(note this would only be applicable to the year that a mortgage was placed upon the Project, so if the Agency did not close a mortgage with you during the reporting period, the answer should be no)

The amount of the mortgage recording tax that was exempted during the reporting period: \$ _____

PILOT INFORMATION:

County Real Property Tax without PILOT \$ _____
City Property Tax without PILOT \$ _____
School Property Tax without PILOT \$ _____
TOTAL PROPERTY TAXES WITHOUT PILOT \$ _____

Total TAX Payments made for reporting period: \$ _____

Whether paid separately or lump sum to Agency for distribution, please provide break down of allocation of TAX Payment to individual taxing jurisdictions:

County PILOT \$ _____

City PILOT \$ _____

School PILOT \$ _____

TOTAL PILOTS \$ _____

Net Exemptions \$ _____

(subtract Total PILOTS from TOTAL property taxes without PILOT)

I certify that to the best of my knowledge and belief all of the information on this form is correct. I further certify that the salary and fringe benefit averages or ranges for the categories of jobs retained and the jobs created that was provided in the Application for Financial Assistance is still accurate and if not, I hereby attach a revised list of salary and fringe benefit averages or ranges for categories of jobs retained and jobs created. I also understand that failure to report completely and accurately may result in enforcement of provisions of my agreement, including but not limited to avoidance of the agreement and potential claw back of benefits.

Signed: _____

Name: _____

Title: _____
(authorized Company representative)

Date: _____

EXHIBIT F

[Reserved]

EXHIBIT G-1

NYS FORM FT-123 (FUEL) FOR USE BY THE COMPANY

[Attached]



IDA Agent or Project Operator Exempt Purchase Certificate for Fuel

This certificate is not valid unless all entries have been completed.

To be completed by the purchaser and given to the seller.

Name of seller	Name of agent or project operator Hudson View Building #4 LLC		
Street address	Street address c/o National Resources, 485 West Putnam Avenue		
City, town, or village	State	ZIP code	
Greenwich	CT	06830	
Agent or project operator sales tax ID number (see instructions)			

Mark an **X** in one: ☐ Single-purchase certificate ☒ Blanket-purchase certificate (valid only for the project listed below)

To the seller:

You must identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

Project information

I certify that I am a duly appointed agent or project operator of the named IDA and that I am purchasing the fuel for use in the following IDA project and that such purchases qualify as exempt from excise taxes and sales and use taxes under my agreement with the IDA.

Name of IDA City of Yonkers Industrial Development Agency		
Name of project Hudson View Building #4 LLC Project	IDA project number (use OSC number) 5507-21-06A	
Street address of project site 20 Wells Ave, 29 Wells Ave, 10 Woodworth Ave Suite 105 and 106**		
**and any lands located in City of Yonkers and occupied by license or easement during construction or improved by third parties for the benefit of the Project		
City, town, or village Yonkers	State NY	ZIP code 10701
Enter the date that you were appointed agent or project operator (mm/dd/yy) 12 / 29 / 21	Enter the date that agent or project operator status ends (mm/dd/yy) 12 / 31 / 22	

Exempt purchases – Only fuel or residual petroleum product used to **complete** the project may be purchased by IDA agents or project operators exempt from the fuel excise tax, petroleum business tax, and sales and use tax. Fuel or residual petroleum product used to **operate** a business after the project is completed does not qualify for this exemption (see instructions).

Mark an **X** in boxes that apply:

- | | |
|---|---|
| <input type="checkbox"/> A. Motor fuel | <input type="checkbox"/> C. Non-highway diesel motor fuel |
| <input type="checkbox"/> B. Highway diesel motor fuel | <input type="checkbox"/> D. Residual petroleum product |

Certification: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements and issue this exemption certificate with the knowledge that this document provides evidence that excise taxes and state and local sales or use taxes do not apply to a transaction or transactions for which I tendered this document and that willfully issuing this document with the intent to evade any such tax may constitute a felony or other crime under New York State Law, punishable by a substantial fine and a possible jail sentence. I understand that this document is required to be filed with, and delivered to, the vendor as agent for the Tax Department for the purposes of Tax Law section 1838 and is deemed a document required to be filed with the Tax Department for the purpose of prosecution of offenses. I also understand that the Tax Department is authorized to investigate the validity of tax exclusions or exemptions claimed and the accuracy of any information entered on this document.

Signature of purchaser or purchaser's representative (include title and relationship)	Date
Type or print the name, title, and relationship that appear in the signature box	

Instructions

To the purchaser

You may use Form FT-123 if you:

- have been appointed as an agent or project operator by an industrial development agency (IDA) and
- the purchases qualify for exemption from excise taxes and sales and use tax as described in the IDA contract.

You may use Form FT-123 as a single-purchase certificate or as a blanket certificate covering the first and subsequent purchases qualifying for the project listed.

Agent or project operator sales tax ID number – If you are registered with the Tax Department for sales tax purposes, you must enter your sales tax identification number on this certificate. If you are not required to be registered, enter **N/A**.

