

TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

and

ISLAND INTERNATIONAL EXTERIOR FABRICATORS LLC

(CAL 81 REALTY LLC)

(400 BURMAN BOULEVARD LLC)

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PROJECT AGREEMENT

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Dated as of February 27, 2019

## PROJECT AGREEMENT

THIS PROJECT AGREEMENT, dated as of February 27, 2019, is by and between the TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation and an industrial development agency of the State of New York (the "State") duly organized and existing under the laws of the State, having its office at the Town of Riverhead Town Hall, 200 Howell Avenue, Riverhead, New York 11901 (the "Agency"), and ISLAND INTERNATIONAL EXTERIOR FABRICATORS LLC, a limited liability company qualified to do business in the State of New York, maintaining an office at 1101 Scott Avenue, Calverton, New York 11933 (the "Company") and CAL 81 REALTY LLC, a limited liability company qualified to do business in the State of New York, maintaining an office at 1101 Scott Avenue,, Calverton, New York 11933 ("Cal 81") and 400 BURMAN BOULEVARD LLC, a limited liability company qualified to do business in the State of New York, maintaining an office at 400 Burman Boulevard, Calverton, NY 11933 ("400 Burman")(collectively referred to herein as the "Applicant").

### WITNESSETH:

WHEREAS, Title 1 of Article 18-A, as amended, of the General Municipal Law of the State (the "Enabling Act") has been duly enacted into law as Chapter 1030 of the Laws of 1969 of the State; and

WHEREAS, the Enabling Act authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, improve, maintain, equip and lease or sell land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery, equipment and other facilities deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, civic, commercial or industrial purposes, in order to advance the job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to enter into an agreement which includes provisions such as those contained herein (this agreement being hereinafter referred to as the "Project Agreement"); and

WHEREAS, pursuant to and in accordance with the provisions of the Enabling Act, the Agency was created for the benefit of the Town of Riverhead, Suffolk County, New York (the "Town") and the inhabitants thereof by Chapter 624 of the Laws of 1980 (together with the Enabling Act, the "Act").

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:

By proceedings previously held, the Agency Induced Cal 81 to acquire, construct and equip facilities at 1101 Scott Avenue, Calverton, New York (SCTM No. 0600-135.010-1.00-2.00) which required Agency jurisdiction, supervision and control of the real property and manufacturing facilities located therein as set forth in the following duly executed and delivered closing documents:

- Sale Agreement by and between the Agency and Cal 81 dated as of December 1, 2001 recorded with the Clerk of Suffolk County 1/23/02 Liber 12164 Page 900;
- Payment in Lieu of Tax Agreement dated 12/1/01 recorded with the Clerk of Suffolk County 1/23/02 Liber 12164 Page 899;
- Indenture of Trust by and between the Agency and The Bank of New York, as Trustee dated as of December 1, 2006 recorded with the Clerk of Suffolk County 7/7/07 Liber 12508 Page 596;
- Deed dated 12/18/07 by Cal 81 Realty LLC to Town of Riverhead Industrial Development Agency recorded 1/28/08 Liber 12538 Page 703;
- Agency Revenue Bond \$1,500,000 bearing maturity February 1, 2022;
- Pledge and Assignment Agency to The Bank of New York with Acknowledgement thereof by Cal 81 dated as of December 1, 2006;
- Guaranty
- Amended and Restated Payment In Lieu of Tax Agreement between the Agency and Cal 81 dated as of December 1, 2006;
- Bond Purchase Agreement between and among the Agency, GE Capital Public Finance, Inc and Cal 81 dated as of December 1, 2006;
- Amended and Restated Lease Agreement Cal 81, Lessor and Island International, Lessee dated as of December 1, 2006;
- Tax Compliance Agreement by and between the Agency, Cal 81 and Island International dated as of December 1, 2006;
- Memorandum of Installment Sale Agreement commencing December 19, 2006, and terminating January 1, 2022 by the Agency and Cal 81 dated 12/1/06, Recorded with the Clerk of Suffolk County at Liber 12508 page 596 on date 6/7/07
- Memorandum of Restated Lease Agreement by Cal 81, Lessor and Island International, Lessee dated as of December 1, 2006, Recorded with the Clerk of Suffolk County at Liber 12508, page 594 on date 6/7/07; and
- All Other Ancillary Documents in Binders 1 of 2 and 2 of 2 prepared by Fulbright Jaworski LLP.

By proceedings previously held, the Agency Induced 400 Burman to acquire, construct and equip facilities as 400 Burman Boulevard, Calverton, NY (SCTM 0600-135.02-01.00-24.00) which required Agency jurisdiction, supervision and control of the real property and manufacturing facilities located therein as set forth in the following duly executed and delivered closing documents:

- Ground Lease by 400 Burman, Lessor and the Agency, Lessee dated as of November 8, 2013;
- Lease Agreement by the Agency, Lessor and 400 Burman, Lessee dated as of November 8, 2013;
- Payment In Lieu of Tax Agreement by and between the Agency and 400 Burman dated as of November 8, 2013 recorded with the Clerk of Suffolk County 12/7/13 Liber 12755 Page 515;
- Guaranty of Timothy W. Stevens, Guarantor to the Agency dated as of November 8, 2013;
- Mortgage and Security Agreement made by 400 Burman, Mortgagor to Community National Bank, Mortgagee dated as of November 8, 2013 in the principal sum of \$3,250,000.;
- Memorandum of Ground Lease by 400 Burman, Lessor and the Agency, Lessee Recorded with the Clerk of Suffolk County at Liber 12755, Page 515 date 12/7/13;
- Memorandum of Lease by the Agency Lessor and 400 Burman, Lessee Recorded with the Clerk of Suffolk County at Liber 12755, page 516 date 12/7/13; and
- All other documents relating to the closing for the provision of financial assistance to 400 Burman at closing held on or about November 19, 2013.

The Company and Cal 81 have entered into the Payment in Lieu of Tax Agreement simultaneously with this Project Agreement on February 27, 2019. Therein, the Company, Cal 81 and the Agency mutually represent and agree that the Surviving and Continuing Documents listed above relative to the real property described in the attached Exhibit 1 are valid and existing and of full force and effect and that thereby Agency has acquired the property and that the property is under Agency jurisdiction, control and supervision.

The Company and 400 Burman have entered into the Amended and Restated PILOT Agreement simultaneously with this Project Agreement on February 27, 2019. Therein, the Company, 400 Burman and the Agency mutually represent and agree that the Surviving and Continuing Documents listed above relative to the real property described in the attached Exhibit 2 are valid and existing and of full force and effect and that thereby Agency has acquired the property and that the property is under Agency jurisdiction, control and supervision.

The Cal 81 PILOT may, in any given tax year, result in a CREDIT against the PILOT payment owed under 400 Burman PILOT, in such tax year, as specifically set forth in the Cal 81 PILOT and 400 Burman PILOT.

The purpose and the nature of the Project shall be that as set forth in Agency Resolution 15-19 dated February 22, 2019 (the "Resolution") attached hereto as Exhibit 3 which is incorporated herein as if fully set forth.

The Resolution has conferred on the Company in connection with the Project certain benefits, exemptions and other financial assistance consisting of: (i) the provision of an exemption from Mortgage Recording Taxes, (ii) the provision of an exemption from Sales and

Compensating Use Taxes on certain property, including tangible personal property, and (iii) a partial abatement of real property taxes.

It has been estimated and confirmed by the Company as included within its Application for Financial Assistance that the purchase of goods and services relating to the Project and subject to New York State and local sales and use taxes are estimated in an amount up to \$3,942,209, and, therefore, the value of the sales and use tax exemption benefits authorized and approved by the Agency cannot exceed \$129,375, (ii) that the mortgage recording tax exemption is estimated in the amount of \$56,250 and (iii) that real property tax abatement benefits to be provided to the Company over the 15-year benefit period of the Payment-in-lieu-of tax agreement dated as of February 27, 2019 and the Amended and Restated Payment in Lieu of Tax Agreement dated as of February 27, 2019 are estimated to be approximately \$3,776,516.

In order to define the obligations of the Company regarding payments in lieu of taxes for the Facility, the Agency and the Company have simultaneously entered into an Amended and Restated Payment in Lieu of Tax Agreement, dated as of February 27, 2019 (the "Amended and Restated PILOT Agreement") regarding the 400 Burman property (property description attached as Exhibit 2), by and between the Agency and the Company.

In order to define the obligations of the Company regarding its ability to utilize the Agency's sales and use tax exemption benefit as agent of the Agency to acquire, construct, renovate and equip the Facility and to undertake the Project, the Agency and the Company have simultaneously entered into this Project Agreement, dated as of February 27, 2019 by and between the Agency and the Company.

This Agreement sets forth the terms and conditions under which Financial Assistance shall be provided to the Company. Any conflict between the requirements and obligations of this Project Agreement and the PILOT Agreement and the Amended and Restated PILOT Agreement is to be interpreted to give full effect to this Project Agreement.

The Financial Assistance provided by the Resolution to the Company shall be effective as of February 27, 2019.

Section 1. Termination, Modification and/or Recapture of Agency Financial Assistance.

