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APALACHIN · BARTON · BERKSHIRE · CANDOR · NEWARK VALLEY · NICHOLS · OWEGO · RICHFORD · SPENCER · TIOGA · WAVERLY

August 1, 2017

To Whom It May Concern:

Re: Tioga County Industrial Development Agency  
Gateway Owego, LLC, as Assignee of Nelson Development Group, LLC, Project

Pursuant to a resolution duly adopted on November 30, 2016, the Tioga County Industrial Development Agency (the "Agency") appointed Gateway Owego, LLC, as Assignee of Nelson Development Group, LLC, (the "Company") the true and lawful agent of the Agency to construct and equip an approximately 13,600+/- square foot building consisting of 4,400+/- square feet of office/retail area with public restrooms, 8,800+/- square feet of residential units, and a 400+/- square foot roof top common area for the residential units to be located on a 0.09+/- acre of land at 200-202 Front Street in the Village and Town of Owego, Tioga County, New York and a 0.03+/- acre of land at 204 Front Street in the Village and Town of Owego, Tioga County, New York (the "Project.")

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

August 1, 2017

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

In exercising this Agency appointment, the Company, its agents, subagents, contractors and subcontractors, should give the supplier or vendor a copy of this letter to show that the Company, its agents, subagents, contractors and subcontractors are each acting as agent for the Agency. The supplier or vendor should identify the Project as the "Gateway Owego, LLC Project" on each bill or invoice and indicate thereon that the Company, its agents, subagents, contractors and subcontractors acted as agent for the Tioga County Industrial Development Agency in making the purchase. **You and each of your agents, subagents, contractors and/or subcontractors claiming a sales tax exemption in connection with the Project must execute a copy of the Contract in Lieu of Exemption Certificate attached hereto, and must complete a New York State Department of Taxation and Finance Form ST-60. Original copies of each Contract in Lieu of Exemption Certificate and completed Form ST-60 must be delivered to the Agency within five (5) days of the appointment of each of your agents, subagents, contractors or subcontractors. Any agent, subagent, contractor or subcontractor of the Company which delivers a completed Form ST-60 to the Agency will be deemed to be the agent, subagent, contractor or subcontractor of the Agency for purposes of constructing and equipping the Project. Failure to comply with these requirements may result in loss of sales tax exemptions for the Project.**

You should be aware that the New York State General Municipal Law requires you to file an Annual Statement with the New York State Department of Taxation and Finance regarding the value of sales tax exemptions you, your agents, subagents, contractors or subcontractors have claimed pursuant to the authority 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 aforesaid appointment of the Company as agent of the Agency to construct and equip the Project shall expire at the earlier of (a) the completion of such activities and improvements, (b) July 31, 2018, provided, however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company if such activities and improvements are not completed by such time, and further provided that the Agency shall not unreasonably withhold its consent to the extension of such appointment, or (c) upon the expiration of termination of Lease Term.

If, for some reason, this transaction does not close, you will be liable for payment of the sales tax, if applicable and you are not otherwise exempt, on all materials purchased.

August 1, 2017

The Company acknowledges receipt of a copy of Section 875 of the New York State General Municipal Law, a copy of which is attached hereto as Exhibit "A," and agrees to the terms thereof as a condition precedent to receiving or benefiting from a New York State sales and use tax exemption.

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

Very truly yours,

TIOGA COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By: \_\_\_\_\_  
Ralph E. Kelsey, Chairman

ACCEPTED AND AGREED:

GATEWAY OWEGO, LLC

By: \_\_\_\_\_  
Bruce R. Nelson, Sole Member

EXHIBIT A

SECTION 875 OF THE  
NEW YORK STATE GENERAL MUNICIPAL LAW

(See Attached)

TO: All Contractors, Subcontractors,  
Suppliers and Vendors, etc. of

Gateway Owego, LLC, as Assignee of Nelson Development Group, LLC

Attached please find a “Contract in Lieu of Exemption Certificate” (the “Contract”) which will serve as documentation for not charging Gateway Owego, LLC, as Assignee of Nelson Development Group, LLC, (the “Company”) for sales or use tax in connection with any purchase, lease, rental and other use of materials, equipment, goods, services or supplies at the Project to be leased by the Tioga County Industrial Development Agency (the “Agency”) and described in Addendum A to the aforesaid Contract (the “Project.”)

Also attached is a letter signed by the Agency appointing the Company as its agent for the purpose of constructing and equipping the Project. This letter authorizes the Company to delegate its authority as agent of the Agency to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company authorizes.