Industrial development agencies and authorities (IDAs) are public benefit corporations under General Municipal Law Article 18-A and the Public Authorities Law, for the purpose of promoting, developing, encouraging, and assisting in the acquisition, construction, reconstruction, improvement, maintenance, equipping, and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreational facilities in New York State.

IDAs are exempt from the payment of sales and use tax on their purchases. However, IDAs do not normally make direct purchases for projects. Commonly, an IDA instead appoints a business enterprise or developer, contractor, or subcontractor as its agent or project operator. Such purchases made by the agent or project operator, acting within the authority granted by the IDA, are deemed to be made by the IDA and therefore exempt from tax. Purchases made by an agent or project operator to operate a business after the project is completed are subject to tax.

Example: *An IDA agreement with its agent, Contractor X, states that Contractor X may make all purchases of materials and equipment necessary for completion of the project as agent for the IDA.*

Contractor X purchases non-highway diesel motor fuel for use in construction equipment that will be used to prepare the site for construction. Since the fuel is being used to complete the project, Contractor X may purchase the fuel exempt from taxes.

When the project is completed, Contractor X purchases motor fuel and highway diesel motor fuel for use in snowplows and other maintenance vehicles used to maintain the parking lots for the business. Contractor X may not purchase this fuel exempt from tax because it is being used to operate, not to complete, the project.

Exempt purchases

To qualify for exemption, the purchases must be made within the authority granted by the IDA and used to **complete** the project, but not to **operate** the completed project.

Box A – Motor fuel is gasoline, benzol, reformulated blend stock for oxygenate blending, conventional blend stock for oxygenate blending, E85, fuel grade ethanol that meets the ASTM International active standards specification D4806 or D4814, or other product which is suitable for use in the operation of a motor vehicle engine. If you are purchasing motor fuel exempt from tax, mark this box.

Box B – Highway diesel motor fuel is any diesel motor fuel that is **not** non-highway diesel motor fuel. If you are purchasing highway diesel motor fuel exempt from tax, mark this box.

Box C – Non-highway diesel motor fuel is any diesel motor fuel designated for use other than on a public highway, and is dyed diesel motor fuel. If you are purchasing non-highway diesel motor fuel exempt from tax, mark this box.

Diesel motor fuel is No. 1 diesel fuel, No. 2 diesel fuel, biodiesel, kerosene, fuel oil, or other middle distillate, and also motor fuel suitable for operating a diesel engine. Diesel motor fuel does not include any product specifically designated "No. 4 diesel fuel."

Box D – Residual petroleum product means the topped crude of refinery operations, including No. 5 fuel oil, No. 6 fuel oil, bunker C, and the special grade of diesel product designated as No. 4 diesel fuel, that is not suitable for use in the operation of a motor vehicle engine. If you are purchasing residual petroleum product exempt from tax, mark this box.

Misuse of this certificate

Misuse of this exemption certificate may subject you to serious civil and criminal sanctions in addition to the payment of any tax and interest due. These include:

- A penalty equal to 100% of the tax due;
- A \$50 penalty for each fraudulent exemption certificate issued;
- Criminal felony prosecution, punishable by a substantial fine and a possible jail sentence; and
- Revocation of your *Certificate of Authority*, if you are required to be registered as a vendor. See TSB-M-09(17)S, *Amendments that Encourage Compliance with the Tax Law and Enhance the Tax Department's Enforcement Ability*, for more information.

To the seller

When making purchases as agent or project operator of an IDA, the purchaser must provide you with this exemption certificate with all entries completed to establish the right to the exemption. You **must** identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

As a New York State registered vendor, you may accept an exemption certificate in lieu of collecting tax and be protected from liability for the tax if the certificate is valid. The certificate will be considered valid if it is:

- accepted in good faith;
- in your possession within 90 days of the transaction; and
- properly completed (all required entries were made).

An exemption certificate is accepted in good faith when you have no knowledge that the exemption certificate is false or is fraudulently given, and you exercise reasonable ordinary due care. If you do not receive a properly completed certificate within 90 days after the delivery of the property or service, you will share with the purchaser the burden of proving the sale was exempt.

You must also maintain a method of associating an invoice (or other source document) for an exempt sale with the exemption certificate you have on file from the purchaser. You must keep this certificate at least three years after the due date of your sales tax return to which it relates, or the date the return was filed, if later.

Privacy notification

New York State Law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our Web site, or, if you do not have Internet access, call and request Publication 54, *Privacy Notification*. See *Need help?* for the Web address and telephone number.

Need help?