It is understood and agreed by the Parties hereto that the Agency is entering into the extension of the Installment Sale Agreement through 2034 and the PILOT Agreement for the property described in Exhibit 1, and the extension of the Ground Lease and Lease through 2039, and the Amended and Restated PILOT Agreement for the property described in Exhibit 2, the Sales Tax Authorization Letter and the Project Agreement in order to provide Financial Assistance to the Company to accomplish the public purposes of the Act. The Company hereby makes the following representations and covenants in order to induce the Agency to proceed:

(a) In accordance with Section 875(3) of the New York General Municipal Law, the policies of the Agency, and the Resolutions, the Company covenants and agrees that it may be subject to a Recapture Event (as hereinafter defined) resulting in the potential recapture of any

and all Financial Assistance, as described below, if the Company receives, or its Subagents receives any Financial Assistance from the Agency, and it is determined by the Agency that:

(1) the Company shall employ less than 213 FTE manufacturing employees within the Enterprise Park at Calverton ("EPCAL") for fifteen (15) years. Through the Lease of approximately 68,000 square feet at 347 Burman Boulevard, this employment shall be increased in the first year by 47 FTE manufacturing employees and 33 FTE manufacturing employees in the second year for a total employment at the EPCAL for years 3 through 15 of 293 FTE manufacturing employees; or

(2) the Company or its Subagents, if any, authorized to make purchases for the benefit of the Project is not entitled to the sales and use tax exemption benefits; or

(3) the sales and use tax exemption benefits are in excess of the amounts authorized by the Agency to be taken by the Company or its Subagents, if any; or

(4) the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; or

(5) 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

(6) Local Labor Commitment - that the Company shall fail to adhere to and undertake or has failed to undertake construction activities in compliance with the Agency's Local Labor Workforce Policy on an annual reporting basis during the construction period; and

(7) Project Assessment Reporting Commitment – that the Company has failed to provide, annually, to the Agency, certain information to confirm that the Project is achieving the investment, job retention, job creation, and other objectives of the Project. In order to accomplish the foregoing, the Company shall provide annually, to the Agency, a certified statement and documentation: i) enumerating the full time equivalent 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, and (ii) indicating that the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created in form as supplied by the Agency and as may be amended from time to time by the Agency; and

(8) The Company shall have liquidated its operations and/or assets or shall have ceased all or substantially all of its operations at the Project at the Enterprise Park at Calverton;

(9) The Company shall have leased all or any portion of the Project without the prior written consent of the Agency;

(10) The Company shall have effected substantial changes in the scope and nature of the Company's operations at the Project;

(11) The Company shall have transferred all or substantially all of its employees to a location outside of the Town; or

(12) The Company shall have sold, leased, transferred or otherwise disposed of all or substantially all of its interest in the Project.

(13) The submission of any knowingly materially false or knowingly materially misleading information in the Application or proceedings held by the Agency on the Application. This is a continuing obligation of the Company.

(14) Failure to comply with the requirements of General Municipal Law Section 875.

Notwithstanding the foregoing, a Recapture Event shall not be deemed to have occurred if the Recapture Event shall have arisen as a direct immediate result of (i) a taking or condemnation by governmental authority of all or substantially all of the Project, (ii) the inability at law of the Company to rebuild, repair, restore or replace the Project after the damage or destruction of the project, in whole or in part, to substantially its condition prior to such event, which inability shall have arisen in good faith through no fault on the part of the Company, or (iii) a matter to which the Agency shall have given its express prior written consent.

#### Section 2. Recapture of Agency Benefits.

It is understood and agreed by the parties to this Project Agreement that if there shall occur a Recapture Event as defined above the Company shall pay to the Agency as a return of public benefits conferred by the Agency all benefits as set forth below with reasonable costs of collection including reasonable attorney's fees.

The term "Benefits" shall mean, collectively, all Financial Assistance realized by the Company including, but not limited to, exemption from real property tax, mortgage recording tax, transfer tax, sales or use tax, and filing and recording fees.

If the Agency declares a Recapture Event, the Company agrees and covenants that it will (i) cooperate with the Agency in its efforts to recover or recapture any or all Financial Assistance obtained by the Company and (ii) promptly pay over any or all such amounts to the Agency that the Agency demands in connection therewith. Upon receipt of such amounts, the Agency shall then redistribute such amounts to the appropriate affected tax jurisdiction(s). The Company further understands and agrees that in the event that the Company fails to pay over such amounts to the Agency, the New York State Tax Commissioner may assess and determine the New York State and local sales and use tax due from the Company, together with any relevant penalties and interest due on such amounts.

In the event any payment owing by the Company due to a determination of a Recapture Event shall not be paid on demand by the Company, such payment shall bear interest from the date of such demand at the rate of nine percent (9%) per annum until the Company shall have paid such payment in full, together with such accrued interest to the date of payment, to the Agency.

In the event of a conflict between the Recapture of Agency Benefits provided herein and the General Municipal Law Section 875, Section 875 shall control.

The Company acknowledges and understands that a Recapture Event made in accordance with this Project Agreement will, in addition, immediately result in the loss and forfeiture of the Company's right and ability to obtain any and all future Financial Assistance with respect to the Project.

Section 3.     Sales Tax

The "Sales Tax Agent Authorization Letter" is attached hereto as Exhibit 4. All notices, filings and requirements of the letter shall be promptly performed by the Company.

Section 4.     Survival.

All warranties, representations, and covenants made by the Company herein shall be deemed to have been relied upon by the Agency and shall survive the delivery of this Agreement to the Agency regardless of any investigation made by the Agency.

Section 5.     Notices.

All notices, certificates and other communications under this Agreement shall be in writing and shall be deemed given when delivered personally or when sent by certified mail, postage prepaid, return receipt requested, or by Federal Express, addressed as follows or to such other address as any party may specify in writing to the other:

To the Company:

Island International Exterior Fabricators LLC  
1101 Scott Avenue  
Calverton, NY 11933  
Attn: Timothy W. Stevens

To Cal 81:

Cal 81 Realty LLC  
1101 Scott Avenue  
Calverton, NY 11933  
Attn.: Timothy W. Stevens

To 400 Burman:

400 Burman Boulevard LLC  
1101 Scott Avenue  
Calverton, NY 11933  
Attn.: Timothy W. Stevens



To the Guarantor:

Timothy W. Stevens  
1101 Scott Avenue  
Calverton, NY 11933

To the Agency:

Town of Riverhead Industrial Development Agency  
Town of Riverhead Town Hall  
200 Howell Avenue  
Riverhead, NY 11901  
Attention: Executive Director

Section 6. Amendments.

No amendment, change, modification, alteration or termination of this Agreement shall be made except in writing upon the written consent of the Company and the Agency.

Section 7. Severability.

The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections in this Agreement or the application thereof shall not affect the validity or enforceability of the remaining portions of this Agreement or any part thereof.

Section 8. Governing Law and Venue.

This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York and venue shall be laid in Suffolk County, New York, without regard or reference to its conflict of laws principles.

Section 9. Section Headings.

The headings of the several Sections in this Agreement have been prepared for convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Agreement.

*(Remainder of page intentionally left blank)*

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

TOWN OF RIVERHEAD INDUSTRIAL  
DEVELOPMENT AGENCY

By:   
Thomas Cruso,  
Chairman

ISLAND INTERNATIONAL EXTERIOR  
FABRICATORS LLC

a Delaware limited liability company

By:   
Name:   
Title: Chief Financial Officer

CAL 81 REALTY LLC

a New York limited liability company

By:   
Name: Jeffrey M. Robinson  
Title: Chief Financial Officer

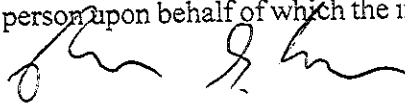
400 BURMAN BOULEVARD LLC

a New York limited liability company

By:   
Name: Jeffrey M. Robinson  
Title: Chief Financial Officer

STATE OF NEW YORK     )  
                                  )  
COUNTY OF SUFFOLK    )     ss.:

On the 26 day of February in the year 2019 before me, the undersigned, a notary public in and for said State, personally appeared Thomas Cruso personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



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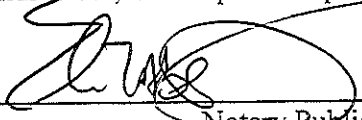
Notary Public

RICHARD A. EHLERS  
Notary Public, State of New York  
Suffolk County No. 02EH4738288  
Commission Expires February 28, 2022

STATE OF NEW YORK     )  
                                      )  
COUNTY OF SUFFOLK    )

ss.:

On the 27 day of February in the year 2019 before me, the undersigned, a notary public in and for said State, personally appeared Jeffrey M. Robinson personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

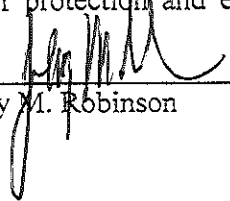
  
\_\_\_\_\_  
Notary Public

**ELIZABETH A. FITZPATRICK**  
No. 02FI6321022  
Notary Public, State of New York  
Qualified in Suffolk County  
My Commission Expires 03/16/2019

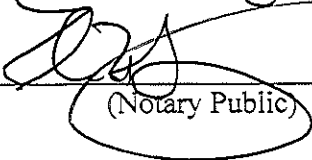
STATE OF NEW YORK     )  
                                      ) ss.:  
COUNTY OF SUFFOLK    )

Jeffrey M. Robinson, being first duly sworn, deposes and says:

1. That I am the Authorized Representative of Island International Exterior Fabricators LLC, and that I am duly authorized on behalf of the Company to bind the Company and to execute this Agreement.
2. That the Company confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the Project is in substantial compliance with all applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

  
\_\_\_\_\_  
Jeffrey M. Robinson

Subscribed and affirmed to me under penalties of perjury  
this 2 day of February, 2019.

  
\_\_\_\_\_  
(Notary Public)

**ELIZABETH A. FITZPATRICK**  
No. 02FI6321022  
Notary Public, State of New York  
Qualified in Suffolk County  
My Commission Expires 03/16/2019

STATE OF NEW YORK     )  
  ) ss.:  
COUNTY OF SUFFOLK     )

Jeffrey M. Robinson, being first duly sworn, deposes and says:

2. That I am the Authorized Representative of Cal 81 Realty LLC, and that I am duly authorized on behalf of the Company to bind the Company and to execute this Agreement.
2. That the Company confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the Project is in substantial compliance with all applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

  
\_\_\_\_\_  
Jeffrey M. Robinson

Subscribed and affirmed to me under penalties of perjury  
this 27 day of February, 2019.

