

# **Preliminary Resolution**

**PRELIMINARY RESOLUTION**  
*(Big Ditch Brewing Company LLC Project)*

A regular meeting of Niagara County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 6311 Inducon Corporate Drive, Suite One, Sanborn, New York on the 14<sup>th</sup> day of February, 2024 at 9:00 a.m., local time.

The meeting was called to order by the Chairperson and, upon roll being called, the following members of the Agency were:

PRESENT:

Mark A. Onesi	Chairperson
Jason Krempa	First Vice Chairman
Clifford Scott	Second Vice Chairman
William L. Ross	Secretary
Mark D. Berube	Assistant Secretary
Anne E. McCaffrey	Member
Ryan Mahoney	Member
David J. Masse	Member

ABSENT:

William Fekete	Member
----------------	--------

THE FOLLOWING PERSONS WERE ALSO PRESENT:

Susan C. Langdon	Executive Director
Andrea Klyczek	Assistant Director
Michael Dudley	Finance Manager
Caroline Caruso	Accounting Associate
Susan Barone	Grants & Operations Manager
Julie Lamoreaux	Administrative & Human Resource Officer
Jeremy Geartz	Project Manager
Mark Gabriele, Esq.	Agency Counsel

The following resolution was offered by Ms. McCaffrey, seconded by Mr. Krempa, to wit:

**Resolution No. 8.1.2**

RESOLUTION OF THE NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) ACCEPTING THE APPLICATION OF BIG DITCH BREWING COMPANY LLC WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DEFINED BELOW) TO BE UNDERTAKEN BY THE AGENCY FOR THE BENEFIT OF BIG DITCH BREWING COMPANY LLC OR AN ENTITY FORMED OR TO BE FORMED; (ii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO THE PROJECT; (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AGENCY.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 569 of the Laws of 1972 of the State of New York (the "Act"), **NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (the "Agency") was created with the authority and power to own, lease and sell property and to issue its bonds as authorized by the Act; and

WHEREAS, **BIG DITCH BREWING COMPANY LLC** and/or an individual(s) or affiliate, subsidiary, or entity or entities formed or to be formed on its behalf (the "Company"), has submitted an application to the Agency, a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") consisting of: (A) the retention by the Agency of a leasehold interest in a parcel of land located at 1 East Avenue in the City of Lockport, Niagara County, New York from Iskalo 1 East Avenue LLC (the "Land"); (B) the establishment of a two story microbrewery, tap room and event space in an approximately 15,000 square feet of the existing building located on the Land to be operated by the Company ("Improvements"); and (C) the acquisition and installation in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment" and collectively with the Land and the Improvements, the "Facility");

WHEREAS, pursuant to Article 18-A of the General Municipal Law the Agency desires to adopt a resolution describing the Project and the financial assistance that the Agency is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Agency will hold public hearings and (i) negotiate an agent agreement (the "Agent Agreement") whereby the Agency will designate the Company as its agent for the purpose of acquiring, constructing and equipping the Project, (ii) retain a leasehold interest in the Land, Improvements, Equipment and personal property constituting the Facility and (iii) provide financial assistance to the Company in the form of sales and use tax exemptions related to the Project consistent with the policies of the Agency; and

WHEREAS, the Agency has scheduled public hearings and provided notice of the public hearings pursuant to Section 850-a of the Act; and

WHEREAS, the Agency must determine whether the undertaking of the Project and the providing of the contemplated financial assistance will induce the Company to develop the Project, thereby to advance job opportunities, health, general prosperity and economic welfare of the people of the County of Niagara, and to specifically promote the investment commitment, employment commitment and other commitments of the Company contained herein and within the Company's Application.

WHEREAS, pursuant to Section 862 of the Act, the Project constitutes a "retail" project and, as a result, in addition to the other requirements of the Act, prior to the Agency providing any financial assistance to the Project the Agency must determine if the Project is located in a "highly distressed area" as set term is defined in Section 862 of New York General Municipal Law.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AGENCY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's application, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) The Agency has the authority to take the actions contemplated herein under the Act; and

(C) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in Niagara County and otherwise furthering the purposes of the Agency as set forth in the Act; and

(D) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries.

Section 2. The Chairperson, Vice Chairperson and/or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to hold public hearings in compliance with the Act and negotiate an Agent Agreement, whereby the Agency appoints the Company as its agent to undertake the Project and to immediately provide sales tax exemption benefits for purchases and rentals related to the renovation, construction and equipping of the project together with mortgage tax exemption benefits and related documents.

Section 3. The Agency is hereby authorized to conduct public hearings in compliance with the Act.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 5. These Resolutions shall take effect immediately upon adoption.

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

	<u>Yea</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Mark Onesi	[ x ]	[ ]	[ ]	[ ]
Jason Krempa	[ x ]	[ ]	[ ]	[ ]
William Ross	[ x ]	[ ]	[ ]	[ ]
William Fekete	[ ]	[ ]	[ ]	[ x ]
Clifford Scott	[ x ]	[ ]	[ ]	[ ]
Mark Berube	[ x ]	[ ]	[ ]	[ ]
Ryan Mahoney	[ x ]	[ ]	[ ]	[ ]
Anne E, McCaffrey	[ x ]	[ ]	[ ]	[ ]
David J. Masse	[ x ]	[ ]	[ ]	[ ]

The Resolutions were thereupon duly adopted.

STATE OF NEW YORK    )  
                                  ) SS.:  
COUNTY OF NIAGARA    )

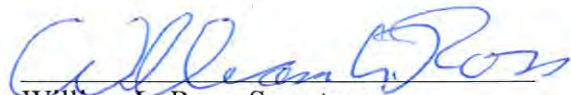
I, the undersigned Secretary of Niagara County Industrial Development Agency (the "Agency"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on February 14, 2024 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 14<sup>th</sup> day of February, 2024.

[SEAL]

  
William L. Ross, Secretary

# **Final Resolution**

**FINAL RESOLUTION**

*(Big Ditch Brewing Company LLC Project)*

A regular meeting of Niagara County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 6311 Inducon Corporate Drive, Suite One, Sanborn, New York on the 27th day of March, 2024 at 9:00 a.m., local time.

The meeting was called to order by the Chairman and, upon roll being called, the following members of the Agency were:

PRESENT:

Mark A. Onesi	Chairperson
Jason Krempa	First Vice Chairman
Clifford Scott	Second Vice Chairman
William L. Ross	Secretary
Mark D. Berube	Assistant Secretary
Anne E. McCaffrey	Member
Ryan Mahoney	Member
David J. Masse	Member
William Fekete	Member

ABSENT:

THE FOLLOWING PERSONS WERE ALSO PRESENT:

Susan C. Langdon	Executive Director
Andrea Klyczek	Assistant Director
Michael Dudley	Finance Manager
Caroline Caruso	Accounting Associate
Susan Barone	Grants & Operations Manager
Julie Lamoreaux	Administrative & Human Resource Officer
Jeremy Geartz	Project Manager
Mark Gabriele, Esq.	Agency Counsel

The following resolution was offered by Mr. Fekete, seconded by Mr. Masse, to wit:



Resolution No. 8.2.1

RESOLUTION OF THE NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) UNDERTAKE A CERTAIN PROJECT FOR THE BENEFIT OF BIG DITCH BREWING COMPANY LLC AND/OR AN INDIVIDUAL(S) OR AFFILIATE, SUBSIDIARY, OR ENTITY FORMED OR TO BE FORMED ON ITS BEHALF (AS MORE FULLY DEFINED BELOW); (ii) NEGOTIATE AND EXECUTE AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT AND RELATED DOCUMENTS; AND (iii) PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF A SALES TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 569 of the Laws of 1972 of the State of New York (the "Act"), **NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (the "Agency") was created with the authority and power to own, lease and sell property and to issue its bonds as authorized by the Act; and

WHEREAS, **BIG DITCH BREWING COMPANY LLC** and/or an individual(s) or affiliate, subsidiary, or entity or entities formed or to be formed on its behalf (the "Company"), has submitted an application to the Agency, a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") consisting of: (A) the retention by the Agency of a leasehold interest in a parcel of land located at 1 East Avenue in the City of Lockport, Niagara County, New York from Iskalo 1 East Avenue LLC (the "Land"); (B) the establishment of a two story microbrewery, tap room and event space in an approximately 15,000 square feet of the existing building located on the Land to be operated by the Company ("Improvements"); and (C) the acquisition and installation in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment" and collectively with the Land and the Improvements, the "Facility"); and

WHEREAS, pursuant to Article 18-A of the General Municipal Law the Agency desires to adopt a resolution describing the Project and the financial assistance that the Agency is contemplating with respect to the Project; and

WHEREAS, on February 14, 2024, the Agency adopted a resolution (the "Preliminary Resolution") accepting the Application and directing that a public hearing be held; and

WHEREAS, it was contemplated that the Agency would hold a public hearing and (i) negotiate an agent agreement (the "Agent Agreement") whereby the Agency will designate the Company as its agent for the purpose of acquiring, constructing and equipping the Project, (ii) retain a leasehold interest in the Land, Improvements, Equipment and personal property constituting the Facility and (iii) provide financial assistance to the Company in the form of sales and use tax exemptions related to the Project, consistent with the policies of the Agency; and

WHEREAS, on the 12<sup>th</sup> day of March, 2024, at 2:15 p.m., the Agency held a public hearing with respect to the Project and the proposed financial assistance being contemplated by the Agency (the “Public Hearing”) whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views. A copy of the Minutes of the Public Hearing along with the Notice of Public Hearing published and forwarded to the affected taxing jurisdictions prior to said Public Hearing are attached hereto as Exhibit A; and

WHEREAS, the Agency has determined that under Section 862 of the New York General Municipal Law, that the Project will be used to make retail sales of goods or services to customers who personally visit the Project facilities to obtain such goods or services and that more than one-third of the total Project costs will be allocated for such retail purposes; and

WHEREAS, the Agency also found that, based year 2022 Census data, the poverty rate was 41% and the unemployment rate was 2.58 times the state average, for the year to which the date related, with respect to the census tract in which the Project is located enabled the Agency to determine that the Project is located in a “highly distressed area” as said term is defined in Section 862 of the New York General Municipal Law; and

WHEREAS, the Agency has determined that providing of the contemplated financial assistance will induce the Company to develop the Project, thereby to advance job opportunities, health, general prosperity and economic welfare of the people of the County of Niagara, and to specifically promote the investment commitment, employment commitment and other commitments of the Company contained herein and within the Company’s Application.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AGENCY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's application, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) The Agency has the authority to take the actions contemplated herein under the Act; and

(C) The action to be taken by the Agency will induce the Company to develop the Project, thereby advancing job opportunities, health, general prosperity and economic welfare of the people of the County of Niagara, and to specifically promote the investment commitment, employment commitment and other commitments of the Company contained herein and within the Company’s Application; and

(D) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries.

