



**CITY OF PEEKSKILL
CITY HALL**

840 MAIN STREET
PEEKSKILL, NEW YORK 10566

(914) 737-3400
FAX NO. 914-737-2628

SALES TAX EXEMPTION LETTER

April 16, 2021

216 South Division LLC
10 Julia Lane, Suite 103
Cold Spring, New York 10516

**Re: City of Peekskill Industrial Development Agency
216 South Division LLC Project
Sales Tax Exemption Letter: Expiring December 31, 2021**

Ladies and Gentlemen:

Pursuant to a resolution duly adopted on August 25, 2020, the City of Peekskill Industrial Development Agency (the “Agency”) appointed **216 South Division LLC** (the “Company”) the true and lawful agent of the Agency to undertake a certain project (the “Project”) consisting of (i) the acquisition by the Agency of a leasehold interest in a parcel of real property located at 216 South Division Street, Peekskill, New York (the “Land”, being more particularly described tax parcels 33.37-4-6) along with the existing improvements thereon consisting principally of a vacant residential structure (the “Existing Improvements”); (ii) the demolition of the Existing Improvements and the planning, design, construction, and operation of an approximately 27,000 sf 3-story mixed use facility comprised of 22 market rate apartment units and approximately 2,300 sf of commercial space along with related site improvements, access and egress improvements, utility improvements, signage, curbage, sidewalks, and landscaping improvements (collectively, the “Improvements”); (iii) the acquisition of and installation in and around the Existing Improvements and Improvements by the Company of machinery, equipment, fixtures and other items of tangible personal property (the “Equipment” and, collectively with, the Land, the Existing Improvements and the Improvements, the “Facility”); and (iv) entering into a straight lease transaction (within the meaning of subdivision (15) of Section 854 of the Act), pursuant to which the Agency will retain a leasehold interest in the Facility for a period of time and sublease such interest in the Facility back to the Company (the “Straight Lease Transaction”).

This appointment includes, and this letter evidences, authority to purchase on behalf of the Agency all materials to be incorporated into and made an integral part of the Facility and the following activities as they relate to any construction, erection and completion of any buildings, whether or not any materials, equipment or supplies described below are incorporated into or become an integral part of such buildings: (1) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with construction and equipping, (2) all purchases, rentals, uses or consumption of supplies, materials, utilities and services of every kind and description used in connection with construction and equipping and (3) all purchases, leases, rentals and uses of equipment, machinery and other tangible personal property (including installation costs), installed or placed in upon or under such building or facility, including all repairs and replacements of such property.

This agency appointment includes the power to delegate such agency, in whole or in part to agents, subagents, contractors, subcontractors, contractors and subcontractors of such agents and subagents and to such other parties as the Company chooses including but not limited to the individuals and entities described on **Schedule A** attached hereto. The Company shall have the right to amend **Schedule A** from time to time and shall be responsible for maintaining an accurate list of all parties acting as agent for the Agency. The Company hereby agrees to complete "IDA Appointment of Project Operator or Agent For Sales Tax Purposes" (NYS Form ST-60) for itself and each agent, subagent, contractor, subcontractor, contractors or subcontractors of such agents and subagents and to such other parties as the Company chooses who provide materials, equipment, supplies or services and execute said form as agent for the Agency (or have the general contractor, if any or other designated subagent execute) and forward said form to the State Department of Taxation and Finance within thirty (30) days of appointment.

In exercising this agency appointment, the Company, its agents, subagents, contractors and subcontractors should give the supplier or vendor a copy of this letter to show that the Company, its agents, subagents, contractors and subcontractors are each acting as agent for the Agency. The supplier or vendor should identify the Facility on each bill or invoice and indicate thereon which of the Company, its agents, subagents, contractors and subcontractors acted as agent for the Agency in making the purchase.

In order to be entitled to use this exemption, you or your contractor should present to the supplier or other vendor of materials for the Facility, a completed "Contractor Exempt Purchase Certificate" (NYS Form ST-120.1), checking box "(a)". You should give the supplier or vendor a copy of this letter to show that you (or the contractor) are acting as agent for the Agency in making the purchase. A copy of this letter retained by any vendor or seller may be accepted by such vendor or seller as a "statement and additional documentary evidence of such exemption" as provided by New York Tax Law §1132(c)(1), thereby relieving such vendor or seller from the obligation to collect sales and use tax with respect to the construction and installation and equipping of the Facility.