  
\_\_\_\_\_  
(Notary Public)

**ELIZABETH A. FITZPATRICK**  
No. 02FI6321022  
Notary Public, State of New York  
Qualified in Suffolk County  
My Commission Expires 03/16/2019

STATE OF NEW YORK     )  
                                      ) ss.:  
COUNTY OF SUFFOLK    )

Jeffrey M. Robinson, being first duly sworn, deposes and says:

3. That I am the Authorized Representative of 400 Burman Boulevard LLC, and that I am duly authorized on behalf of the Company to bind the Company and to execute this Agreement.
2. That the Company confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the Project is in substantial compliance with all applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

Jeffrey

Subscribed and affirmed to me under penalties of perjury  
this 27 day of February, 2019.

(Notary Public)

**ELIZABETH A. FITZPATRICK**  
No. 02FI6321022  
Notary Public, State of New York  
Qualified in Suffolk County  
My Commission Expires 03/16/2019

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**EXHIBIT 1**

Cal 81 Property Description



Title No. CLC 23476S

**SCHEDULE A**

ALL that certain plot piece or parcel of land, situate, lying and being at Calverton, in the Town of Riverhead, County of Suffolk and State of New York, bounded and described as follows:

BEGINNING at a point the following two (2) courses and distances from the intersection of the easterly side of Wading River-Manorville Road with the northerly side of Grumman Boulevard:

1) Easterly along the northerly side of Grumman Boulevard 10,026.36 feet to the westerly side of a proposed 60 foot Right of Way;

2) THENCE North 05 degrees 28 minutes 09 seconds West, a distance of 3514.94 feet to a point on the westerly side of said 60 foot Right of Way and the northerly end of a tangent curve;

THENCE from said point of beginning southwesterly a distance of 80.91 feet along the arc of a curve concave to the northwest, having a radius of 50.00 feet and a central angle of 92 degrees 43 minutes 15 seconds to a point of tangency;

THENCE South 85 degrees 12 minutes 57 seconds West a distance of 147.47 feet to the beginning of a curve tangent to said line;

THENCE westerly a distance of 427.09 feet along the arc of said curve concave to the South, having a radius of 2030.00 feet and a central angle of 12 degrees 03 minutes 16 seconds to a point of reverse curvature;

THENCE westerly and northwesterly a distance of 151.69 feet along the arc of said curve concave to the North having a radius of 170.00 feet and a central angle of 51 degrees 07 minutes 30 seconds to a point of reverse curvature;

THENCE northwesterly and westerly a distance of 145.78 feet along the arc of said curve concave to the South having a radius of 230.00 feet and a central angle of 36 degrees 18 minutes 56 seconds;

THENCE North 49 degrees 39 minutes 50 seconds West, a distance of 1100.32 feet;

THENCE North 40 degrees 20 minutes 10 seconds East, a distance of 621.20 feet;

THENCE South 49 degrees 39 minutes 50 seconds East, a distance of 1021.05 feet;

THENCE North 40 degrees 21 minutes 57 seconds East, a distance of 369.71 feet;

THENCE South 90 degrees 00 minutes 00 seconds East, a distance of 217.86 feet;

THENCE South 07 degrees 30 minutes 19 seconds East, a distance of 726.20 feet to the point or place of BEGINNING.

**FOR INFORMATIONAL PURPOSES ONLY:**

DISTRICT: 0600 SECTION: 135.10 BLOCK: 01.00 LOT: 002.000  
as shown on the Tax Map of Suffolk County

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**EXHIBIT 2**

400 Burman Property Description

Title No. CLC 23475S

SCHEDULE A

ALL that certain plot piece or parcel of land, situate, lying and being at Calverton, in the Town of Riverhead, County of Suffolk and State of New York, bounded and described as follows:

BEGINNING at an interior point, said point being the following three (3) courses and distances from the corner formed by the intersection of the northerly side of Grumman Boulevard with the easterly side of Wading River-Manorville Road;

- 1) Easterly along the northerly side of Grumman Boulevard, 10086.36 feet to a point;
- 2) THENCE leaving Grumman Boulevard North 04 degrees 07 minutes 36 seconds West 726.70 feet to a point;
- 3) THENCE along a curve to the left, having a radius of 47443.04 feet, 955.15 feet to the southwesterly corner of subject premises, the point or place of beginning;

RUNNING THENCE from said point of beginning the following nine (9) courses and distances:

- 1) Along a continuation of the last mentioned curve to the left, having a radius of 47443.04 feet a distance of 676.59 feet to a point of reverse curvature;
- 2) THENCE northerly, northeasterly and easterly, a distance of 80.03 feet; along the arc of said curve concave to the southeast having a radius of 50.00 feet;
- 3) THENCE North 85 degrees 36 minutes 20 seconds East tangent to said curve, a distance of 418.24 feet (deed) 418.04 (actual) to the beginning of a curve tangent to said line;
- 4) THENCE easterly and northeasterly a distance of 223.38 feet along the curve concave to the northwest, having a radius of 330.00 feet;
- 5) THENCE North 46 degrees 49 minutes 17 seconds East tangent to said curve, a distance of 213.96 feet (deed) 214.20 (actual);
- 6) THENCE South 11 degrees 49 minutes 43 seconds East a distance of 531.26 feet (deed) 531.41 feet (actual).
- 7) THENCE North 90 degree 00 minutes 00 seconds West a distance of 491.34 feet;
- 8) THENCE South 04 degrees 00 minutes 00 seconds East a distance of 441.71 feet;
- 9) THENCE South 85 degrees 03 minutes 31 seconds West, a distance of 402.24 feet to the point or place of BEGINNING.

**FOR INFORMATIONAL PURPOSES ONLY:**

DISTRICT: 0600 SECTION: 135.20 BLOCK: 01.00 LOT: 024.000  
as shown on the Tax Map of Suffolk County

**EXHIBIT 3**

Agency Resolution #15-19 Adopted February 22, 2019

At a special meeting of the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, held at the Town Hall, 200 Howell Avenue, in Riverhead, New York, in said Town, on February 22, 2019 at 5:00 p.m. o'clock, Prevailing Time.

The meeting was called to order by Chairman Thomas Cruso, and upon roll being called, the following were

PRESENT: Thomas Cruso, Chairman

Lori Ann Pipczynski, Vice Chairwoman

Anthony Barresi, Secretary

James Farley, Asst. Treasurer

ABSENT: Bob Kern, Treasurer

The following resolution was offered by Member Barresi, who moved its adoption, seconded by Member Farley, to wit:

RESOLUTION #15-19

DATED FEBRUARY 22, 2019

A RESOLUTION AUTHORIZING THE PROVISION OF FINANCIAL ASSISTANCE BY  
THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO ISLAND  
INTERNATIONAL EXTERIOR FABRICATORS LLC

WHEREAS, the Town of Riverhead Industrial Development Agency was created by Chapter 624 of the Laws of 1980 and is a public benefit corporation and an industrial development agency of the State of New York (the "Agency") having those powers set forth in, and subject to the requirements of, Article 18-A of the General Municipal Law; and

WHEREAS, the Agency has received an application for financial assistance from Island International Exterior Fabricators LLC, a limited liability company qualified to do business in the State of New York (the "Applicant") with respect to the retention and expansion of an existing manufacturing facility located in several buildings on three tax map parcels at the Enterprise Park at Calverton (EPCAL) (the "Facility"). Island International Exterior Fabricators LLC is a manufacturer of exterior wall building component systems and ancillary construction products serving the North East Region of the United States. Wall systems manufactured at EPCAL are shipped to construction sites throughout the New York metropolitan area for installation during new building construction and reuse and renewal of existing structures. The retention of the high quality manufacturing jobs at the EPCAL site in the face of efforts by out of state economic development agencies to cause the removal of this Facility from the Town of Riverhead has been highly prioritized by the State of New York, the County of Suffolk, and the Town of Riverhead. The incentives available to the Agency to promote the retention policy of the State, County, and Town are utilized through the grant of the inducements provided by this Agency action.

The Facility began service as a single building leased from the Town of Riverhead Community Development Agency in early 2000. Riverhead IDA Bond issue in Series 2001 \$3,500,000. as authorized by the New York Statewide Bond Reserve, provided the financing for the acquisition of 27 acres, the repurpose of an existing aircraft manufacturing facility and renovations sufficient for use as a building wall systems manufacturing facility. These Bonds were refinanced in 2006 and Agency Bonds Series 2006 were additionally issued in the amount of \$1,500,000. to permit additional improvements to the manufacturing facilities. In 2013 the acquisition and construction of additional manufacturing facilities were authorized by the Agency at 400 Burman Boulevard comprising a manufacturing facility for the production of steel studs and related steel components from raw steel coils. Thereafter in March of 2018 upon notice to the Agency additional manufacturing space of 68,816 square feet was leased at 393/347 Burman Boulevard. The renovation and equipping of this building for the manufacture and storage of building wall systems is also included. The location and identification of the parcels included are 1101 Scott Avenue, Calverton, New York (SCTM No. 0600-135.10-1.00-2.00)(“Cal 81 site”), 393/347 Burman Boulevard, Calverton, New York (SCTM No. 0600135.10-1.00-16.00)(“393 Burman Boulevard site”), and 400 Burman Boulevard (SCTM No. 0600-135.02-01.00-24.00)(“400 Burman Boulevard site”). These three parcels comprise the Project Retention Facility which have a full market assessed value of \$12,693,389 The project includes the expansion of the 400 Burman Boulevard site through construction with an approximate 25,000 square foot addition and Phase II of the project includes the expansion of the Cal 81 site through construction of a 60,000 square foot addition or comparable additional space at a building located within EPCAL. (the “Project”) (collectively these actions comprise the Application at the Facility); and

WHEREAS, the proposed Phase II expansion of approximately 60,000 sf of assembly space at the EPCAL site is subject to future proceedings before the Agency and resolution through the development of site plan and engineering at a project cost to be determined.