Section 2. The Agency has now found that, based year 2022 Census data, the poverty rate was 41% and the unemployment rate was 11.10%, or 2.58 times the state average, for the year to which the date related, with respect to the census tract in which the Project is located enabling the Agency to determine that the Project is located in a "highly distressed area" as said term is defined in Section 862 of the New York General Municipal Law.

Section 3. Subject to the Company executing an Agent Agreement by and between the Agency and the Company and the delivery to the Agency of a binder, certificate or other evidence of liability insurance policy for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency; (i) to acquire, construct and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the Agent Agreement shall expire on the date as indicated in the Agent Agreement (*unless extended for good cause by the Executive Director of the Agency*).

Section 4. Pursuant to Section 875(3) of the New York General Municipal Law, the Agency may recover or recapture from the company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any sales and use tax exemption benefits taken or purported to be taken by the company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, constants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the sales and use tax exemption benefits; (ii) the sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the purchases for the benefit of the Project; (iii) the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; or (iv) the consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with a material term or condition to use property or services in the manner approved by the Agency in connection with the Project. As a condition precedent of receiving sales and use tax exemption benefits, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, must (i) cooperate with the Agency in its efforts to recover or recapture any sales and

use tax exemption benefits, and (ii) promptly pay over any such amounts to the Agency that the Agency demands.

Section 5. The Agency hereby confers on the Company in connection with the Project certain benefits, exemptions and other financial assistance consisting of an exemption benefit from all New York State and local sales and use tax exemption benefits for purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction or equipping of the Facility. The Agency will provide the Company with Project incentives totaling \$96,000.00, comprised of sales and use tax exemption benefits. To effectuate this Resolution, the Chairman, Vice Chairman and/or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to negotiate and execute and Agent Agreement which terms are consistent with the Agency's Uniform Tax Exemption Policy.

Section 6. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 7. This resolution shall take effect immediately upon adoption, and shall expire one (1) year from the date hereof unless extended for good cause by the Chairman, Vice-Chairman or Executive Director.

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

	<u>Yea</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Mark Onesi	[ x ]	[ ]	[ ]	[ ]
Jason Krempa	[ x ]	[ ]	[ ]	[ ]
Clifford Scott	[ x ]	[ ]	[ ]	[ ]
William L. Ross	[ x ]	[ ]	[ ]	[ ]
Mark D. Berube	[ x ]	[ ]	[ ]	[ ]
David J. Masse	[ x ]	[ ]	[ ]	[ ]
Ryan Mahoney	[ x ]	[ ]	[ ]	[ ]
Anne E. McCaffrey	[ x ]	[ ]	[ ]	[ ]
William Fekete	[ x ]	[ ]	[ ]	[ ]

The resolution was thereupon duly adopted.

STATE OF NEW YORK     )  
  ) SS.:  
COUNTY OF NIAGARA    )

I, the undersigned Secretary of Niagara County Industrial Development Agency (the "Agency"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on March 27, 2024 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 27th day of March, 2024.

[SEAL]

  
William L. Ross, Secretary

EXHIBIT A

**NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York General Municipal Law will be held by the Niagara County Industrial Development Agency (the "Agency") on the 12<sup>th</sup> day of March, 2024, at 2:15 p.m., local time at Lockport City Hall, Council Chambers, One Locks Plaza, Lockport, New York 14094, in connection with the following matter:

**BIG DITCH BREWING COMPANY LLC** and/or an individual(s) or affiliate, subsidiary, or entity or entities formed or to be formed on its behalf (the "Company"), has submitted an application to the Agency, a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") consisting of: (A) the retention by the Agency of a leasehold interest in a parcel of land located at 1 East Avenue in the City of Lockport, Niagara County, New York from Iskalo 1 East Avenue LLC (the "Land"); (B) the establishment of a two story microbrewery, tap room and event space in an approximately 15,000 square feet of the existing building located on the Land to be operated by the Company ("Improvements"); and (C) the acquisition and installation in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment" and collectively with the Land and the Improvements, the "Facility");

The Agency will retain a leasehold interest in the Facility. The Agency contemplates that it will provide financial assistance (the "Financial Assistance") to the Company in the form of sales and use tax exemptions consistent with the policies of the Agency.

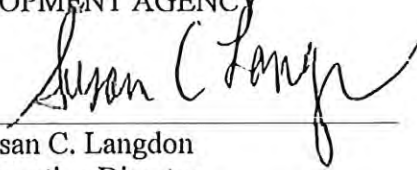
A representative of the Agency will be at the above-stated time and place to present a copy of the Company's project application and hear and accept written and oral comments from all persons with views in favor of or opposed to or otherwise relevant to the proposed Financial Assistance.

This public hearing is being conducted in accordance with Subdivision 2 of Section 859-a of the New York General Municipal Law.

DATED: February 26, 2024

NIAGARA COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

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

  
Susan C. Langdon  
Executive Director

**NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York General Municipal Law will be held by the Niagara County Industrial Development Agency (the "Agency") on the 12th day of March, 2024, at 2:15 p.m., local time at Lockport City Hall, Council Chambers, One Locks Plaza, Lockport, New York 14094, in connection with the following matter:

**BIG DITCH BREWING COMPANY LLC** and/or an individual(s) or affiliate, subsidiary, or entity or entities formed or to be formed on its behalf (the "Company"), has submitted an application to the Agency, a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") consisting of: (A) the retention by the Agency of a leasehold interest in a parcel of land located at 1 East Avenue in the City of Lockport, Niagara County, New York from Iskalo 1 East Avenue LLC (the "Land"); (B) the establishment of a two story microbrewery, tap room and event space in an approximately 15,000 square feet of the existing building located on the Land to be operated by the Company ("Improvements"); and (C) the acquisition and installation in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment" and collectively with the Land and the Improvements, the "Facility");

The Agency will retain a leasehold interest in the Facility. The Agency contemplates that it will provide financial assistance (the "Financial Assistance") to the Company in the form of sales and use tax exemptions consistent with the policies of the Agency.

A representative of the Agency will be at the above-stated time and place to present a copy of the Company's project application and hear and accept written and oral comments from all persons with views in favor of or opposed to or otherwise relevant to the proposed Financial Assistance.

This public hearing is being conducted in accordance with Subdivision 2 of Section 859-a of the New York General Municipal Law.

DATED: February 28, 2024

**NIAGARA COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY**

By: Susan C. Langdon  
Executive Director

3/1/2024

L#329799


STATE OF NEW YORK  
NIAGARA COUNTY, } SS, \_\_\_\_\_

Jackie Bilogan, of said county, being duly sworn, deposes and says that she is now and during the whole time hereinafter mentioned was the Clerk of

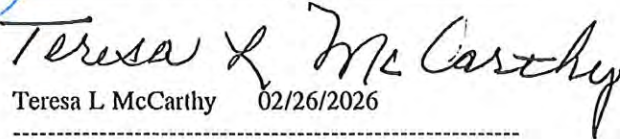
LOCKPORT UNION-SUN & JOURNAL

A newspaper published in the County and State aforesaid,  
and that the annexed printed legal # 329799  
was printed and published in said paper on the following dates:

03/01/2024

  
\_\_\_\_\_  
Principal Clerk

Subscribed and sworn to before me this  
3.4.24

  
Teresa L. McCarthy      02/26/2026

-----  
Notary Public                  Expiration Date

TERESA L. MCCARTHY  
Notary Public - State of New York  
No. 01MC4962698  
Qualified In Niagara County  
My Comm. Expires Feb. 26, 2026



Public Hearing for Big Ditch Brewing Company LLC  
March 12, 2024 at 2:15 p.m.  
Lockport City Hall

Andrea Klyczek; Welcome. This public hearing is now open; it is 2:15 p.m. My name is Andrea Klyczek. I am the Assistant Director of the Niagara County Industrial Development Agency, and I will be the hearing officer to conduct this public hearing. Notice of this public hearing was published in the Union Sun & Journal.

We are here to hold the public hearing on Big Ditch Brewing Company LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project.

The proposed project (the "Project") includes the establishment of a two story microbrewery, tap room and event space in an 15,000 square feet to house a Big Ditch Brewery, tap room and event space and the acquisition and installation of certain items of machinery, equipment, furniture and fixtures. The project is located in an existing building at 1 East Avenue in the City of Lockport.

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits in compliance with Agency's tax exemption policy.

The project application and project summary are posted on the Agency's website at [niagaracountybusiness.com](http://niagaracountybusiness.com) and I have copies with me today.

If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to Agency at 6311 Inducon Corporate Drive, Suite One, Sanborn, New York 14132 until the comment period closes on March 15, 2024.

If anyone is interested in making a comment, please, state your name and address; if you are representing a company, please identify the company. Please limit your comments to no more than 3 minutes in length.

Andrea Klyczek: Are there any comments? Hearing none, I will now adjourn the meeting.  
It is now 2: p.m. Thank you.

NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

BIG DITCH BREWING COMPANY, LLC

March 12, 2024

2:15 p.m.

Taken at: LOCKPORT CITY HALL

PRESENT:**ANDREA KLYCZEK**

Assistant Executive Director  
Niagara County Industrial Development Agency  
Appearing as Hearing Officer

**SUSAN LANGDON**

Executive Director  
Niagara County Industrial Development Agency

ATTENDANCE NOTED ON ATTACHED SIGN-IN SHEET

MS. KLYCZEK: Welcome.

This public hearing is now open. It is 2:15 p.m.

My name is Andrea Klyczek. I am the Assistant Director of the Niagara County Industrial Development Agency, and I will be the hearing officer to conduct this public hearing.

Notice of this hearing was published in the Union Sun & Journal.

We are here to hold the public hearing on Big Ditch Brewing Company, LLC, and/or individuals or affiliates, subsidiaries or entities formed, or to be formed, on its behalf. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project.

The proposed project includes the establishment of a two-story microbrewery, tap room and event space in 15,000 square feet to house the Big Ditch Brewery, tap room and event space, and the acquisition and installation of certain items of machinery, equipment, furniture and fixtures.

The project is located in an existing building at 1 East Avenue in the City of Lockport.

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits, in compliance with the Agency's tax exemption policy.

The project application and project summary are posted on the Agency's website at [niagaracountybusiness.com](http://niagaracountybusiness.com). I have copies with me today.

If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 6311 Inducon Corporate Drive, Suite One, Sanborn, New York 14132 until the comment period closes on March 15, 2024.

If anyone is interested in making a comment, please state your name and address. If

you are representing a company, please identify the company. Please limit your comments to no more than three minutes in length.

Are there any comments?

Hearing none, I will now adjourn the meeting. It is now 2:17 p.m. Thank you.

(The proceeding was concluded at 2:17 p.m.)

\* \* \* \*

**SIGN IN SHEET  
PUBLIC HEARING**

March 12, 2024 - 2:15 p.m.  
Lockport City Hall

regarding:

**Big Ditch Brewing Company LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies),  
or Entity(ies) formed or to be formed on its behalf**

Name	Company and/or Address	X box to speak/ comment
Tracy Farrell	City of Lockport <del>Big Ditch Co.</del>	
Matt Kahn	Big Ditch Brewing Co. 55 E Heron St Lockport, NY 14203	
DAVID CHIAZZA	#SKALO DEVELOPMENT	
JOHN SIDEMAKER	NCRITS	

**EXHIBIT B**

617.20

**Appendix B**

**Short Environmental Assessment Form**

**Instructions for Completing**

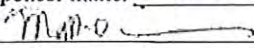
**Part 1 - Project Information.** The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

<b>Part 1 - Project and Sponsor Information</b>				
Name of Action or Project: Consideration of request for sales tax exemption on purchase of furniture, fixtures and equipment for brewery and tap room				
Project Location (describe, and attach a location map): 1 East Avenue, Lockport NY 14094				
Brief Description of Proposed Action: Big Ditch Brewing Company LLC is seeking inducement from the Niagara County Industrial Development Agency (NCIDA) for sales tax exemption on furniture, fixtures and equipment for a proposed micro-brewery, tap room/restaurant and event space proposed for space in the Historic Post Office located at 1 East Avenue in the City of Lockport. Big Ditch Brewing, one of the largest craft brewers in New York State, seeks to lease 14,960 square feet of space across two floors in the 1 East Avenue building for the proposed project. In addition to serving as an anchor tenant for the Historic Post Office Building which will help to attract additional tenants to the building, the Big Ditch Micro-brewery and Tap Room would also serve as a downtown Lockport anchor and complement to the Cornerstone Arena and Palace Theater that it is situated between.				
Name of Applicant or Sponsor: Big Ditch Brewing Company LLC		Telephone: (716) 854-5050 E-Mail: matt.kahn@bigditchbrewing.com		
Address: 55 East Huron Street				
City/PO: Buffalo		State: NY	Zip Code: 14203	
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.			NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>
2. Does the proposed action require a permit, approval or funding from any other governmental Agency? If Yes, list agency(s) name and permit or approval: Niagara County IDA (sales tax exemption), Niagara County (Health Dept Permit), NYS Liquor Authority (Liquor License); NYS Office of Community Renewal (Community Block Grant/Loan)			NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>
3.a. Total acreage of the site of the proposed action?		.58 acres		
b. Total acreage to be physically disturbed?		.58 acres		
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor?		.58 acres		
4. Check all land uses that occur on, adjoining and near the proposed action. <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input type="checkbox"/> Industrial <input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Residential (suburban) <input type="checkbox"/> Forest <input type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input type="checkbox"/> Other (specify): _____ <input type="checkbox"/> Parkland				





18. Does the proposed action include construction or other activities that result in the impoundment of water or other liquids (e.g. retention pond, waste lagoon, dam)? If Yes, explain purpose and size: _____ _____	NO	YES
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe: _____ _____	NO	YES
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe: _____ _____	NO	YES
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE		
Applicant/sponsor name: <u>Matt Kahn</u>	Date: <u>February 2, 2024</u>	
Signature: <u></u>		

**Part 2 - Impact Assessment.** The Lead Agency is responsible for the completion of Part 2. Answer all of the following questions in Part 2 using the information contained in Part 1 and other materials submitted by the project sponsor or otherwise available to the reviewer. When answering the questions the reviewer should be guided by the concept "Have my responses been reasonable considering the scale and context of the proposed action?"

	No, or small impact may occur	Moderate to large impact may occur
1. Will the proposed action create a material conflict with an adopted land use plan or zoning regulations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Will the proposed action result in a change in the use or intensity of use of land?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Will the proposed action impair the character or quality of the existing community?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Will the proposed action have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Will the proposed action result in an adverse change in the existing level of traffic or affect existing infrastructure for mass transit, biking or walkway?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Will the proposed action cause an increase in the use of energy and it fails to incorporate reasonably available energy conservation or renewable energy opportunities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Will the proposed action impact existing:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
a. public / private water supplies?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. public / private wastewater treatment utilities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Will the proposed action impair the character or quality of important historic, archaeological, architectural or aesthetic resources?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Will the proposed action result in an adverse change to natural resources (e.g., wetlands, waterbodies, groundwater, air quality, flora and fauna)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

	No, or small impact may occur	Moderate to large impact may occur
10. Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Will the proposed action create a hazard to environmental resources or human health?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Part 3 - Determination of significance.** The Lead Agency is responsible for the completion of Part 3. For every question in Part 2 that was answered "moderate to large impact may occur", or if there is a need to explain why a particular element of the proposed action may or will not result in a significant adverse environmental impact, please complete Part 3. Part 3 should, in sufficient detail, identify the impact, including any measures or design elements that have been included by the project sponsor to avoid or reduce impacts. Part 3 should also explain how the lead agency determined that the impact may or will not be significant. Each potential impact should be assessed considering its setting, probability of occurring, duration, irreversibility, geographic scope and magnitude. Also consider the potential for short-term, long-term and cumulative impacts.

<input type="checkbox"/>	Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.
<input checked="" type="checkbox"/>	Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.
_____	_____
NCIDA	2/9/24
Name of Lead Agency	Date
_____	_____
S. LANGDON	ED
Print or Type Name of Responsible Officer in Lead Agency	Title of Responsible Officer
_____	_____
Signature of Responsible Officer in Lead Agency	Signature of Preparer (if different from Responsible Officer)

**PRINT**

# **Project Agreement**

## AGENT AND FINANCIAL ASSISTANCE AND PROJECT AGREEMENT

THIS AGENT AND FINANCIAL ASSISTANCE AND PROJECT AGREEMENT (hereinafter, the "Agent Agreement"), made as of the 1st day of May, 2024, by and between the **NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York, with offices at 6311 Inducon Corporate Drive, Suite One, Sanborn, New York 14132 (the "Agency"), and **BIG DITCH BREWING COMPANY LLC**, a New York limited liability company duly organized, validly existing and in good standing under the laws of the State of New York, with offices at 55 East Huron Street, Buffalo, New York, 14203 (the "Company").

### WITNESSETH:

WHEREAS, the Agency was created by Chapter 569 of the Laws of 1972 of the State of New York pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York (collectively, the "Act") as a body corporate and politic and as a public benefit corporation of the State of New York; and

WHEREAS, the Company has submitted an application (the "Application") to the Agency, a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") consisting of: (A) the retention by the Agency of a leasehold interest in a parcel of land located at 1 East Avenue in the City of Lockport, Niagara County, New York from Iskalo 1 East Avenue LLC (the "Land"); (B) the establishment of a two story microbrewery, tap room and event space in approximately 15,000 square feet of the existing building located on the Land to be operated by the Company (the "Improvements"); and (C) the acquisition and installation in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment" and collectively with the Improvements, the "Big Ditch Facility") (the Land, the Improvements, and the Equipment are hereinafter, collectively, referred to as the "Facility"); and

WHEREAS, by Resolution adopted on March 27, 2024 (the "Resolution"), the Agency authorized the Company to act as its agent for the purposes of undertaking the Project subject to the Company entering into this Agent Agreement and pursuant to the Resolution and this Agent Agreement, the Company has the power to delegate such agency, in whole or in part, to agents, subagents, contractors, subcontractors and 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 (collectively, the "Subagent"). 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; and

WHEREAS, by its Resolution, the Agency has conferred on the Company in connection with the Project certain benefits, exemptions and other financial assistance consisting of an exemption benefit from all New York State and local sales and use tax exemption benefits for purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Big Ditch Facility or used in the acquisition, construction or equipping of the Big Ditch Facility, (hereinafter referred to as the "Financial Assistance"); and

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

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

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

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

1. Purpose of Project and Scope of Agency. The purpose of the Agency's provision of Financial Assistance with respect to the Project is to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of the Big Ditch Facility to advance job opportunities, health, general prosperity and economic welfare of the people of the County of Niagara, and to specifically promote the investment commitment, employment commitment and other commitments of the Company contained herein and within the Company's Application.