216 South Division LLC

April 16, 2021

Page 3

In addition, General Municipal Law §874(8) requires you to file an Annual Statement with the New York State Department of Taxation and Finance on "Annual Report of Sales and Use Tax Exemptions" (NYS Form ST-340) regarding the value of sales and use tax exemptions you, your agents, consultants or subcontractors have claimed pursuant to the agency we have conferred on you with respect to this project. The penalty for failure to file such statement is the removal of your authority to act as our agent. The Company shall, within thirty (30) days of each filing, provide a copy of the NYS ST-340 to the Agency; provided, however, in no event later than February 15th of each year.

The agency created by this letter is limited to the Facility, and will expire on **December 31, 2021**. You may apply to extend this agency authority by showing good cause; *provided, however, the exemption for leases executed prior to said date shall continue through the term or extended term of said lease and any acquisition of said leased property.* Should the agency authority be extended beyond such date, the agency created will continue for as long as the period of the Resolutions.

This letter is being issued pursuant to a certain Agent and Financial Assistance and Project Agreement, dated as of April 16, 2021, by and between the Agency and the Company (the "Agent Agreement"). All agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project should be aware of the Agent Agreement and obtain a copy thereof.

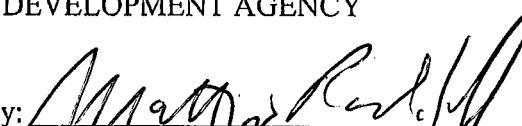
This letter is provided for the sole purpose of securing exemption from New York State Sales and Use Taxes for this project only. No other principal/agent relationship is intended or may be implied or inferred by this letter.

Except to the extent of bond proceeds (to the extent bonds are issued by the Agency with respect to the Project), the Agency shall not be liable, either directly or indirectly or contingently, upon any such contract, agreement, invoice, bill or purchase order in any manner and to any extent whatsoever (including payment or performance obligations), and the Company shall be the sole party liable thereunder. By acceptance of this letter, the vendor hereby acknowledges the limitations on liability described herein.

Very truly yours,

CITY OF PEEKSKILL INDUSTRIAL
DEVELOPMENT AGENCY

By:


Matthew Rudikoff
Executive Director

SCHEDULE A

LIST OF APPOINTED AGENTS¹

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

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



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	IDA project number (use OSC numbering system for projects after 1998)			
City of Peekskill Industrial Development Agency		5504-21-02A		
Street address	Telephone number			
840 Main Street	(914) 737-3400			
City	State	ZIP code	Email address (optional)	
Peekskill	NY	10566		

Project operator or agent information

Name of IDA project operator or agent	Mark an X in the box if directly appointed by the IDA:	Employer identification or Social Security number	
216 South Division LLC	<input checked="" type="checkbox"/>	84-3746805	
Street address	Telephone number	Primary operator or agent?	
10 Julia Lane, Suite 103	(914) 216-5400	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
City	State	ZIP code	
Cold Spring	NY	10516	Email address (optional)

Project information

Name of project			
216 South Division LLC Project			
Street address of project site			
216 South Division Street			
City	State	ZIP code	Email address (optional)
Peekskill	NY	10566	
Purpose of project			
(i) the acquisition by the Agency of a leasehold interest in a parcel of real property located at 216 South Division Street, Peekskill, New York (the "Land", being more particularly described tax parcels 33.37-4-6) along with the existing improvements thereon consisting principally of a vacant residential structure (the "Existing Improvements") and (ii) the demolition of the Existing Improvements and the planning, design, construction, and operation of an approximately 27,000 sf 3-story mixed use facility comprised of 22 market rate apartment units and approximately 2,300 sf of commercial space along with related site improvements, access and egress improvements, utility improvements, signage, curbside, sidewalks, and landscaping improvements (collectively, the "Improvements").			

Description of goods and services intended to be exempted from New York State and local sales and use taxes			
Date project operator or agent appointed (mmddyy)	041621	Date project operator or agent status ends (mmddyy)	123121
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:		Estimated value of New York State and local sales and use tax exemption provided:	
2,850,000.00		238,687.50	

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

Print name of officer or employee signing on behalf of the IDA	Print title	
Matthew Rudikoff	Executive Director	
Signature 	Date	Telephone number
	04-16-2021	(914) 737-3400