WHEREAS, the expansion of the manufacturing facility for the production of wall panel components at the 400 Burman Boulevard site includes building expansion of approximately 25,000 sf with land assessed value of \$118,700 and building expansion having an improvement assessed value estimated by the Riverhead Board of Assessors to be \$375,000. This 25,000 square foot expansion project is currently in design and development and needs to be constructed and put in service within six (6) years and at that time it will be eligible for an enhanced abatement of 100% abatement of the assessed value of the new building for two (2) years as set forth in the attached schedule then declining being fifteen (15) years in total after the building is placed in service.

WHEREAS, the Project will permit the retention and expansion of the Facility which will retain 213 manufacturing employees and provide for an additional employment of 47 employees in the first year and 33 in the second year for a total of 80 new employees in the second year and thereafter, and

WHEREAS, the Facility is located within the Enterprise Park at Calverton (EPCAL) and is within a New York State Empire Zone, Town of Riverhead designated Urban Renewal Area, and a Federal Opportunity Zone. The Applicant represents that it has made application through a New York State Consolidated Funding Application and been approved for assistance through the NYS Excelsior Jobs Program in the amount of \$4,050,006 in order to retain the tax base and jobs provided by the Applicant at its Facilities in the Town of Riverhead, and



WHEREAS, a public hearing pursuant to Section 859-a of the General Municipal Law was held by the Agency on December 10, 2018 with respect to the application for financial assistance and the Project and the proposed financial assistance requested by Applicant with respect to the Project; and

WHEREAS, the Agency provided notice of the public hearing to the chief executive officer of each affected tax jurisdiction within which the Project is located; and

WHEREAS, at the Public Hearing all interested parties were provided with reasonable opportunity, both orally and in writing, to present their views with respect to the Project and the providing of financial assistance therefore, as set forth in the notice of Public Hearing; and

WHEREAS, the Agency is presented with an application which both addresses the retention of desirable manufacturing jobs and the opportunity for expansion to increase the total employment of the Applicant. Agency approval is predicated upon retaining employment levels at a total of 213 manufacturing jobs at the Companies facilities in Riverhead Town and, additional benefits are provided predicated upon increased employment in Riverhead Town at levels as certified by the Company, and

WHEREAS, by Resolution #13-19 adopted February 4, 2019, the Agency after due consideration approved the application for financial assistance at a level substantially less than applied for by the Applicant, and

WHEREAS, by letter dated February 13, 2019 the Applicant declined the incentive package provided through the Agency's adoption of resolution #13-19 and requested the Agency to reconsider the financial assistance authorized and to provide an increased real property tax abatement to allow the Applicant to continue its operation within the Town of Riverhead and to

allow the Applicant to invest in its business operation to increase productivity and efficiency thereby allowing the Applicant to remain competitive within its industry, and

WHEREAS, by Resolution #14-19 of even date herewith, that Agency has rescinded the approval of financial assistance set forth in resolution #13-19 adopted February 4, 2019, and

WHEREAS, the Agency has held further proceedings to develop an inducement which will assure the continued employment and growth of the Applicant and its Facilities at the Enterprise Park at Calverton located in the Town of Riverhead.

NOW, THEREFORE, BE IT RESOLVED, by the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, as follows:

Section 1. Based upon the record of the proceedings of this application the Board makes the following findings necessary to provide a reasonable basis for the decisions of the Agency made herein. The total Phase I project cost is \$3,942,209 of which \$1,242,209 was the cost to retrofit and equip the leased facility at Building 347 and the new construction costs of \$2,700,000 at 400 Burman Boulevard. The assessed market value of Project Facilities retained and new construction Phase I totals \$16,635,598. A cost benefit analysis has been prepared and reviewed by the Agency. Applicant has been approved through a New York State Consolidated Funding Application for assistance through the NYS Excelsior Jobs Program. Project is located within the Enterprise Park at Calverton (EPCAL) and is within a New York State Empire Zone, Town of Riverhead designated Urban Renewal Area, and a Federal Opportunity Zone. The Applicant represents that they are actively pursuing the construction of the additional 25,000 sf and 60,000 sf facility and have received encouragement for this application from the Town of Riverhead and its various departments and have been granted preliminary approval by the New

York State Department of Environmental Conservation for the 25,000 sf expansion. The Applicant has demonstrated ability and experience in the construction, maintenance and operation of projects similar in nature to the Project.

The Board also finds that the Applicant has certified that the Project, as of the date of the Application, is in substantial compliance with all provisions of Article 18-A of the General Municipal Law of the State of New York, including, but not limited to GML section 859-a and section 862. The Board also finds that the Applicant has certified it is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations. This resolution is not effective until it is dated and countersigned by the Applicant as set forth at the foot hereof, certifying the truth of this finding and all other statements of facts and findings made by the Agency in this resolution based upon information provided by the Agency.

Section 2. It is hereby determined that the Agency shall provide Applicant with the following financial assistance with respect to the Project: (i) the provision of an exemption from Sales and Compensating Use Taxes on certain property, including tangible personal property in an amount not to exceed a total value of eligible goods and services in the amount of \$3,942,209, for the outfitting, renovation and reconstruction of the Building 347 and 400 Burman Boulevard site for a total sales tax value not to exceed \$129,375. The Phase II 60,000 square foot expansion at the EPCAL site shall be the subject of future proceedings of the Agency, and (ii) a partial real property tax abatement for a period of fifteen (15) years as follows: during the period that the Applicant maintains employment as aforesaid stated at the Project site, a real property tax abatement as stated on Schedule A-Cal 81 and Schedule B-400 Burman shall be provided. A further real property tax abatement shall be granted to the Cal 81 facility in the net amount attributable to the Building 347 site as stated on Schedule C-Building 347 so long as the tenancy

of Building 347 is maintained at no less than 60,000 square feet. No real property tax abatement shall be granted to Building 347 per se. Since both the Building 347 and the Cal 81 facility are located in identical taxing jurisdictions a dollar for dollar reduction of the assessment of the Cal 81 building equal to the benefit granted to Building 347 grants an equal benefit to the Applicant as if the benefit were specifically applied to Building 347. Therefore, any appropriate abatement for Building 347 shall be included in and calculated with the appropriate real property tax abatement for the Cal 81 site. A partial abatement of real property taxes for the 60,000 sf expansion at the EPCAL site shall be granted by subsequent proceedings of this Board.

A partial abatement/deferment of real property taxes for the 25,000 sf expansion of the 400 Burman Boulevard site shall be granted as shown on the attached Schedule D-400 Burman expansion-25,000 sf. The value of the property tax abatement/deferment value is estimated to be \$3,776,516, and (iii) the provision of an abatement of the Mortgage Recording Tax currently estimated to be a value not to exceed \$56,250.

Section 3. The Agency benefits provided by this resolution are granted for the purpose of retaining the 213 manufacturing jobs at the Project and providing for the additional 80 manufacturing jobs which will assure a continued employment at the Project for fifteen (15) years of 293 after two (2) years from the date hereof and continuing thereafter through fifteen (15) total years. In addition to all standard terms and conditions of the Agency, the Project Agreement shall include appropriate claw back provisions for all Agency benefits if these employment requirements are not met.

Section 4. The Applicant hereby warrants and represents to the Agency that the financial inducements provided by this resolution will assure the continued operation and growth

of the Applicant and its facilities at the Enterprise Park at Calverton for the 15-year term of this Inducement.

Section 5. The Chairperson or Vice Chairperson of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver Agency documents including, but not limited to the Extension of the Cal 81 Sale Agreement, Extension of the 400 Burman Boulevard Agency Agreement, amended Guarantys, Project Agreement, Amended PILOT Agreement for Cal 81 site, Amended PILOT Agreement for 400 Burman site, and any other necessary documents to effectuate this resolution upon payment of the Agency fee in the amount of \$88,483.47. and reasonable Attorney fees. Closing shall occur no later than six (6) months from the date hereof.

Agency fees and reasonable attorney fees for the Phase II expansion of Cal 81 shall be assessed and paid at the time of approval through subsequent proceedings of the Agency.

The Lease Leaseback Agreement by and between the Agency and the Applicant for the real property known as 400 Burman Boulevard shall be amended to reflect the terms and conditions of this resolution. The Real Property Tax Law form 412-a currently in effect and filed with the Riverhead Board of Assessors for 400 Burman Boulevard shall be amended to extend the term of the Real Property Tax Exemption for an additional fifteen (15) years which amended form shall be filed with the Riverhead Board of Assessors. The current reporting in PARIS of 400 Burman Boulevard shall be closed and all reporting for 400 Burman Boulevard shall be made under Island International Exterior Fabricators LLC

The Sale Agreement by and between the Agency and the Applicant for the real property known as Cal 81 shall be amended to reflect the terms and conditions of this resolution. A Real Property Tax Exemption Form 412-a as set forth in this resolution shall be provided by the Agency to be filed with Riverhead Board of Assessors. The current reporting in PARIS of Cal 81 shall be

closed and all reporting for Cal 81 shall be made under Island International Exterior Fabricators LLC.