Pursuant to the Resolution, the Agency has appointed the Company as agent to undertake the Project, as defined herein and within the Resolution. The Company hereby agrees to limit its activities as agent for the Agency under the authority of the Resolution to acts reasonably related to the acquisition and installation of certain machinery, equipment and building materials, all for incorporation and installation thereof in and around the Big Ditch Facility. Pursuant to the Resolution and this Agent Agreement, the Company has 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 (collectively, the "Subagent"). 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's right to appoint subagents is expressly conditioned upon the updating of Schedule A, hereto, along with the timely filing of Form ST-60 (non-primary) for each subagent, with such updated Schedule A and a copy of and proof of filing of such ST-60 (non-primary) being promptly filed with the Agency. The right of the Company and all duly appointed subagents to act as agent of the Agency shall expire on December 31, 2025, unless extended as contemplated by the Resolution. The aggregate amount of work performed by the Company and all subagents as agent for the Agency shall not exceed the amounts identified in Section 2(h) of this Agreement.

All contracts entered into by the Company and all subagents thereof as agent for the Agency shall include the language contained within Schedule B, hereto. **Failure by the Company and/or any subagent thereof to include such language shall disqualify the agent status and**

**sales tax exemptions derived by virtue of this Agent Agreement. The Company, for itself and on behalf of all duly appointed subagents, hereby agrees that all contracts entered into by the Company and any subagents thereof shall be available to the Agency for inspection and confirmation of the foregoing mandatory language.**

2. **Representations and Covenants of the Company.** The Company makes the following representations and covenants in order to induce the Agency to proceed with the Project/Big Ditch Facility:

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

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

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

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

(e) The Company covenants that the Big Ditch Facility will comply in all respects with all environmental laws and regulations, and, except in compliance with environmental laws and regulations, (i) that no pollutants, contaminants, solid wastes, or toxic or hazardous substances will be stored, treated, generated, disposed of, or allowed to exist on the Big Ditch Facility except in compliance with all material applicable laws, (ii) that the Company will take all reasonable and prudent steps to prevent an unlawful release of hazardous substances onto the Big Ditch Facility or onto any other property, (iii) that no asbestos will be incorporated into or disposed of on the Big Ditch Facility, with removal of any asbestos from the Big Ditch Facility in compliance with applicable laws being permitted; (iv) that no underground storage tanks will be located on the Big Ditch Facility, and (v) that no investigation, order, agreement, notice, demand or settlement with respect to any of the above is threatened, anticipated, or in existence. The Company upon receiving any information or notice contrary to the representations contained in this Section shall promptly notify the Agency in writing with full details regarding the same. The Company hereby releases the Agency from liability with respect to, and agrees to defend, indemnify, and hold harmless the

Agency, its executive director, directors, members, officers, employees, agents (except the Company), representatives, successors, and assigns from and against any and all claims, demands, damages, costs, orders, liabilities, penalties, and expenses (including reasonable attorneys' fees) related in any way to any violation of the covenants or failure to be accurate of the representations contained in this Section. In the event the Agency in its reasonable discretion deems it necessary to perform due diligence with respect to any of the above, or to have an environmental audit performed with respect to the Big Ditch Facility, the Company agrees to pay the expenses of same to the Agency upon demand.

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

(g) In accordance with Section 875(3) of the New York General Municipal Law, the policies of the Agency, and the Resolution, the Company covenants and agrees that it may be subject to a Recapture Event Determination (as hereinafter defined) resulting in the potential recapture and/or termination of any and all Financial Assistance, as described below, if the Company receives, or any duly appointed subagents receives any Financial Assistance from the Agency, and it is determined by the Agency, that:

(1) 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

(2) 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

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

(4) the Company has made a materially, 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

(5) the Company fails to meet and maintain the thresholds and requirements representing certain material terms and conditions, all as further defined below, being the purposes to be achieved by the Agency with respect to its determination to provide Financial Assistance to the Project and required by the Agency to be complied with and adhered to, as evidenced by submission, as so required by the Agency, of written confirmation certifying and confirming on an annual basis beginning in the first year in which Financial Assistance is so claimed, through the earlier of either: (i) two (2) years following the construction completion date; or (ii) the termination of this Agent Agreement, (said date hereinafter referred to as the "Project Completion Date" and the time period so referenced being hereinafter defined as the "Material Terms and Conditions Monitoring Period") confirming those items and conditions in respect to job creation and retention and capital investment of:

(a) Investment Commitment – that the total investment actually made with respect to the Project at the Project's construction completion date equals or exceeds

\$1,020,000.00 (which represents the product of 85% multiplied by \$1,200,000.00 being the total project cost as stated in the Company's Application for Financial Assistance); and

(b) Employment Commitment - that there are no existing full time equivalent ("FTE") employees presently located at the Big Ditch Facility as stated in the Company's Application for Financial Assistance (the "Baseline FTE") and specifically confirming:

- There are currently no FTE employees in the current year at the Big Ditch Facility; and
- that, within two (2) years following Project completion, the Company and/or its tenants will have created FTE employment at the Big Ditch Facility equal to twenty-seven (27) FTE employees, being the total number of new FTE employee positions as proposed to be created by the Company and/or its tenants as stated in the Company's Application for Financial Assistance). In an effort to confirm and verify the Company's employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on an annual basis, said information to be provided on the Agency's "Employment Survey" form to be made available to the Company by the Agency; and

In order to certify and verify the foregoing, the Company shall provide annually, to the Agency, a certified statement and documentation: (i) enumerating the FTE jobs retained and the FTE jobs created as a result of the Financial Assistance, by category, including FTE independent contractors or employees of independent contractors that work at the project location, (ii) indicating that the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created that was provided in the Application for Financial Assistance is still accurate and if it is not still accurate, providing a revised list of salary and fringe benefit averages or ranges for categories of jobs retained and jobs created, and (iii) such other information, as so requested from time to time, to enable the Agency to assess the progress of the Project toward achieving the investment, job retention, job creation, or other objectives of the Project indicated in the Application for Financial Assistance.

The Company shall annually complete and submit to the Agency the Annual Employment and Financial Assistance Certification Report in the form attached hereto as **Exhibit F**. In addition, Company shall complete and submit to the Agency upon the completion of construction the Final Project Cost and Financing Report in the form attached hereto as **Exhibit G**. **Failure by the Company to complete and submit said forms to the Agency by February 15 of each applicable year during the Material Terms and Conditions Monitoring Period shall constitute an Event of Default hereunder, whereby the Agency, in its sole and absolute discretion, may terminate this Agreement and undertake a Recapture Event Determination.**

The findings made by the Agency with respect to Section 2(g)(1), (2), (3) and/or (4) and/or failure to provide the written confirmation as required by Section 2(g)(5) with respect to the thresholds and requirements as identified in Section 2(g)(5), above, and/or failure to meet the thresholds and requirements as identified in Section 2(g)(5) above, may potentially be determined



by the Agency, in accordance with the Agency's "Recapture Policy", to constitute a failure to comply with Section 875(3) of the New York General Municipal Law, and/or a failure to comply with a material term or condition to use property or services or Agency Financial Assistance in the manner approved by the Agency in connection with the Project, and/or a failure to comply with the Agency's policies and Resolution (collectively, findings and determinations made as described herein with respect to Section 2(g)(1), (2), (3) and/or (4) and/or the failure under Section 2(g)(5) to submit the required certification and/or the failure to meet the required thresholds and requirements as specified in Section 2(g)(5) are hereby defined as a "Recapture Event Determination"). If the Agency makes a Recapture Event Determination, 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 and/or local taxing authorities may assess and determine the Financial Assistance due from the Company, together with any relevant penalties and interest due on such amounts.

(h) In accordance with the Resolution and the Cost-Benefit Analysis (the "CBA") prepared by the Agency at its public hearing for the Project (the "Public Hearing"), the Company further confirms that the following Financial Assistance to be provided to the Company shall conform to those disclosed within the CBA at the Public Hearing for the Project: 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 \$1,200,000.00 and, therefore, the value of the sales and use tax exemption benefits authorized and approved by the Agency, subject to Section 2(g) of this Agent Agreement, cannot exceed \$96,000.00. A copy of such CBA is attached hereto as **Exhibit D**.

(i) The Company acknowledges and understands that a Recapture Event Determination made with respect to Section 2(g)(4) of this Agent 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.

(j) The Company further covenants and agrees to complete "IDA Appointment of Project Operator or Agent for Sales Tax Purposes" (NYS Form ST-60), in the form attached hereto as **Exhibit A**, for each Subagent, if any, and such other parties as the Company chooses who provide materials, equipment, supplies or services and forward said form to the State Department of Taxation and Finance within thirty (30) days of appointment.

(k) The Company acknowledges and agrees that all purchases made in furtherance of the Project shall be made using "IDA Agent or Project Operator Exempt Purchase Certificate" (NYS Form ST-123), and/or "Contractor Exempt Purchaser Certificate" (NYS Form ST-120.1), copies of which are attached hereto as **Exhibits B-1 and B-2** respectively, and it shall be the responsibility of the Company (and not the Agency) to complete NYS Form ST-123. The Company acknowledges and agrees that it shall identify the Project on each bill and invoice for such purchases and further indicate on such bills or invoices that the Company is making purchases of tangible personal property or services for use in the Project as agent of the Agency. For purposes

of indicating who the purchaser is, the Company acknowledges and agrees that the bill or invoice should state, "I, [NAME OF COMPANY OR SUBAGENT] certify that I am a duly appointed agent of the NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY and that I am purchasing the tangible personal property or services for use in the Big Ditch Brewing Company LLC Project located at 1 East Avenue, in the City of Lockport, New York 14094, IDA Project Number 2903-24-02A". For convenience purposes, in the instance where the vendor does not print on each invoice the acknowledgment as described in the prior sentence, an "Invoice Rider" (a copy of which is attached hereto as Exhibit B-3) can be utilized for record keeping purposes.