In accordance with the authority granted to the Company by the Agency, you are hereby appointed as agent of the Agency for the purpose of making purchases or leases of materials, equipment, goods, services and supplies to the Project. **Your appointment as agent of the Agency is contingent upon your executing the attached Form ST-60 and returning it to us and the Form ST-60 then being filed by the Agency with the New York State Department of Taxation and Finance.**

The blanks in the Contract are provided so you can duplicate the Contract and Addendum A and forward it to your subcontractors and suppliers, as appropriate.

Very truly yours,

GATEWAY OWEGO, LLC

By: \_\_\_\_\_  
Bruce R. Nelson, Sole Member

cc: Tioga County Industrial Development Agency

CONTRACT IN LIEU OF EXEMPTION CERTIFICATE

This Contract is entered into by and between Gateway Owego, LLC, as Assignee of

Nelson Development Group, LLC, (the “Company”) as agent for and on behalf of the Tioga County Industrial Development Agency, a public benefit corporation and a governmental agency of the State of New York, hereinafter called the “Agency” or the “Owner” of the project described in Addendum A hereto (the “Project”) and the contractor or the subcontractor more particularly described on page 2 hereof (hereinafter, the “Contractor.”)

Pursuant to the authority granted to the Company, as agent of the Agency, the Contractor is hereby appointed agent of said Agency for purposes of completing, executing or otherwise carrying out the obligations imposed under this Contract.

The Contractor acknowledges that the Agency will hold a leasehold interest in the Project and that said Agency is a public benefit corporation and governmental entity of the State of New York. By reason of such status, Owner is, and its agents acting on its behalf are, exempt from payment of all New York State and local sales and use taxes on the purchase or lease of all materials, equipment, goods, services and supplies incorporated into and made an integral component part of any structure, building or real property which becomes the property of Owner, and all equipment, machinery and other tangible personal property (including installation costs with respect thereto) which becomes the property of Owner. In addition, Owner and its agents, acting on its behalf, are exempt from all sales and use taxes arising out of or connected with the following, as they relate to performance under this Contract: (i) purchases, leases, rentals and other uses of tools, machinery and equipment, and (ii) purchases, leases, rentals, uses or consumption of supplies, goods, materials and services of every kind and description; provided, however, that exemption from sales and use tax with respect to clauses (i) and (ii) above shall apply only if the Contractor is then acting as agent for Owner under the terms of this Contract.

Pursuant to these exemptions from sales and use taxes, the Contractor shall not include such taxes in its contract price, bid, or reimbursable costs, as the case may be. If the Contractor does not comply with the requirements for sales and use tax exemptions, as described above, then it shall be responsible for and pay any and all applicable New York State sales and use taxes, and no portion thereof shall be charged or billed to the Owner or to the Company directly or indirectly, the intent of this Contract being that neither Owner nor the Company shall be liable for any of the sales or use taxes described above. This Contract may be accepted by the Contractor in lieu of an exemption certificate and the Contractor shall retain a copy thereof to substantiate the sales and use tax exemption.

The aforesaid appointment of the Company as agent of the Agency to construct and equip the Project shall expire at the earlier of (a) the completion of such activities and improvements, (b) \_\_\_\_\_, 2018, provided, however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company, if such activities and improvements are not completed by such time, and further provided that the Agency shall not unreasonably withhold its consent to the extension of such appointment, or (c) upon the expiration of termination of Lease Term.

The Owner shall have the right to assign this Contract to the Company by written notice to the Contractor and without written consent of the Contractor, in which case Owner shall be relieved of all obligations hereunder. In the event of such assignment, all applicable sales and

use taxes shall be added to the purchase price and paid to the Contractor pursuant to a change order. All of the above provisions with respect to exemptions for New York State sales and use taxes shall apply to all subcontractors and other parties in privity of contract with the Company, Owner or the Contractor pursuant to the terms of this Contract.

OWNER:

\_\_\_\_\_  
Insert name of Contractor or  
Subcontractor

GATEWAY OWEGO, LLC  
as Agent for and on behalf of the  
Tioga County Industrial Development Agency

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Bruce R. Nelson  
Sole Member

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

Address of Contractor or  
Subcontractor

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

cc: Tioga County Industrial Development Agency

ADDENDUM A  
DESCRIPTION OF THE PROJECT

The "Project" consists of the construction of a 13,600+/- square foot building consisting of 4,400+/- square feet of office/retail area with public restrooms, 8,800+/- square feet of residential units, and a 400+/- square foot roof top common area for the residential units to be located on a 0.09+/- acre of land located at 200-202 Front Street, Village and Town of Owego, Tioga County, New York and a 0.03+/- acre of land located at 204 Front Street in the Village and Town of Owego, Tioga County, New York and the acquisition and installation therein and thereon of certain machinery and equipment.