Section 6. The Agency has declared itself "lead agency", in accordance with the provisions of the State Environmental Quality Review Act with respect to the Agency's providing financial assistance to the Applicant with respect to the Project, as described in Section 2 of this Resolution and as authorized pursuant to Article 18-A of the General Municipal Law, and has determined that the provision of said financial assistance will not have a significant effect on the environment.

The question of the adoption of the foregoing resolution was duly put to a vote on roll call which resulted as follows:

Thomas Cruso	VOTING	YES
Bob Kern	VOTING	ABSENT
Anthony Barresi	VOTING	YES
James Farley	VOTING	YES
Lori Ann Pipczynski	VOTING	YES

The resolution was thereupon declared duly adopted.

STATE OF NEW YORK     )  
                                      ) ss.:  
COUNTY OF SUFFOLK     )

I, the undersigned Secretary of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Members of said Agency, including the resolution contained therein, held on February 22, 2019, with the original thereof on file in my office, and that the same is a true and correct transcript therefrom and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that all members of said Agency had due notice of said meeting.

I FURTHER CERTIFY that, pursuant to Section 103 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public.

I FURTHER CERTIFY that, PRIOR to the time of said meeting, I duly caused a public notice of the time and place of said meeting to be given to the following newspapers and/or other news media as follows:

Newspaper and/or other news media

Date given

Website/Social Media Account

01-16-19

I FURTHER CERTIFY that PRIOR to the time of said meeting, I duly caused public notice of the time and place of said meeting to be conspicuously posted in the following designated public location(s) on the following dates:

Designated Location(s) of posted notice

Dated of Posting

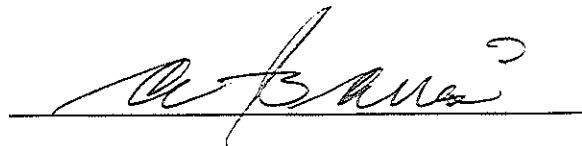
Website/Facebook

02-18-19

Town of Riverhead Bulletin Board

02-15-19

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency  
on 2/22, 2019.

  
Secretary

(CORPORATE

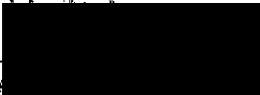
SEAL)



APPLICANT CERTIFICATION:

I hereby CERTIFY AND SWEAR UNDER PENALTY OF PERJURY that all findings and other statements of fact made by the Riverhead Industrial Development Agency contained in the above resolution are complete, true and correct as of the date of adoption of said resolution.

ISLAND INTERNATIONAL EXTERIOR  
FABRICATORS LLC



Print Name: JEFFREY M. ROBINSON

Print Title: CEO

STATE OF NEW YORK     )  
                                      ) ss.:  
COUNTY OF SUFFOLK     )

On the 21 day of February in the year 2019 before me, the undersigned, a notary public in and for said State, personally appeared JEFFREY M. ROBINSON personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in its capacity and that by its signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
Notary Public

**ELIZABETH A. FITZPATRICK**  
No. 02FI6321022  
Notary Public, State of New York  
Qualified in Suffolk County  
My Commission Expires 03/16/2019

APPLICANT CERTIFICATION:

I hereby CERTIFY AND SWEAR UNDER PENALTY OF PERJURY that all findings and other statements of fact made by the Riverhead Industrial Development Agency contained in the above resolution are complete, true and correct as of the date of adoption of said resolution.

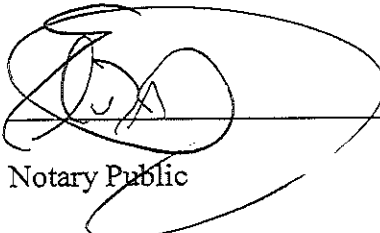
400 BURMAN BOULEVARD LLC

Print Name: JEFFREY M. ROBINSON

Print Title: CEO

STATE OF NEW YORK     )  
                                      ) ss.:  
COUNTY OF SUFFOLK    )

On the 27 day of February in the year 2019 before me, the undersigned, a notary public in and for said State, personally appeared JEFFREY M. ROBINSON personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in its capacity and that by its signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

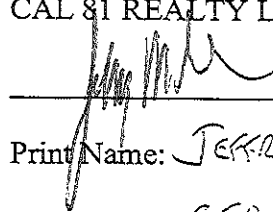
  
Notary Public

ELIZABETH A. FITZPATRICK  
No. 02F16321022  
Notary Public, State of New York  
Qualified in Suffolk County  
My Commission Expires 03/16/2019

APPLICANT CERTIFICATION:

I hereby CERTIFY AND SWEAR UNDER PENALTY OF PERJURY that all findings and other statements of fact made by the Riverhead Industrial Development Agency contained in the above resolution are complete, true and correct as of the date of adoption of said resolution.


CAL 81 REALTY LLC

  
\_\_\_\_\_  
Print Name: JEFFREY M. ROBINSON

Print Title: CFO

STATE OF NEW YORK     )  
                                      ) ss.:  
COUNTY OF SUFFOLK    )

On the 11 day of February in the year 2019 before me, the undersigned, a notary public in and for said State, personally appeared JEFFREY M. ROBINSON personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in its capacity and that by its signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
Notary Public

ELIZABETH A. FITZPATRICK  
No. 02F16321022  
Notary Public, State of New York  
Qualified in Suffolk County  
My Commission Expires 03/16/2019

SCHEDULE A-Cal 81  
REAL PROPERTY TAX ABATEMENT

<u>Tax Year</u>	<u>Abatement Above the Land Assessed Value</u>
Year 1 – 2019/2020	100%
Year 2 – 2020/2021	100%
Year 3 – 2021/2022	95%
Year 4 – 2022/2023	90%
Year 5 – 2023/2024	85%
Year 6 – 2024/2025	80%
Year 7 – 2025/2026	75%
Year 8 – 2026/2027	70%
Year 9 – 2027/2028	65%
Year 10 – 2028/2029	60%
Year 11 – 2029/2030	60%
Year 12 – 2030/2031	55%
Year 13 – 2031/2032	55%
Year 14 – 2032/2033	50%
Year 15 – 2033/2034	50%
Year 16 – 2034/2035 & thereafter	0%

SCHEDULE B-400 Burman Boulevard  
Existing Land Value 118,700  
Existing Improvement Value 257,800

REAL PROPERTY TAX ABATEMENT

<u>Tax Year</u>	<u>Abatement Above the Land Assessed Value</u>
Year 1 – 2019/2020	60%
Year 2 – 2020/2021	60%
Year 3 – 2021/2022	55%
Year 4 – 2022/2023	55%
Year 5 – 2023/2024	55%
Year 6 – 2024/2025	55%
Year 7 – 2025/2026	50%
Year 8 – 2026/2027	50%
Year 9 – 2027/2028	50%
Year 10 – 2028/2029	50%
Year 11 – 2029/2030	45%
Year 12 – 2030/2031	45%
Year 13 – 2031/2032	40%
Year 14 – 2032/2033	40%
Year 15 – 2033/2034	20%
Year 16 – 2034/2035 & thereafter	0%

SCHEDULE C-Island Leased Space at Building 347 (21.3%)

REAL PROPERTY TAX ABATEMENT

<u>Tax Year</u>	<u>Abatement Above the Land Assessed Value</u>
Year 1 – 2019/2020	100%
Year 2 – 2020/2021	100%
Year 3 – 2021/2022	100%
Year 4 – 2022/2023	100%
Year 5 – 2023/2024	100%
Year 6 – 2024/2025	100%
Year 7 – 2025/2026	90%
Year 8 – 2026/2027	80%
Year 9 – 2027/2028	70%
Year 10 – 2028/2029	60%
Year 11 – 2029/2030	50%
Year 12 – 2030/2031	40%
Year 13 – 2031/2032	30%
Year 14 – 2032/2033	20%
Year 15 – 2033/2034	10%
Year 16 – 2034/2035 & thereafter	0%

SCHEDULE D-400 Burman Boulevard Expansion-25,000 sf  
Abatement of Expansion Assessed Value Only  
Currently Estimated to be \$375,000

REAL PROPERTY TAX ABATEMENT

<u>Tax Year</u>	<u>Abatement of Assessed Value of 25,000 ± sf Addition</u>
Year 1	100%
Year 2	100%
Year 3	95%
Year 4	95%
Year 5	90%
Year 6	85%
Year 7	80%
Year 8	75%
Year 9	70%
Year 10	65%
Year 11	60%
Year 12	55%
Year 13	55%
Year 14	50%
Year 15	50%
Year 16 & thereafter	0%

**EXHIBIT 4**

Sales Tax Authorization Letter Agreement



## **RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY**

### **PROCEDURES FOR SALES AND USE TAX EXEMPTION BENEFITS**

The IDA has appointed Island International Exterior Fabricators, LLC (referred to as the "Company") as agents of the IDA for purposes of receiving an exemption from sales and use tax on goods and services purchased for Company's project located at 1101 Scott Boulevard, Calverton, NY. This document summarizes the rules applicable to the Company's use of the IDA sales and use tax exemption as set forth in the Lease, Project Agreement and Sales Tax Authorization Letter and does not supersede the requirements set forth in that agreement.

#### **SALES AND USE TAX EXEMPTION**

The total amount of goods and services that may be purchased using the IDA sales and use tax exemption is \$3,942,209 (the "Maximum Exempt Purchases"), which means that Company will not be required to pay New York State and local sales and use tax on this amount. The total amount of sales and use tax savings available for the project is \$129,357 (the "Maximum Sales Tax Savings Amount"). The Maximum Exempt Purchases and the Maximum Tax Savings Amounts will be provided to the New York State Department of Taxation and Finance (the "Department of Taxation and Finance"), using Form ST-60. Attached as Exhibit A is a copy of the Form ST-60 for your project.