(l) The Company further covenants and agrees to file an annual statement with the State Department of Taxation and Finance on "Annual Report of Sales and Use Tax Exemptions" (NYS Form ST-340, hereinafter the "Annual Statement," a copy of which is attached hereto as Exhibit C) regarding the value of sales and use tax exemptions the Company and its Subagents, if any, have claimed pursuant to the agency conferred on the Company with respect to the Project in accordance with General Municipal Law Section 874(8). The Company further covenants and agrees that it will, within thirty (30) days of each filing, provide a copy of same to the Agency; provided, however, in no event later than February 15<sup>th</sup> of each year. The Company understands and agrees that the failure to file such Annual Statement will result in the removal of the Company's authority to act as agent for the Agency.

(m) The Company further covenants and agrees to submit to the Agency a Local Labor Utilization Report, which is attached hereto as Exhibit D, on a semi-annual basis within ten (10) business days of each June and December during the construction period. This report represents verification that the Company and its Subagents, if any, adheres to and undertakes or has undertaken construction activities in compliance with the Agency's Local Labor Policy.

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

(o) The Company covenants and agrees that at all times during the Material Terms and Conditions Monitoring Period, it will (i) maintain its existence, continue to operate the Big Ditch Facility as contemplated by the Application and the Resolution and not dissolve, (ii) continue to be a limited liability company subject to service of process in the State and either organized under the laws of the State, or organized under the laws of any other state of the United States and duly qualified to do business in the State, (iii) not liquidate, wind-up or dissolve or otherwise sell, assign, or dispose of all or substantially all of its property, business or assets except this Agreement may be assigned to a Related Person of the Company (as that term is defined in subparagraph (C) of paragraph three of subsection (b) of section four hundred sixty-five of the Internal Revenue Code of 1986, as amended, hereinafter "Related Person") without the receipt of the Agency's prior written consent and provided such assignee/successor entity shall reaffirm the Company's obligation's hereunder, and (iv) not consolidate with or merge into another entity or permit one or more entities to consolidate with or merger into it except upon receipt of the Agency's prior written consent (which shall not be unreasonably conditioned, delayed or withheld) and unless such merged or combined entity shall reaffirm the Company's obligation's hereunder. A transfer in

excess of 50% of the equity voting interests of the Company, other than to a Related Person of the Company, shall be deemed as assignment and require the prior written consent of the Agency (which shall not be unreasonably conditioned, delayed or withheld).

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

(q) The Company hereby acknowledges and agrees that the foregoing Agency Financial Assistance constitutes "public funds" unless otherwise excluded under Section 224-a (3) of the New York Labor Law, and by executing this Agreement, (i) confirms that it has received notice from the Agency pursuant to Section 224-a(8)(d) of the New York Labor Law and (ii) acknowledges its obligations pursuant to Section 224-a(8)(a) of the New York Labor Law. Other than the Agency Financial Assistance estimates provided herein and disclosed to the Company, the Agency makes no representations or covenants with respect to the total sources of "public funds" received by the Company in connection with the Project. If and to the extent that the Company determines that it is necessary and desirable to reduce the overall amount of "public funds" to be received by the Company in connection with the Project, the Agency agrees to work cooperatively with the Company to adjust the total amount of Agency Financial Assistance to be provided to the Company, which will include, but may not be limited to amending this Agreement.

3. Hold Harmless Provision. The Company hereby releases the Agency from, agrees that the Agency shall not be liable for, and agrees to indemnify, defend and hold the Agency and its executive director, directors, members, officers, employees, agents (except the Company), representatives, successors and assigns harmless from and against, any and all (i) liability for loss or damage to property or injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to the Big Ditch Facility or arising by reason of or in connection with the occupation or the use thereof or the presence on, in or about the Big Ditch Facility or breach by the Company of this Agent Agreement or (ii) liability arising from or expense incurred by the Agency's financing, acquiring, constructing, rehabilitating, renovating, equipping, owning and leasing of the Equipment or of the Big Ditch Facility, including without limiting the generality of

the foregoing, all causes of action and reasonable attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. The foregoing indemnities shall apply notwithstanding the fault or negligence on the part of the Agency, or any of its respective executive director, directors, members, officers, agents or employees and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability, except that such indemnities will not be applicable with respect to willful misconduct or gross negligence on the part of the Agency or any other person or entity to be indemnified.

4. **Insurance Required.** During the term of an Agency Agreement and/or a Lease Agreement entered into with the Agency, an ACORD 25-Certificate of Liability Insurance and ACORD 855 NY-New York Construction Certificate of Liability Addendum shall be provided evidencing the following insurance is currently maintained and in force with an insurance carrier approved to do business in the State of New York and maintaining in A.M. Best Rating of A- or better showing the Agency as Certificate Holder.

Acceptable Certificates of Insurance shall indicate the following minimal coverage, limits of insurance, policy numbers and policy effective and expiration dates.

(a) **Commercial General Liability:** Agent and subcontractors shall provide such coverage on an occurrence basis for the Named Insured's premises & operations and products-completed operations. Blanket Contractual Liability provided within the "insured contract" definition may not be excluded or restricted in any way. Property damage to work performed by subcontractors may not be excluded or restricted nor shall the Additional Insured's coverage for claims involving injury to employees of the Named Insured or their subcontractors be excluded or restricted. The "Insured contract" exception to the Employers Liability exclusion also may not be removed or restricted in any way.

These coverages are to be properly evidenced by checking the appropriate box(es) on the ACORD 855-NY Construction Certificate of Liability Addendum's Information Section Items G, H, I and L. The policy shall have attached Designation Location(s) General Aggregate Limit CG 25 04 endorsement.

Limits expressed shall be no less than:

General Aggregate	\$2,000,000
Products-Completed Operations Aggregate	\$2,000,000
Per Occurrence	\$1,000,000
Personal & Advertising Injury	\$1,000,000
Fire Damage Liability	\$ 100,000
Medical Payments (per person)	\$ 5,000

Niagara County Industrial Development Agency shall be named as Additional Insured per ISO Form CG 20 26-Additional Insured Designated Person or Organization to provide coverage for the additional Insured. Coverage shall apply on a Primary & Non-Contributory basis. All insurance required of the Company shall waive any right of subrogation of the insurer against any person insured under such policy, and waive any right of the insurer to any off-set or counterclaim

or any other deduction whether by attachment or otherwise, in respect of any liability of any person insured under such policy.

**(b) ACORD 855 NY-New York Construction Certificate of Liability Insurance:** It is not uncommon for insurers to modify the standard ISO policy language with endorsements that result in modifications to language preferred by the insurer. This addendum is required to supplement the ACORD 25-Certificate of Liability Insurance with additional information that provides a more detailed expression of the types of coverage required. Specifically required coverages may be excluded or limited by the attachment of exclusionary or limitation endorsements. This addendum provides the insurer the ability to certify coverage provided by the absence of such exclusionary or limiting modifications.

**(c) Umbrella/Excess Liability:** Commercial Umbrella or excess liability for a limit of at least \$5,000,000 per occurrence with a \$5,000,000 Aggregate. Coverage should respond on a follow-form basis and excess over the aforementioned underlying policy limits. Niagara County Industrial Development Agency shall be named as Additional Insured. Coverage shall apply on a Primary & Non-Contributory basis.

**(d) Workers Compensation/Disability Insurance:** The Company and/or Iskalo 1 East Avenue LLC (hereinafter the "Project Owner") shall provide evidence of insurance and maintain Workers Compensation/Disability insurance as required by statute.

**i) Accepted Forms:**

Workers Compensation Forms		DBL (Disability Benefit Law) Forms	
CE-200	Exemption	CE-200	Exemption
C-105.2	Commercial Insurer	DB-120.1	Insurers
SI-12	Self-Insurer	DB-155	Self-Insured
GSI-105.2	Group Self-Insured		
U-26.3	NYS Insurance Fund		

If the Company and/or Project Owner have no employees, the Company and/or Project Owner shall provide, or cause to be provided, a completed and signed Form CE-200 or later revision, which is found on the New York State Workers Compensation Board website: [www.wcb.ny.gov/](http://www.wcb.ny.gov/). This form is to be completed on-line, printed, and signed.

**NCIDA Address:** All evidence of insurance shall be sent to:

Niagara County Industrial Development Agency  
 6311 Inducon Corporate Drive, Suite One  
 Sanborn, New York 14132

5. Additional Provisions Respecting Insurance. (a) Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the Company is engaged. All policies evidencing such insurance shall provide for payment of the losses of the

Company and the Agency as their respective interests may appear. The Company shall cause all contractors and agents of the Company undertaking the Project to carry and provide evidence of insurance as required within Section 4(a) and 4(b) of this Agreement, with the Agency named as an additional insured.

(b) All such certificates of insurance of the insurers indicating that such insurance is in force and effect, and all policies (if applicable), shall be deposited with the Agency on the date hereof. At least thirty (30) days prior to expiration of the policy evidenced by said certificates, the Company shall furnish the Agency evidence that the policy has been renewed or replaced or is no longer required by this Agent Agreement.

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

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

To the Agency: Niagara County Industrial Development Agency  
6311 Inducon Corporate Drive, Suite One  
Sanborn, New York 14132  
Attn: Executive Director

---

With a copy to: Gabriele & Berrigan P.C.  
800 Main Street, 4<sup>th</sup> Floor, Suite B  
Niagara Falls, New York 14304  
Attn: Mark J. Gabriele, Esq.

