

**ATTENTION:**



**Unauthorized use of this document may result in financial penalties**

**LETTER OF AUTHORIZATION FOR SALES TAX EXEMPTION**

**EXPIRATION DATE: April 30, 2014**

**ELIGIBLE PROJECT LOCATION:**

**1 Carder Road, New York, New York (the “Facility Realty”)**

**ELIGIBLE AGENT:**

**Governors Garden Management, LLC (the “Lessee”)**

April 30, 2013

**TO WHOM IT MAY CONCERN**

Re: New York City Industrial Development Agency  
Sales Tax Exemption Letter

Ladies and Gentlemen:

The New York City Industrial Development Agency (the “Agency”), by this notice, hereby advises you as follows:

1. The Agency constitutes a corporate governmental agency and a public benefit corporation under the laws of the State of New York, and therefore, in the exercise of its governmental functions, is exempt from the imposition of any New York State or New York City sales and use tax. As an exempt governmental entity, no exempt organization identification number has been issued to the Agency nor is one required.

2. Pursuant to a certain Agency and Lease Agreement, dated the date hereof (the “Agreement”), between the Agency and the Lessee, the Agency and this Letter of Authorization of Sales tax Exemption thereby and hereby authorizes the Lessee to act as its agent in connection with a project (the “Project”) for the purpose of purchasing and leasing eligible items described in Annex A attached hereto for installation, equipping, furnishing, servicing and use by the Lessee at the Facility Realty.

3. Subject to the provisions of this letter, including Annex B, this agency appointment described in Section 2 above includes the power of the Lessee to delegate from time to time such agency appointment, directly or indirectly, in whole or in part, to agents, subagents, contractors, subcontractors, material men, suppliers and vendors of the Lessee and for such parties in turn to delegate, in whole or in part and from time to time, to such other parties as the Lessee chooses, provided that any such delegation is limited to the renovation, repair and equipping of the Project and any such activities are effected in compliance with this Letter of Authorization for Sales Tax Exemption (each party so designated, hereinafter an “Agent”).

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4. If the Lessee, or an Agent appointed directly or indirectly by the Lessee, intends to appoint an Agent to act as the Agency's agent for the purpose of effecting purchases exempt from sales or use tax pursuant to authority of this Letter of Authorization for Sales Tax Exemption, the Lessee shall comply, and shall require and cause each such Agent to comply, with the required procedures set forth on Annex B hereto with respect to the filing by the Agency of New York State Department of Taxation and Finance Form ST-60 "IDA Appointment of Project or Agent".

5. The Lessee covenants and agrees to comply, and to cause each of its contractors, subcontractors, agents, persons or entities to comply, with the obligations, terms and conditions of Section 875, subdivision (3) of Article 18-A the General Municipal Law, attached hereto as Annex C, as such provisions may be amended from time to time.

6. As agent for the Agency, the Lessee agrees that it will attach the following rider to each contract, agreement, invoice, bill or purchase order entered into by the Lessee or by an Agent, as agent for the Agency for the renovation, repair and equipping of the Project:

"This contract, agreement, invoice, bill or purchase order is being entered into by Governors Garden Management, LLC (the "Agent"), as agent for and on behalf of the New York City Industrial Development Agency (the "Agency") in connection with a certain project of the Agency for the Agent and for Governors Garden Management, LLC (the "Lessee") being the renovation, repair and equipping of a facility (the "Facility"), located at 1 Carder Road, New York, NY 10006 (the "Project"). The purchase, lease, rental or use of the materials, machinery, equipment, goods, services and supplies which are the subject of this contract, agreement, invoice, bill or purchase order, which has been entered into with or presented to the vendor (the "Vendor") shall be exempt from the sales and use tax levied by the State of New York and The City of New York subject to and in accordance with the terms and conditions set forth in the attached Letter of Authorization for Sales Tax Exemption of the Agency, and the Agent hereby represents that this contract, agreement, invoice, bill or purchase order is in compliance with the terms of the Letter of Authorization for Sales Tax Exemption.

The Vendor has been provided with a copy of an executed New York State Department of Finance Form ST-60 "IDA Appointment of Project or Agent" ("Form ST-60") by the purchaser. The Vendor must retain in its records a copy of the Letter of Authorization for Sales Tax Exemption, the completed Form ST-60 and the contract, agreement, invoice, bill or purchase order as evidence that the Vendor is not required to collect sales or use tax in connection with this contract, agreement, invoice, bill or purchase order.

This contract, agreement, invoice, bill or purchase order is nonrecourse to the Agency, and the Agency shall not be directly or indirectly or

contingently liable or obligated hereunder in any manner or to any extent whatsoever, and the Agent shall be the sole party liable hereunder. By execution or acceptance of this contract, agreement, invoice, bill or purchase order, the Vendor hereby acknowledges and agrees to the terms and conditions set forth in this paragraph.”

7. The Agency shall have no liability or performance obligations under any contract, agreement, invoice, bill or purchase order entered into by the Lessee or any Agent as agent for the Agency hereunder. 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, and the Lessee or, as applicable, any Agent, shall be the sole party liable thereunder.

8. By execution by the Lessee of its acceptance of the terms of this Letter of Authorization for Sales Tax Exemption, the Lessee agrees to accept the terms hereof and represents and warrants to the Agency that the use of this Letter of Authorization for Sales Tax Exemption by the Lessee or by any Agent is strictly for the purposes above stated.

9. Accordingly, until the Termination Date (as defined in the Lease Agreement), all Vendors are hereby authorized to rely on this Letter of Authorization for Sales Tax Exemption (or on a photocopy or fax of this Letter of Authorization for Sales Tax Exemption) as evidence that purchases of the Project property, to the extent effected by the Lessee or by an Agent as agent for the Agency, are exempt from all New York State and New York City sales and use taxes. Upon the Termination Date, the Lessee and each Agent shall cease being agents of the Agency, and (i) the Lessee shall immediately notify each Agent in writing of such termination; (ii) the Lessee shall surrender, and cause each Agent to surrender, this Letter of Authorization for Sales Tax Exemption (including any copy or facsimile hereof) to the Agency for cancellation; and (iii) the Lessee shall cause each Agent to perform all of its obligations as set forth in Annex B and in the Agency Agreement referred to therein.

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

**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY**

By: [Signature]  
Name: Suffrey Lee  
Title: Executive Director

ACCEPTED AND AGREED TO BY:

**GOVERNORS GARDEN MANAGEMENT, LLC**

By: [Signature]  
Name: William Zafiro  
Title: member

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

On the 15 day of April, in the year two thousand 13  
before me, the undersigned, personally appeared [Signature]  
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/she/they executed the same in his/her/their capacity, and that by his/her/their signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

**FRANCES TUFANO**  
Notary Public, State of New York  
No. 01TU5080131  
Qualified in Queens County  
Commission Expires June 16, 2015  
Notary Public/Commissioner of Deeds

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

On the 11 day of APRIL, in the year two thousand THIRTEEN

before me, the undersigned, personally appeared WILLIAM ZAFIRO  
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/she/they executed the same in his/her/their capacity, and that by his/her/their signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

[Signature]  
Notary Public/Commissioner of Deeds

**NICHOLAS ALAFRANJI**  
Notary Public, State of New York  
No. 01AL6253234  
Qualified in Kings County  
Commission Expires: 12/19/2015