Visit our Web site at **www.tax.ny.gov**

- get information and manage your taxes online
- check for new online services and features



Sales Tax Information Center: (518) 485-2889

To order forms and publications: (518) 457-5431



Text Telephone (TTY) Hotline

(for persons with hearing and speech disabilities using a TTY): (518) 485-5082

NYS FORM FT-123 (FUEL) FOR USE BY SUBAGENTS OF THE COMPANY

[Attached]



New York State Department of Taxation and Finance

New York State Taxes on Fuel (Articles 12-A, 13-A, 28, and 29)

IDA Agent or Project Operator Exempt Purchase Certificate for Fuel

FT-123

(10/14)

This certificate is not valid unless all entries have been completed.

To be completed by the purchaser and given to the seller.

Name of seller	Name of agent or project operator
Street address	Street address
City, town, or village State ZIP code	City, town, or village State ZIP code
Agent or project operator sales tax ID number (see instructions)	

Mark an **X** in one: ☐ Single-purchase certificate ☒ Blanket-purchase certificate (valid only for the project listed below)

To the seller:

You must identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

Project information

I certify that I am a duly appointed agent or project operator of the named IDA and that I am purchasing the fuel for use in the following IDA project and that such purchases qualify as exempt from excise taxes and sales and use taxes under my agreement with the IDA.

Name of IDA		
City of Yonkers Industrial Development Agency		
Name of project	IDA project number (use OSC number)	
Hudson View Building #4 LLC Project	5507-21-06A	
Street address of project site		
20 Wells Ave, 29 Wells Ave, 10 Woodworth Ave Suite 105 and 106**		
City, town, or village State ZIP code		
Yonkers	NY	10701
Enter the date that you were appointed agent or project operator (mm/dd/yy)	Enter the date that agent or project operator status ends (mm/dd/yy)	
/ /	12 / 31 / 22	

Exempt purchases – Only fuel or residual petroleum product used to **complete** the project may be purchased by IDA agents or project operators exempt from the fuel excise tax, petroleum business tax, and sales and use tax. Fuel or residual petroleum product used to **operate** a business after the project is completed does not qualify for this exemption (see instructions).

Mark an **X** in boxes that apply:

- ☐ A. Motor fuel ☐ C. Non-highway diesel motor fuel
- ☐ B. Highway diesel motor fuel ☐ D. Residual petroleum product

Certification: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements and issue this exemption certificate with the knowledge that this document provides evidence that excise taxes and state and local sales or use taxes do not apply to a transaction or transactions for which I tendered this document and that willfully issuing this document with the intent to evade any such tax may constitute a felony or other crime under New York State Law, punishable by a substantial fine and a possible jail sentence. I understand that this document is required to be filed with, and delivered to, the vendor as agent for the Tax Department for the purposes of Tax Law section 1838 and is deemed a document required to be filed with the Tax Department for the purpose of prosecution of offenses. I also understand that the Tax Department is authorized to investigate the validity of tax exclusions or exemptions claimed and the accuracy of any information entered on this document.

Signature of purchaser or purchaser's representative (include title and relationship)	Date
Type or print the name, title, and relationship that appear in the signature box	

Instructions

To the purchaser

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- have been appointed as an agent or project operator by an industrial development agency (IDA) and
- the purchases qualify for exemption from excise taxes and sales and use tax as described in the IDA contract.

You may use Form FT-123 as a single-purchase certificate or as a blanket certificate covering the first and subsequent purchases qualifying for the project listed.

Agent or project operator sales tax ID number – If you are registered with the Tax Department for sales tax purposes, you must enter your sales tax identification number on this certificate. If you are not required to be registered, enter **N/A**.

Industrial development agencies and authorities (IDAs) are public benefit corporations under General Municipal Law Article 18-A and the Public Authorities Law, for the purpose of promoting, developing, encouraging, and assisting in the acquisition, construction, reconstruction, improvement, maintenance, equipping, and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreational facilities in New York State.

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Exempt purchases

To qualify for exemption, the purchases must be made within the authority granted by the IDA and used to **complete** the project, but not to **operate** the completed project.

Box A – Motor fuel is gasoline, benzol, reformulated blend stock for oxygenate blending, conventional blend stock for oxygenate blending, E85, fuel grade ethanol that meets the ASTM International active standards specification D4806 or D4814, or other product which is suitable for use in the operation of a motor vehicle engine. If you are purchasing motor fuel exempt from tax, mark this box.

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- accepted in good faith;
- in your possession within 90 days of the transaction; and
- properly completed (all required entries were made).

An exemption certificate is accepted in good faith when you have no knowledge that the exemption certificate is false or is fraudulently given, and you exercise reasonable ordinary due care. If you do not receive a properly completed certificate within 90 days after the delivery of the property or service, you will share with the purchaser the burden of proving the sale was exempt.

You must also maintain a method of associating an invoice (or other source document) for an exempt sale with the exemption certificate you have on file from the purchaser. You must keep this certificate at least three years after the due date of your sales tax return to which it relates, or the date the return was filed, if later.

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Need help?



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- get information and manage your taxes online
- check for new online services and features



Sales Tax Information Center: (518) 485-2889

To order forms and publications: (518) 457-5431



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(for persons with hearing and speech disabilities using a TTY): (518) 485-5082