You may use the IDA sales and use tax exemption until the **earlier** of (A) February 27, 2021 (the "End of the Sales Tax Exemption Period") or (B) the date that you reach the Maximum Exempt Purchases and the Maximum Sales Tax Savings Amount (or upon the happening of certain other events specified in the Lease and Project Agreement). You must pay sales and use tax on any purchases for the project once you reach the Maximum Exempt Purchases and the Maximum Sales Tax Savings Amount or for any purchases after the End of the Sales Tax Exemption Period.

The IDA sales and use tax exemption may be used only to purchase "Eligible Items" that are purchased, incorporated, completed or installed necessary for the completion of the project for use by the Company at the project location and not with any intention to sell, transfer or otherwise dispose of any such Eligible Item to any other person. The IDA sales and use tax exemption cannot be used to benefit any person or entity, including any tenant or subtenant located at the project location, other than the Company, without the prior written consent of the IDA. Attached as Exhibit B is a list of "Eligible Items" and "Ineligible Items".

Please contact the Agency Office in the event that you need to request an increase in the Maximum Exempt Purchases and the Maximum Sales Tax Amount or an extension of the End of the Sales Tax Exemption Period. Any such request must be made no later than 45 days prior to the date that you will reach the Maximum Exempt Purchases and the Maximum Sales Tax Amount or the End of the Sales Tax Exemption Period.

## **INSTRUCTIONS FOR YOUR USE OF THE SALES TAX EXEMPTION BENEFITS:**

When you are appointed an Agent of the IDA, (your Company) will be provided a completed ST-60 form, *IDA Appointment of Project Operator or Agent for Sales Tax Purposes*. This form identifies (your Company) as an appointed agent of the IDA for purposes of extending the sales and compensating use tax exemption.

The ST-60 form is not for distribution and should be kept on file for the life of the benefit period.

As a DIRECTLY appointed Agent of the IDA (your Company) will complete and use form ST-123, *IDA Agent or Project Operator Exempt Purchase Certificate*, to make purchases for the designated project that is exempt from state and local sales tax. The completed and signed ST-123 is the form you present to sellers and vendors for each contract, agreement, invoice, bill or purchase order entered into by your Company or any agent for the construction and equipping of the project facility. Both of these forms will be provided to you at closing. Additional forms are available on the IDA website [www.riverheadida.org](http://www.riverheadida.org) or NYS Tax & Finance website [www.tax.ny.gov](http://www.tax.ny.gov).

You must retain copies of all contracts, agreements, invoices, bills and purchase orders for which you claimed the IDA sales and use tax exemption for a period of not less than six (6) years from the date thereof. Attached as Exhibit D is a sample Form ST-123 with relevant information completed for your project. You must complete the remaining blanks in the Form ST-123 before submitting it to the seller or vendor.

All contracts you enter into for the purchase of goods and services for which you want to use the IDA sales and use tax exemption must include the language contained in Exhibit C and all such contracts must be available for review by the IDA.

Form ST-123 is used for sales and tax exemptions that are provided on the basis of the IDA's involvement. If a purchase would be exempt from sales and use tax for some other reason (including because of an exemption resulting from a capital improvement evidenced by Form ST-124), then that other exemption should be used and Form ST-123 should not be used.

## **INSTRUCTIONS FOR YOUR CONTRACTORS TO USE THE SALES AND USE TAX EXEMPTION BENEFITS:**

If your Company is not directly making tax exempt purchases, you may request that the IDA permit your general contractor to use the IDA sales and use tax exemption for your project. You also may elect to make a subcontractor that will need to use the IDA sales and use tax exemption a subagent. If a subcontractor does not need to use the IDA sales and use tax exemption, they should not be appointed as a subagent.

NOTE: The aggregate amount of the IDA sales and use tax savings realized by the Company and by all contractors and subcontractors of the Company in connection with the project cannot exceed in the aggregate the Maximum Sales Tax Savings Amount.

Sub-agents (or indirect appointments) can be appointed by making a written request to the Agency on company letterhead and completing the Sales Tax Authorization Letter which is an exhibit to the Lease Agreement. Once the Sales Tax Authorization Letter is executed by the Agency (IDA) and the ST-60 is completed for the indirect appointment, the sub-agent (indirect appointment) has been appointed an Agent of the Agency.

Your Company must provide the executed letter and a copy of the Lease Agreement to the sub-agent, who can then make tax-exempt purchases by using the ST-123. Additional sub-contractors or sub agents must use the ST-120.1. In order to use the ST-120.1, the sub-contractor must have an ST-119, *NYS Certificate of Authority*.

The authorized contractor or subcontractor will receive a Form ST-123 from the IDA that names the contractor or subcontractor. This Form ST-123 naming the authorized contractor or subcontractor must be used for any purchase that names such contractor or subcontractor on the invoice and is paid directly by such contractor or subcontractor. If the Company is named on the invoice and the invoice will be paid by the Company, then a Form ST-123 naming the Company must be used.

For each contractor or subcontractor that you want to use the IDA sales and use tax exemption you must:

- have the IDA complete a Form ST-60;
- have the applicable contractor or subcontractor execute a sales tax agent authorization letter (Exhibit E);
- require that all contracts entered into by the authorized contractor or subcontractor include the language contained in Exhibit C and that all such contracts be available for inspection by the IDA;
- each applicable contractor or subcontractor must submit a Certificate of Insurance naming the IDA as additionally insured;
- upon receipt from the IDA, provide a copy of the executed sales tax agent authorization letter and a copy of the Lease and Project Agreement to the applicable contractor or subcontractor within five business days;
- ensure that every authorized contractor and subcontractor observes and complies with the terms and conditions of the sales tax agent authorization letter and the Lease and Project Agreement;
- maintain an accurate list of all contractors and subcontractors that are authorized to use the IDA sales and use tax exemption on your behalf;

- require that authorized contractors and subcontractors provide semi-annually reports regarding the amount of sales and use tax exemption savings.

The IDA will file the Form St-60 with the Department of Taxation and Finance.

### **ANNUAL REPORTING:**

Annually you must:

- file semi-annually with the Company and the Company to the Agency (no later than January 15<sup>th</sup> and July 15<sup>th</sup> of each calendar year in which it has claimed sales and use tax exemptions in connection with the Company Facility) a written statement of all sales and use tax exemptions claimed by such Agent for the preceding six-month period (ending on June 30<sup>th</sup> or December 31<sup>st</sup>, as applicable) in connection with the Facility by completing and submitting to the Company and the Company to Agency the **Sales Tax Registry - Exhibit B** of the Sales Tax Authorization Letter.
- compile all of the reports of the IDA sales and use tax savings that benefitted the Company, including any savings from purchases by contractors and subcontractors using the IDA sales and use tax exemption;
- not later than January 15 of each year, file with our office a completed Sales Tax Registry (Exhibit F) that accounts for all sales and use tax savings realized by the Company and any authorized contractors and subcontractors during the prior calendar year; and
- not later than the last day of February, prepare and file Form ST-340 (Exhibit G) for the preceding calendar year with the Department of Taxation and Finance; and
- provide a copy of Form ST-340 to our office.

Note that your authorized contractors and subcontractors do not file a Form ST-340 because all of their relevant information is contained in the Form ST-340 that you file.

Exhibit A

Form ST-60 (attached)

[ST-60 filed for project to be attached]



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 Town of Riverhead Industrial Development Agency			IDA project number (use OSC numbering system for projects after 1998) 4704 19 01
Street address 200 Howell Avenue			Telephone number (631 ) 369-5129
City Riverhead	State NY	ZIP code 11901	Email address (optional) director@riverheadida.org

**Project operator or agent information**

Name of IDA project operator or agent Island International Exterior Fabricators, LLC		Mark an X in the box if directly appointed by the IDA: <input checked="" type="checkbox"/>	Employer identification or Social Security number [REDACTED]
Street address 1101 Scott Avenue		Telephone number ( 631 ) 208-3500	Primary operator or agent? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
City Calverton	State NY	ZIP code 11933	Email address (optional) eharms@islandcompanies.com

**Project information**

Name of project Island Companies			
Street address of project site 1101 Scott Avenue			
City Calverton	State NY	ZIP code 11933	Email address (optional) [REDACTED]
Purpose of project <p>Retention and expansion of an existing manufacturing facility located in several buildings on three tax map parcels in Calverton. The renovation and equipping of 68,816 square feet manufacturing space for the manufacture and storage of building wall systems. The project includes the renovation and equipping of 65,778 building and addition of 25,000 sq. ft. Together therewith the structure and improvements affixed and attached thereto and the furnishings and equipping of the buildings.</p>			

Description of goods and services intended to be exempted from New York State and local sales and use taxes General building construction materials, equipment, HVAC, sprinkler systems, lighting, concrete, fencing, finish carpentry, outside storage preparation and components, furnishings and fixtures.			
Date project operator or agent appointed (mmddyy) 022719	Date project operator or agent status ends (mmddyy) 022721	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: 3,942,209.00		Estimated value of New York State and local sales and use tax exemption provided: 129,375.00	

**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 Tracy Stark-James		Print title Executive Director	
Signature [REDACTED]	Date 02-27-2019	Telephone number ( 631 ) 369-5129	

## Exhibit B

**Eligible Items** shall mean the following items of personal property and services, but excluding any Ineligible Items, with respect to which the Agent shall be entitled to claim a Sales Tax Exemption in connection with the Facility:

- (i) purchases of materials, goods, personal property and fixtures and supplies that will be incorporated into and made an integral component part of the Facility;
- (ii) purchases or leases of any item of materials, goods, machinery, equipment, furniture, furnishings, trade fixtures and other tangible personal property having a useful life of one year or more;
- (iii) with respect to the eligible items identified in (ii) above: purchases of freight, installation, maintenance and repair services required in connection with the shipping, installation, use, maintenance or repair of such items; provided that maintenance shall mean the replacement of parts or the making of repairs;
- (iv) purchases of materials, goods and supplies that are to be used and substantially consumed in the course of construction or renovation of the Facility; and
- (v) leases of machinery and equipment solely for temporary use in connection with the construction or renovation of the Facility.
- (vi) office supplies, fuel and similar items consumed in the process of acquiring, constructing, reconstruction and/or equipping the project..