To the Company: Big Ditch Brewing Company LLC  
55 East Huron Street  
Buffalo, New York 14203  
Attn: Matt Kahn, President

With a copy to: Christofer Fattey, Esq.  
Hodgson Russ LLP  
140 Pearl Street, Suite #100  
Buffalo, New York 14202

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

8. This Agent Agreement shall be governed by, and all matters in connection herewith shall be construed and enforced in accordance with, the laws of the State of New York applicable to agreements executed and to be wholly performed therein and the parties hereto hereby agree to

submit to the personal jurisdiction of the federal or state courts located in Niagara County, New York.

9. The warranties, representations, obligations and covenants of the Company under this Agent Agreement shall be absolute and unconditional and shall remain in full force and effect during the term of this Agent Agreement, shall be deemed to have been relied upon by the Agency, and shall survive the delivery and termination of this Agent Agreement to the Agency, regardless of any investigation made by the Agency. The Company agrees, whenever requested by the Agency, to provide and certify or cause to be provided and certified, without unreasonable delay, such information concerning the Company, the Company's employment history and statistics related to the Project, the Big Ditch Facility and other topics necessary to enable the Agency to make any report required by law or governmental regulation or as otherwise reasonably requested by the Agency. The Company shall file the Annual Statement with the State Department of Taxation and Finance regarding the value of sales/use tax exemptions that the Company, its agents, consultants and subcontractors have claimed pursuant to the benefits the Agency conferred upon it in connection with the Big Ditch Facility. The Company acknowledges that the penalty for failure to file such Annual Statement is a default under this Agreement.

10. Upon the termination of this Agent Agreement, the Agency will provide the Company with a bill of sale (a form of which is attached hereto as **Exhibit E**) which sells, transfers and delivers unto the Company and its successors and assigns, all Equipment which were acquired and installed and/or are to be acquired and installed by the Company as agent for the Agency pursuant to this Agent Agreement which Equipment is located or intended to be located within and used exclusively in furtherance of the operations of the Big Ditch Facility.

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

*(Remainder of page intentionally left blank)*

*[Signature Page to Agent and Financial Assistance and Project Agreement]*

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

**NIAGARA COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY**

By:   
Name: Andrea Klyczek  
Title: Interim, Executive Director

**BIG DITCH BREWING COMPANY LLC,  
A New York limited liability company**

By:   
Matt Kahn, President



[Acknowledgment Page to Agent and Financial Assistance and Project Agreement]

State of New York )

County of Niagara ) ss.:

On the 9<sup>th</sup> day of May in the year 2024, before me, the undersigned, personally appeared **Andrea Klyczek**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

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

Mark J. Gabriele  
Qualified in Niagara county  
No. 4948558  
Notary Public, State of New York  
My Commission Expires 03/20/2027

State of New York )

County of ~~Niagara~~ Erie ) ss.:

On the 13<sup>th</sup> day of May in the year 2024, before me, the undersigned, personally appeared **Matt Kahn**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

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

MELISSA E. MAGIERA  
No. 01MA6415581  
Notary Public, State of New York  
Qualified in Erie County  
My Commission Expires March 22, 2025

**SCHEDULE A**

**LIST OF APPOINTED AGENTS<sup>1</sup>**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_
8. \_\_\_\_\_
9. \_\_\_\_\_
10. \_\_\_\_\_

---

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

## **SCHEDULE B**

### **MANDATORY AGENT AND SUBAGENT CONTRACT LANGUAGE**

"This contract is being entered into by [NAME OF COMPANY OR NAME OF SUBAGENT] (the "Agent"), as agent for and on behalf of the **NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (the "Agency"), in connection with a certain project of the Agency for the benefit of **BIG DITCH BREWING COMPANY LLC**, 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 1 East Avenue, City of Lockport, New York 14094 (the "Premises"). The acquisition of the machinery, equipment and building materials to be incorporated and installed in the Premises and all services and rentals of equipment related to the acquisition, construction and equipping of the Project shall be exempt from all New York State and local sales and use taxes if the acquisition thereof is effected in accordance with the terms and conditions set forth in the 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 Agent and Financial Assistance and Project Agreement by and between Big Ditch Brewing Company LLC. and the Agency dated as of May 1, 2024. This contract is non-recourse to the Agency, and the Agency shall not be directly, indirectly or contingently liable or obligated hereunder in any manner or to any extent whatsoever. By execution or acceptance of this contract, the vendor/contractor hereby acknowledges and agrees to the terms and conditions set forth in this paragraph."

**EXHIBIT A**

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

**[Attached Next Page]**

---



# IDA Appointment of Project Operator or Agent For Sales Tax Purposes

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 Niagara County Industrial Development Agency			IDA project number (use OSC numbering system for projects after 1998) 2903 24-02A
Street address 6311 Inducon Corporate Drive			Telephone number (716 ) 278-8760
City Sanborn	State NY	ZIP code 14132-9099	Email address (optional)

### Project operator or agent information

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

### Project information

Name of project Big Ditch Brewing Company LLC			
Street address of project site 1 East Avenue			
City Lockport	State NY	ZIP code 14094	Email address (optional)
Purpose of project To equip an approximate 15,000 sq ft of an existing facility.			

Description of goods and services intended to be exempted from New York State and local sales and use taxes Goods and services used to renovate approximately 15,000 sq ft of an existing building into a brewery, tap room and event space.	
---	--

Date project operator or agent appointed (mmddyy) 032724	Date project operator or agent status ends (mmddyy) 123125	Mark an X in the box if this is an extension to an original project: <input type="checkbox"/>
Estimated value of goods and services that will be exempt from New York State and local sales and use tax: (All Agents - allow) 1,200,000.00	Estimated value of New York State and local sales and use tax exemption provided: (All Agents - allow) 96,000.00	

**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 Andrea Klyczek	Print title Executive Director
Signature 	Date 05-09-2024
	Telephone number (716) 278-8760

## Instructions

### When to file

An IDA must file this form within 30 days of the date they appoint any project operator or other person as agent of the IDA, for purposes of extending any sales and use tax exemptions.

### Requirements to file

The IDA must file a separate form for each person it appoints as agent, whether directly or indirectly, and regardless of whether the person is the primary project operator or agent. If the IDA authorizes a project operator or agent to appoint other persons as agent of the IDA, the operator or agent making such an appointment must advise the IDA that it has done so, so that the IDA can file a form within 30 days of the date of the new agent's appointment. The IDA should not file this form for a person hired to work on an IDA project if that person is not appointed as agent of the IDA. The IDA should not file this form if they do not extend any sales or use tax exemption benefits for the project.

If an IDA modifies a project, such as by extending it beyond its original completion date, or by increasing or decreasing the amount of sales and use tax exemption benefits authorized for the project, they must, within 30 days of the change, file a new form with the new information.

### If the information on this form changes

If an IDA amends, revokes, or cancels the appointment of an agent, or if an agent's appointment becomes invalid for any reason, the IDA, within 30 days, must send a letter to the address below for filing this form, indicating that the appointment has been amended, revoked, or cancelled, or is no longer valid, and the effective date of the change. They must attach to the letter a copy of the form it originally filed. The IDA should not send a letter for a form that is not valid merely because the *Completion date of project* has passed.

### Mailing instructions

Mail completed form to:

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

**Private delivery services** – See Publication 55, *Designated Private Delivery Services*.

### 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.

### 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

**EXHIBIT B-1**

**NYS FORM ST-123  
FOR  
COMPANY**

**[Attached Next Page]**

---



# IDA Agent or Project Operator Exempt Purchase Certificate

Effective for projects beginning on or after June 1, 2014

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	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 Niagara County Industrial Development Agency			
Name of project Big Ditch Brewing Company LLC Project		IDA project number (use OSC number) 2903-24-02A	
Street address of project site 1 East Avenue			
City, town, or village Lockport		State NY	ZIP code 14094
Enter the date that you were appointed agent or project operator (mm/dd/yy) ..... 03 / 27 / 24		Enter the date that agent or project operator status ends (mm/dd/yy) ..... 12 / 31 / 25	

### 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 B-2**

**NYS FORM ST-120.1  
FOR  
SUBAGENTS OF COMPANY**

**[Attached Next Page]**

---



# Contractor Exempt Purchase Certificate

To be used only by contractors who are registered with the Tax Department for sales tax purposes.

**To vendors:**  
You must collect tax on any sale of taxable property or services unless the contractor gives you a properly completed exempt purchase certificate not later than 90 days after the property is sold or service is rendered. In addition, you must keep the certificate for at least three years, as explained in the instructions.

**This form cannot be used to purchase motor fuel or diesel motor fuel exempt from tax.**

**To contractors and vendors:** Read the instructions on pages 3 and 4 carefully before completing or accepting this certificate.

Name of seller			Name of purchasing contractor		
Street address			Street address		
City	State	ZIP code	City	State	ZIP code

1. I have been issued a New York State *Certificate of Authority*, \_\_\_\_\_, to collect New York State and local sales and use tax, and that certificate has not expired or been suspended or revoked.  
(enter your sales tax identification number)

2. The tangible personal property or service being purchased will be used on the following project:  
the renovation of approximately 15,000 sq. ft. of an existng building.

located at 1 East Avenue, Lockport, NY 14094

for and with Big Ditch Brewing Company LLC

pursuant to prime contract dated \_\_\_\_\_.

3. These purchases are exempt from sales and use tax because:  
*(Mark an X in the appropriate box; for further explanation, see items A through P in the instructions on pages 3 and 4.)*

**A.** The tangible personal property will be used in the above project to create a building or structure or to improve real property or to maintain, service, or repair a building, structure, or real property, owned by an organization exempt under Tax Law section 1116(a). *(For example, New York State government entities, United States governmental entities, United Nations and any international organization of which the United States is a member, certain posts or organizations of past or present members of the armed forces, and certain nonprofit organizations and Indian nations or tribes that have received New York State sales tax exempt organization status.)* The tangible personal property will become an integral component part of such building, structure, or real property.

**B.** The tangible personal property is production machinery and equipment, and it will be incorporated into real property.