**Ineligible Items** shall mean the following items of personal property and services with respect to which the Agent shall not be entitled to claim a Sales Tax Exemption in connection with the Facility:

- (vii) purchases occurring beyond the tax exemption period;
- (viii) repairs, replacements of renovations of the project, unless such repairs, replacements or renovations constitute major capital-type expenses approved by the Agency as a separate project in the manner contemplated by the Act; or
- (ix) operating expenses, unless such operating expenses constitute major capital-type expense approved by the Agency as a separate project in the manner contemplated by the Act. ordinary office supplies such as pencils, paper clips and paper;

Exhibit C

Mandatory Contract Language

"This contract is being entered into by [NAME OF AGENT OR NAME OF SUBAGENT] (the "Agent"), as agent for and on behalf of the **RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY** (the "Agency"), in connection with a certain project of the Agency for the benefit of [ ] / [ ], 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 [ ] (Tax Map # [ ]), in the Town of Riverhead, Suffolk County, New York (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 Facility 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 attached sales tax exemption information letter of the Agency; and the Agent hereby represents that this contract is in compliance with the terms of the Lease and Project Agreement by and between [ ] and the Agency, and agreed to and accepted by [ ], dated as of [ ]. 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 D

Form ST-123 (attached)

[ST-123 with relevant project information completed to be attached]



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**  
(2/14)

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

Note: To be completed by the purchaser and given to the seller. See TSB-M-14(1.1)S, *Sales Tax Reporting and Recordkeeping Requirements for Industrial Development Agencies and Authorities*, for more information.

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 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 <b>RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY</b>		
Name of project	IDA project number (use OSC number)	
Street address of project site		
City, town, or village	State	ZIP code
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)      /      /	

## 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	



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
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		
Name of project	IDA project number (use OSC number)	
Street address of project site		
City, town, or village	State	ZIP code
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) .....	/	/

**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](http://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

Exhibit E

Form of Sales Tax Agent Authorization Letter (attached)

[Form of Sales Tax Agent Authorization Letter from  
applicable project's Lease and Project Agreement to be attached]

## SALES TAX AGENT AUTHORIZATION LETTER

**EXPIRATION DATE: February 27, 2021**

### **ELIGIBLE LOCATIONS:**

1101 Scott Avenue, Calverton, New York  
400 Burman Boulevard, Calverton, New York  
347 Burman Boulevard, Calverton, New York

February 27, 2019

### TO WHOM IT MAY CONCERN

Re: Town of Riverhead Industrial Development Agency  
(Island International Exterior Fabricators, LLC) Company

Ladies and Gentlemen:

The Town of Riverhead Industrial Development Agency (the “Agency”), by this notice, hereby advises you as follows:

1. Pursuant to a certain Project Agreement, dated as of February 27, 2019 (the “Project Agreement”), between the Agency and Island International Exterior Fabricators, LLC, a limited liability company organized and existing under the laws of the State of New York (the “Company”), the Agency has authorized the Company to act as its agent in connection with the Company Facility described therein located at the Eligible Location described above. Certain capitalized terms used herein and not defined shall have the respective meanings given to such terms in the Lease Agreement.

2. Upon the Company’s request, the Agency has appointed [Island International Exterior Fabricators, LLC] (the “Agent”), pursuant to this Sales Tax Agent Authorization Letter (the “Sales Tax Agent Authorization Letter”) to act as the Agency’s agent for the purpose of effecting purchases exempt from sales or use tax in accordance with the terms, provisions of this Sales Tax Agent Authorization Letter and the Project Agreement. **The Agent should review the definitions of Eligible Items and Ineligible Items in Procedures for Sales and Use Tax, Article 28 of the Tax Law and GML 875 hereto with respect to the scope of Sales Tax Exemption provided under the Lease Agreement and hereunder.**

3. The effectiveness of the appointment of the Agent as an agent of the Agency is expressly conditioned upon the execution by the Agency of New York State Department of Taxation and Finance Form ST-60 “IDA Appointment of Project or Agent” (“Form ST-60”) to evidence that the Agency has appointed the Agent as its agent (the form of which is to be completed by Agent and the Company). Pursuant to the exemptions from sales and use taxes available to the Agent under this Sales Tax Agent Authorization Letter, the Agent shall avail itself of such exemptions when purchasing eligible materials and services in connection with the Facility and shall not include such taxes in its contract price, bid or reimbursable costs, as the case may be.

Exhibit E-1

4. The Agent acknowledges that the executed Form ST-60 shall not serve as a sales or use tax exemption certificate or document. No agent or project operator may tender a copy of the executed Form ST-60 to any person required to collect sales 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 THE TAX LAW. IN ADDITION, THE USE BY AN AGENT, PROJECT OPERATOR, 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 TAX LAW, THE ISSUANCE OF A FALSE OR FRAUDULENT EXEMPTION CERTIFICATE OR DOCUMENT WITH THE INTENT TO EVADE TAX.

5. As agent for the Agency, the Agent agrees that it will present to each seller or vendor a completed and signed **NYSDTF Form ST-123 "IDA Agent or Project Operator Exempt Purchase Certificate"** or such additional or substitute form as is adopted by NYSDTF for use in completing purchases that are exempt from Sales and Use Taxes ("Form ST-123") for each contract, agreement, invoice, bill or purchase order entered into by the Agent, as agent for the Agency, for the construction, repair and equipping of the Company Facility. Form ST-123 requires that each seller or vendor accepting Form ST-123 identify the Company Facility on each bill and invoice and 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. The Agent in conjunction with the Agency shall complete Form ST-123 as follows: (i) the "Project Information" section of Form ST-123 should be completed using the name and address of the Company Facility as indicated on the Form ST-60 used to appoint the Agent; (ii) the date that the Agent was appointed as an agent should be completed using the date of the Agent's Sales Tax Agent Authorization Letter; and (iii) the "Exempt purchases" section of Form ST-123 should be completed (by marking "X" in the appropriate box.)

6. The Agent agrees to comply with the terms and conditions of the Project Agreement. The Agent must retain for at least six (6) years from the date of expiration of its contract copies of (a) its contract with the Company to provide services in connection with the Facility, (b) all contracts, agreements, invoices, bills or purchases entered into or made by such Agent using the Letter of Authorization for Sales Tax Exemption, and (c) the executed Form ST-60 appointing the Agent as an agent of the Agency, and shall make such records available to the Agency upon reasonable notice. This provision shall survive the expiration or termination of this Sales Tax Agent Authorization Letter.

7. In order to assist the Company in complying with its obligation to file New York State Department of Taxation and Finance Form ST-340 "Annual Report of Sales and Use Tax Exemptions Claimed by Project Operator of Industrial Development Agency/Authority" ("Form ST-340"), the Agent covenants and agrees that it shall file semi-annually with the Company and the Agency (no later than January 15<sup>th</sup> and July 15<sup>th</sup> of each calendar year in which it has claimed sales and use tax exemptions in connection with the Company Facility) a written statement of all sales and use tax exemptions claimed by such Agent for the preceding six-month period (ending on June 30<sup>th</sup> or December 31<sup>st</sup>, as applicable) in connection with the Facility by completing and submitting to the Company and the Agency the **Sales Tax Registry** attached hereto as **Exhibit B**.

If the Agent fails to comply with the foregoing requirement, the Agent shall immediately cease to be the agent for the Agency in connection with the Company Facility (such agency relationship being deemed to be immediately revoked) without any further action of the parties, the Agent shall be deemed to have automatically lost its authority to make purchases as agent for the Agency, and shall desist immediately from all such activity.

8. The Agent agrees that if it fails to comply with the requirements for sales and use tax exemptions, as described in this Sales Tax Agent Authorization Letter, it shall pay any and all applicable Company Sales Tax Savings and any interest and penalties thereon. This provision shall survive the expiration or termination of this Sales Tax Agent Authorization Letter.

**9. Special Provisions Relating to State Sales Tax Savings.**

(a) The Agent covenants and agrees to comply, and to cause each of its contractors, subcontractors, persons or entities to comply, with the requirements of General Municipal Law Sections 875(1) and (3) (the "Special Provisions"), as such provisions may be amended from time to time. In the event of a conflict between the other provisions of this Sales Tax Agent Authorization Letter or the Lease Agreement and the Special Provisions, the Special Provisions shall control.

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

10. Subject to the provisions of Section 9 hereof, in the event that the Agent shall utilize the Sales Tax Exemption in violation of the provisions of the Project Agreement or this Sales Tax Agent Authorization Letter, the Agent shall promptly deliver notice of same to the Company and the Agency, and the Agent 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 or use tax exemptions 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 or use tax exemption was availed of by the Agent.

11. Upon request by the Agency with reasonable notice to the Agent, the Agent shall make available at reasonable times to the Agency all such books, records, contracts, agreements,



invoices, bills or purchase orders of the Agent, and require all appropriate officers and employees of the Agent to respond to reasonable inquiries by the Agency as shall be necessary (y) to indicate in reasonable detail those costs for which the Agent shall have utilized the Sales Tax Exemption and the dates and amounts so utilized, and (z) to permit the Agency to determine any amounts owed by the Agent under Section 10.