**C.** The tangible personal property will be used:

- in an Internet data center when the property is to be incorporated as part of a capital improvement; or
- directly and predominantly in connection with telecommunications services for sale or Internet access services for sale; or
- directly and predominantly by a television or radio broadcaster in connection with producing or transmitting live or recorded programs.

**D.** The tangible personal property, including production machinery and equipment, is for installation in the above project and will remain tangible personal property after installation.

**E.** The tangible personal property will become an integral component part of a building, structure, or real property, used predominantly (more than 50%) either in the production phase of farming or in a commercial horse boarding operation, or in both.

**Note: This certificate is not valid unless the purchaser completes the certification on page 2.**

- F. The machinery or equipment will be used directly and predominantly to control, prevent, or abate pollution or contaminants from manufacturing or industrial facilities.
- G. The tangible personal property is residential or commercial solar energy systems equipment. (Note: Item G purchases are exempt from the 4% New York State tax rate and from the 3/4% MCTD rate. Item G purchases may be exempt from local taxes. See instructions.)
- H. The tangible personal property will be used directly and exclusively in adding to, altering, or improving a qualifying tenant's leased premises for use as commercial office space in Eligible Area A or B as described in TSB-M-05(12)S, *Sales and Use Tax Exemptions on Certain Purchases of Tangible Personal Property and Services for Leased Commercial Office Space in Lower Manhattan*, provided that the tangible personal property becomes an integral component part of the building in which the leased premises are located, and where such property is purchased during the first year of the qualifying tenant's lease and delivered to the leased premises no later than 90 days after the end of that first year.
- I. The tangible personal property is machinery or equipment used directly and predominantly in loading, unloading, and handling cargo at a qualified marine terminal facility in New York City. This exemption does not apply to the local tax in New York City.
- J. The tangible personal property is commercial fuel cell systems equipment. (Note: Item J purchases are exempt from the 4% New York State tax rate and from the 3/4% MCTD rate. Item J purchases may be exempt from local taxes. See instructions.)
- K. The services are for the project described in line 2 on page 1 and will be resold. (This includes trash removal services in connection with repair services to real property.)
- L. The services are to install, maintain, service, or repair tangible personal property used in an Internet data center, for telecommunication or Internet access services, or for radio or television broadcast production or transmission.
- M. The services are to install, maintain, service, or repair tangible personal property that will be used predominantly either in farm production or in a commercial horse boarding operation, or in both provided such tangible personal property will become an integral component part of such structure, building, or real property.
- N. The services are to install residential or commercial solar energy systems equipment.
- O. The services are to install tangible personal property purchased during the first year of the qualifying tenant's lease and delivered to the leased premises no later than 90 days after the end of that first year, that will be used directly and exclusively in adding to, altering, or improving a qualifying tenant's leased premises for use as commercial office space in Eligible Area A or B as described in TSB-M-05(12)S.
- P. The services are to install or maintain commercial fuel cell systems equipment.

**Caution:** Contractors may not use this certificate to purchase services tax exempt unless the services are resold to customers in connection with a project. Construction equipment, tools, and supplies purchased or rented for use in completing a project but that do not become part of the finished project may not be purchased exempt from tax through the use of this certificate.

**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.

Type or print name and title of owner, partner, or authorized person of purchasing contractor	
Signature of owner, partner, or authorized person of purchasing contractor	Date prepared

**Substantial penalties will result from misuse of this certificate.**

## Instructions

Only a contractor who has a valid *Certificate of Authority* issued by the Tax Department may use this exempt purchase certificate. The contractor must present a properly completed certificate to the vendor to purchase tangible personal property, or to a subcontractor to purchase services tax exempt. This certificate is not valid unless all entries have been completed.

The contractor may use this certificate to claim an exemption from sales or use tax on tangible personal property or services that will be used in the manner specified in items A through P below. The contractor may not use this certificate to purchase tangible personal property or services tax exempt on the basis that Form ST-124, *Certificate of Capital Improvement*, has been furnished by the project owner to the contractor.

The contractor must use a separate Form ST-120.1, *Contractor Exempt Purchase Certificate*, for each project.

Purchase orders showing an exemption from the sales or use tax based on this certificate must contain the address of the project where the property will be used, as well as the name and address of the project owners (see page 1 of this form). Invoices and sales or delivery slips must also contain this information (name and address of the project for which the exempt purchases will be used or where the exempt services will be rendered, as shown on page 1 of this form).

### Use of the certificate

**Note:** Unless otherwise stated, the customer must furnish the contractor a properly completed Form ST-121, *Exempt Use Certificate*.

This certificate may be used by a contractor to claim exemption from tax only on purchases of **tangible personal property** that is:

- A. Incorporated into real property under the terms of a contract entered into with an exempt organization that has furnished the contractor with a copy of Form ST-119.1, *Exempt Organization Exempt Purchase Certificate*, governmental purchase order, or voucher.
- B. Production machinery or equipment that will be incorporated into real property.
- C. Used in one of the following situations:
  - Machinery, equipment, and other tangible personal property related to providing website services for sale to be installed in an Internet data center when the property is to be incorporated as part of a capital improvement. The customer must furnish the contractor a completed Form ST-121.5, *Exempt Use Certificate for Operators of Internet Data Centers (Web Hosting)*.
  - Used directly and predominantly in the receiving, initiating, amplifying, processing, transmitting, re-transmitting, switching, or monitoring of switching of telecommunications services for sale, or Internet access service for sale.
  - Machinery, equipment, and other tangible personal property (including parts, tools, and supplies) used by a television or radio broadcaster directly and predominantly in the production and post-production of live or recorded programs used by a broadcaster predominantly for broadcasting by the broadcaster either over-the-air or for transmission through a cable television or direct broadcast satellite system. (Examples of exempt machinery and equipment include cameras, lights, sets, costumes, and sound equipment.) This exemption also includes machinery, equipment, and other tangible personal property used by a broadcaster directly and
- D. Installed or placed in the project in such a way that it remains tangible personal property after installation. The contractor must collect tax from its customer when selling such tangible personal property or related services to the customer, unless the customer gives the contractor an appropriate and properly completed exemption certificate.
- E. Going to become an integral component part of a structure, building, or real property used predominantly (more than 50%) either in the production phase of farming or in a commercial horse boarding operation, or in both, for which the customer has provided the contractor a completed Form ST-125, *Farmer's and Commercial Horse Boarding Operator's Exemption Certificate*.
- F. Machinery or equipment used directly and predominantly to control, prevent, or abate pollution or contaminants from manufacturing or industrial facilities.
- G. Residential or commercial solar energy systems equipment. *Residential solar energy systems equipment* means an arrangement or combination of components installed in a residence that utilizes solar radiation to produce energy designed to provide heating, cooling, hot water, and/or electricity. *Commercial solar energy systems equipment* means an arrangement or combination of components installed upon nonresidential premises that utilize solar radiation to produce energy designed to provide heating, cooling, hot water, or electricity. The exemption is allowed on the 4% New York State tax rate and where applicable, the  $\frac{3}{4}$ % MCTD rate. The exemption does not apply to local taxes unless the locality specifically enacts the exemption. The customer must furnish the contractor a completed Form ST-121 by completing the box marked *Other (U.)*. For the definition of *residence* and for an exception relating to recreational equipment used for storage, as well as for other pertinent information, see TSB-M-05(11)S, *Sales and Use Tax Exemption for Residential Solar Energy Systems Equipment*. For the definition of *nonresidential premises*, as well as other pertinent information, see TSB-M-12(14)S, *Sales and Use Tax Exemption for the Sales and Installation of Commercial Solar Energy Systems Equipment*.
- H. Delivered and used directly and exclusively in adding to, altering, or improving a qualifying tenant's leased premises for use as commercial office space in Eligible Area A or B as described in TSB-M-05(12)S, *Sales and Use Tax Exemptions on Certain Purchases of Tangible Personal Property and Services for Leased Commercial Office Space in Lower Manhattan*, provided that the tangible personal property becomes an integral component part of the building in which the leased premises are located, and where such property is purchased within the first year of the qualifying tenant's lease.
- I. Machinery and equipment used at qualified marine terminal facilities located in New York City. The machinery and equipment must be used directly and predominantly in loading, unloading, and handling cargo at marine terminal facilities located in New York City that handled more than 350,000 twenty foot equivalent units (TEUs) in 2003. For purposes of this exemption, the term *TEU* means a unit of volume equivalent to the volume of a twenty-foot container. This exemption does not apply to the local tax in New York City.

**J. Beginning June 1, 2016**, commercial fuel cell systems equipment. *Commercial fuel cell systems equipment* means an electric generating arrangement or combination of components that is installed upon nonresidential premises and utilizes solid oxide, molten carbonate, a proton exchange membrane, phosphoric acid, or a linear generator to provide heating, cooling, hot water, or electricity. The exemption is allowed on the 4% New York State tax rate and the ¾% MCTD rate, if applicable. The exemption does not apply to local taxes unless the locality specifically enacts the exemption. The customer must furnish the contractor a completed Form ST-121 by completing the box marked *Other (U.)*. See TSB-M-16(3)S, *Sales and Use Tax Exemptions Related to Commercial Fuel Cell Systems Equipment*, for more information.

This certificate may also be used by a contractor to claim exemption from tax on the following services:

**K.** Installing tangible personal property, including production machinery and equipment, that does not become a part of the real property upon installation.

Repairing real property, when the services are for the project named on page 1 of this form and will be resold.

Trash removal services rendered in connection with repair services to real property, if the trash removal services will be resold.

**Note:** Purchases of services for resale can occur between prime contractors and subcontractors or between two subcontractors. The retail seller of the services, generally the prime contractor, must charge and collect tax on the contract price, unless the project owner gives the retail seller of the service a properly completed exemption certificate.

**L.** Installing, maintaining, servicing, or repairing tangible personal property used for Web hosting, telecommunication or Internet access services, or by a broadcaster (described in item C on page 3).

**M.** Installing, maintaining, servicing, or repairing tangible personal property that will be used predominantly either in farm production or in a commercial horse boarding operation, or in both (described in item E on page 3).