12. By execution of this Sales Tax Agent Authorization Letter, the Agent agrees to accept the terms hereof and represent and warrant to the Agency that the use of this Sales Tax Agent Authorization Letter by the Agent is strictly for the purposes stated herein.

13. The Agent acknowledges that this Sales Tax Agent Authorization Letter will terminate on the date (the "End of Sales Tax Exemption Period") that is the earlier of (i) the Expiration Date referred to above, and (ii) the date the Maximum Exempt Purchases and the Maximum Sales Tax Savings Amount is reached, or (iii) the expiration or termination of the Lease Agreement. Upon the Termination Date, the agency relationship between the Agency and the Agent shall terminate.

(Remainder of Page Intentionally left Blank -Signature Page Follows)

The signature of a representative of the Agent where indicated below will indicate that the Agent accepted the terms hereof.

**TOWN OF RIVERHEAD  
INDUSTRIAL  
DEVELOPMENT AGENCY**

By: 

Name: THOMAS STICKER JAMES  
Title: EXECUTIVE DIRECTOR

ACCEPTED AND AGREED TO BY:

ISLAND INTERNATIONAL EXTERIOR FABRICATIONS, LLC

By: 

Name: JEFFREY M. ROSSIGNOL  
Title: CEO

ACCEPTED AND AGREED TO BY:

\_\_\_\_\_

By: \_\_\_\_\_

Name:  
Title:

ACCEPTED AND AGREED TO BY:

\_\_\_\_\_

By: \_\_\_\_\_

Name:  
Title:

# SALES TAX AGENT AUTHORIZATION LETTER

## Exhibit B

Island International Exterior Fabricators, LLC

### SEMI ANNUAL SALES TAX REGISTRY

Please Complete: **REPORTED PERIOD:** SEMI-ANNUAL PERIOD FROM [JANUARY 1][JULY 1], 201\_\_ to [JUNE 30][DECEMBER 31], 201\_\_

Description of Item (incl. Serial #, if applicable)	Location of Item	Dollar Amount	Vendor Description	Date of Payment	Purchase order or invoice number	Sales Tax Savings

**TOTAL SALES TAX SAVINGS REALIZED DURING THE SEMI-ANNUAL REPORTED PERIOD:**

Certification: I, the undersigned, an authorized officer or principal owner of the company identified below, hereby certify to the best of my knowledge and belief that all information contained in this report is true and complete. The information reported in this form includes all Company Sales Tax Savings realized by the company identified below and its principals, affiliates, tenants, subtenants, contractors and subcontractors. This form and information provided pursuant hereto may be disclosed to the Town of Riverhead Industrial Development Agency ("RIDA"), and may be disclosed by RIDA in connection with the administration of the programs by RIDA; and, without limiting the foregoing, such information may be included in reports or disclosure required by law.

Name of Agent: \_\_\_\_\_

Signature By: \_\_\_\_\_

Name (print): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT F

**ANNUAL Sales Tax Registry Company Name:** \_\_\_\_\_

Please Complete: **REPORTED PERIOD: ANNUAL PERIOD FROM JULY 1, 201\_\_ to JUNE 30, 201\_\_**

Description of Item (incl. Serial #, if applicable)	Location of Item	Dollar Amount	Vendor Description	Date of Payment	Purchase order or invoice number	Sales Tax Savings
SEMI-ANNUAL PERIOD FROM JULY 1, [ ] to DECEMBER 31, [ ]						
TOTAL SALES TAX SAVINGS REALIZED DURING THE SEMI-ANNUAL PERIOD FROM JULY 1, [ ] to DECEMBER 31, [ ]:						
SEMI-ANNUAL PERIOD FROM JANUARY 1, [ ] to JUNE 30, [ ]						
TOTAL SALES TAX SAVINGS REALIZED DURING THE SEMI-ANNUAL PERIOD FROM JANUARY 1, [ ] to JUNE 30, [ ]:						
TOTAL SALES TAX SAVINGS REALIZED DURING THE ANNUAL REPORTED PERIOD:						

Certification: I, the undersigned, an authorized officer or principal owner of the Company, hereby certify to the best of my knowledge and belief that all information contained in this report is true and complete. The information reported in this form includes all Company Sales Tax Savings realized by the Company below and its principals, affiliates, tenants, subtenants, contractors, subcontractors and any other person or entity pursuant to the LETTER OF AUTHORIZATION FOR SALES TAX EXEMPTION issued to the Company, and any SALES TAX AGENT AUTHORIZATION LETTER issued to any other person or entity at the direction of the Company, by the Town of Riverhead Industrial Development Agency ("RIDA"). This form and information provided pursuant hereto may be disclosed by RIDA in connection with the administration of the programs by RIDA; and, without limiting the foregoing, such information may be included in reports or disclosure required by law.

Lessee Name: \_\_\_\_\_

Signature By: \_\_\_\_\_

Name (print): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Exhibit F

Sales Tax Registry

Please Complete: **REPORTED PERIOD:** ANNUAL PERIOD FROM JANUARY 1, 20\_\_ to  
DECEMBER 31, 20\_\_

Description of Item (incl. Serial #, if applicable)	Location of Item	Dollar Amount	Vendor Description	Date of Payment	Purchase order or invoice number	Sales Tax Savings
SEMI-ANNUAL PERIOD FROM JANUARY 1, [ ] to JUNE 30, [ ]						
TOTAL SALES TAX SAVINGS REALIZED DURING THE SEMI-ANNUAL PERIOD FROM JANUARY 1, [ ] to JUNE 30, [ ]:						
SEMI-ANNUAL PERIOD FROM JULY 1, [ ] to DECEMBER 31, [ ]						
TOTAL SALES TAX SAVINGS REALIZED DURING THE SEMI-ANNUAL PERIOD FROM JULY 1, [ ] to DECEMBER 31, [ ]:						
<b>TOTAL SALES TAX SAVINGS REALIZED DURING THE ANNUAL REPORTED PERIOD:</b>						

Certification: I, the undersigned, an authorized officer or principal owner of the Company, hereby certify to the best of my knowledge and belief that all information contained in this report is true and complete. The information reported in this form includes all Sales Tax Savings realized by the Company below and its principals, affiliates, tenants, subtenants, contractors, subcontractors and any other person or entity pursuant to the LETTER OF AUTHORIZATION FOR SALES TAX EXEMPTION issued to the Company, and any SALES TAX AGENT AUTHORIZATION LETTER issued to any other person or entity at the direction of the Company, by the Riverhead Industrial Development Agency ("RIDA"). This form and information provided pursuant hereto may be disclosed by RIDA in connection with the administration of the programs by RIDA; and, without limiting the foregoing, such information may be included in reports or disclosure required by law.

Company Name: \_\_\_\_\_

Signature By: \_\_\_\_\_

Name (print): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Exhibit G

Form ST-340

[ST-340 with applicable project information completed to be attached]



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		Employer identification number (EIN)	
Street address		Telephone number (      )	
City		State	ZIP code
Name of IDA	Name of project		IDA project number
Street address of project site			
City		State	ZIP code
Date project began		Completion date of project Actual <input type="checkbox"/> Expected <input 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  
WA 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](http://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 equipment users	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.



## Island Companies

The undersigned, an Authorized Representative (as defined in that certain Project Agreement, dated February 27, 2019 (the "Project Agreement"), between the Town of Riverhead Industrial Development Agency (the "Agency") and Island International Exterior Fabricators, LLC (the "Company"), of the Company, does hereby certify, individually and on behalf of the Company, that:

The information listed above is true, accurate and complete in all respects; each of the purchases listed above properly qualify for the sales or use tax exemption in accordance with the Project Agreement, that certain sales tax agent authorization letter, dated February 27, 2019, from the Agency to the Company, and applicable laws, rules and regulations pertaining thereto. Any misrepresentation herein constitutes a default under the Lease Agreement. These statements are made under penalties of perjury and knowing that the Agency will rely on the truth of the statements made herein.

\$0.00

**\$129,375**

Age Group	Total (%)	Female (%)	Male (%)	Under 18 (%)	18-24 (%)
18-24	~1.5	~1.5	~1.5	~1.5	~1.5
25-34	~2.5	~2.5	~2.5	~2.5	~2.5
35-44	~3.5	~3.5	~3.5	~3.5	~3.5
45-54	~4.5	~4.5	~4.5	~4.5	~4.5
55-64	~5.5	~5.5	~5.5	~5.5	~5.5
65-74	~6.5	~6.5	~6.5	~6.5	~6.5
75+	~7.5	~7.5	~7.5	~7.5	~7.5

Figure 1. Schematic representation of the experimental design. The figure shows a timeline of the experiment. The timeline starts with a 10 min baseline period, followed by a 10 min period of 10 Hz TMS. The TMS period is divided into two 5 min sub-periods. The first 5 min sub-period is followed by a 5 min period of 10 Hz TMS. The second 5 min sub-period is followed by a 5 min period of 10 Hz TMS. The timeline ends with a 10 min baseline period.

Age Group	Total (%)	Female (%)	Male (%)	Under 18 (%)	18-24 (%)
18-24	~1.5	~1.5	~1.5	~1.5	~1.5
25-34	~1.5	~1.5	~1.5	~1.5	~1.5
35-44	~1.5	~1.5	~1.5	~1.5	~1.5
45-54	~1.5	~1.5	~1.5	~1.5	~1.5
55-64	~1.5	~1.5	~1.5	~1.5	~1.5
65-74	~1.5	~1.5	~1.5	~1.5	~1.5
75+	~1.5	~1.5	~1.5	~1.5	~1.5