**N.** Installing qualifying residential or commercial solar energy systems equipment (described in item G on page 3).

**O.** Installing tangible personal property delivered to and used directly and exclusively in adding to, altering, or improving a qualifying tenant's leased premises for use as commercial office space in Eligible Area A or B as described in TSB-M-05(12)S, provided that the tangible personal property becomes an integral component part of the building in which the leased premises are located.

**P.** Installing or maintaining commercial fuel cell systems equipment (described in item J above).

**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 that qualify for exemption from sales and use tax, the contractor must provide you with this exemption certificate with all entries completed to establish the right to the exemption.

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.

Failure to collect sales or use tax, as a result of accepting an improperly completed exemption certificate or receiving the certificate more than 90 days after the sale, will make you personally liable for the tax plus any penalty and interest charges due.

You must 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 also 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.

**Caution:** You will be subject to additional penalties if you sell tangible personal property or services subject to tax, or purchase or sell tangible personal property for resale, without possessing a valid *Certificate of Authority*. In addition to the criminal penalties imposed under the New York State Tax Law, you will be subject to a penalty of up to \$500 for the first day on which such a sale or purchase is made; plus up to \$200 for each subsequent day on which such a sale or purchase is made, up to the maximum allowed.

**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

(518) 485-9863

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



**Persons with disabilities:** In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, call the information center.

**EXHIBIT B-3**

**INVOICE RIDER FORM**

I, \_\_\_\_\_, the  
\_\_\_\_\_ of \_\_\_\_\_ certify  
that I am a duly appointed agent of the Niagara County Industrial Development Agency  
("Agency") and that I am purchasing the tangible personal property or services for use in  
the following Agency Project and that such purchases qualify as exempt from sales and use  
taxes under the Agent and Financial Assistance Agreement, dated as of May 1, 2024, by  
and between the Agency and Big Ditch Brewing Company LLC.

Name of the Project: Big Ditch Brewing Company LLC Project

Street address of the Project Site: 1 East Avenue  
Lockport, New York 14094

IDA OSC project number: 2903-24-02A

**EXHIBIT C**

**NYS FORM ST-340 TO BE COMPLETED BY THE COMPANY AND FILED  
ANNUALLY WITH THE NYS TAX DEPARTMENT IDA UNIT NO LATER THAN  
FEBRUARY 15<sup>TH</sup> OF EACH YEAR**

**[Attached Next Page]**

---





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

For period ending December 31, \_\_\_\_\_ (enter year)

Project information

Form with fields: 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, Total sales and use tax exemptions.

Representative information (not required)

Form with fields: Authorized representative, if any, Title, Street address, Telephone number, City, State, ZIP code.

Certification

Certification text: I certify that the above statements are true, complete, and correct... Print name of officer, employee, or authorized representative, Title of person signing, Signature, Date.

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

Mail completed report to: NYS TAX DEPARTMENT, IDA UNIT, W A HARRIMAN CAMPUS, ALBANY NY 12227-0866

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

## Instructions

### General information

#### Who must file

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

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

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

#### What you must report

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

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

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

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

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

#### When the report is due

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

#### Project information

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

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

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

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

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

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

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

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

### Representative information

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

### Certification

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

Mail completed report to:

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

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

### Need help?



Visit our website at [www.tax.ny.gov](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.

**EXHIBIT D**

**COST BENEFIT ANALYSIS**

[attached]

---

# Niagara County Industrial Development Agency

## MRB Cost Benefit Calculator

Date: February 5, 2024  
 Project Title: Big Ditch Brewing Company LLC / Iskalo 1 East Avenue LLC  
 Project Location: 1 East Avenue, Lockport, NY 14094



### Economic Impacts

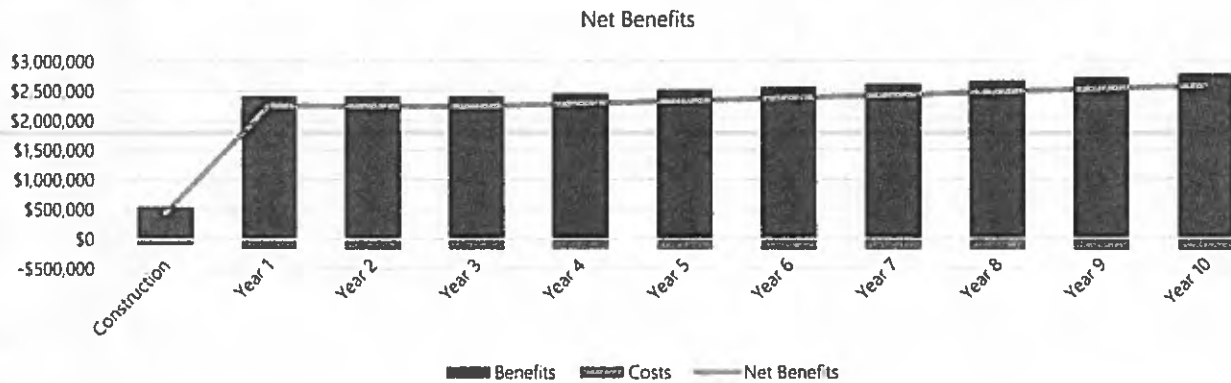
Summary of Economic Impacts over the Life of the PILOT  
 Project Total Investment  
 \$1,200,000

	Temporary (Construction)		
	Direct	Indirect	Total
Jobs	5	2	7
Earnings	\$401,874	\$102,303	\$504,177
Local Spend	\$960,000	\$345,930	\$1,305,930

	Ongoing (Operations) Aggregate over life of the PILOT		
	Direct	Indirect	Total
Jobs	30	24	54
Earnings	\$11,112,118	\$14,669,121	\$25,781,238

Figure 1

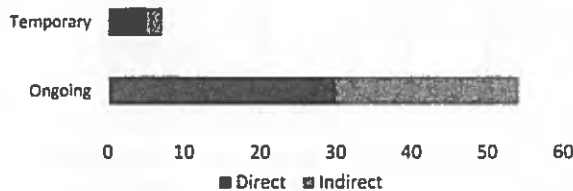


Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

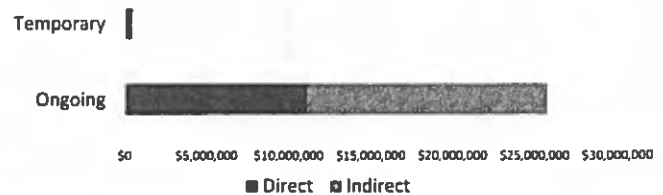
Figure 2

Figure 3

### Total Jobs



### Total Earnings



# Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

## Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$1,815,887	\$1,625,869
Sales Tax Exemption	\$96,000	\$96,000
Local Sales Tax Exemption	\$48,000	\$48,000
State Sales Tax Exemption	\$48,000	\$48,000
Mortgage Recording Tax Exemption	\$0	\$0
Local Mortgage Recording Tax Exemption	\$0	\$0
State Mortgage Recording Tax Exemption	\$0	\$0
<b>Total Costs</b>	<b>\$1,911,887</b>	<b>\$1,721,869</b>

## State and Local Benefits

	Nominal Value	Discounted Value*
<b>Local Benefits</b>	<b>\$24,653,526</b>	<b>\$22,138,128</b>
<b>To Private Individuals</b>	<b>\$26,285,415</b>	<b>\$23,598,805</b>
Temporary Payroll	\$504,177	\$504,177
Ongoing Payroll	\$25,781,238	\$23,094,629
Other Payments to Private Individuals	\$0	\$0
<b>To the Public</b>	<b>(\$1,631,889)</b>	<b>(\$1,460,677)</b>
Increase in Property Tax Revenue	(\$1,815,887)	(\$1,625,869)
Temporary Jobs - Sales Tax Revenue	\$3,529	\$3,529
Ongoing Jobs - Sales Tax Revenue	\$180,469	\$161,662
Other Local Municipal Revenue	\$0	\$0
<b>State Benefits</b>	<b>\$1,366,842</b>	<b>\$1,227,138</b>
<b>To the Public</b>	<b>\$1,366,842</b>	<b>\$1,227,138</b>
Temporary Income Tax Revenue	\$22,688	\$22,688
Ongoing Income Tax Revenue	\$1,160,156	\$1,039,258
Temporary Jobs - Sales Tax Revenue	\$3,529	\$3,529
Ongoing Jobs - Sales Tax Revenue	\$180,469	\$161,662
<b>Total Benefits to State &amp; Region</b>	<b>\$26,020,368</b>	<b>\$23,365,266</b>

## Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$22,138,128	\$1,673,869	13:1
State	\$1,227,138	\$48,000	26:1
<b>Grand Total</b>	<b>\$23,365,266</b>	<b>\$1,721,869</b>	<b>14:1</b>

\*Discounted at 2%

Does the IDA believe that the project can be accomplished in a timely fashion?  Yes

### Additional Revenues:

County	\$0
City/Town/Village	\$0
School District	\$0

Estimated Value of Goods and Services to be exempt from sales and use tax as a result of the Agency's involvement in the Project. PLEASE NOTE: These amounts will be verified and there is potential for a recapture of sales tax exemptions (see "Recapture" on page 11 of the Application).

(To be used on the NYS ST-60) \$1,200,000

Additional Comments from IDA

**EXHIBIT E**

**BILL OF SALE**

**NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York with offices at 6311 Inducon Corporate Drive, Suite One, Sanborn, New York 14132 (the "Grantor"), for the consideration of One Dollar (\$1.00), cash in hand paid, and other good and valuable consideration received by the Grantor from **BIG DITCH BREWING COMPANY LLC**, a New York limited liability company duly organized, validly existing and in good standing under the laws of the State of New York with offices at 55 Huron Street, Buffalo, New York 14203 (the "Grantee"), the receipt of which is hereby acknowledged by the Grantor, hereby sells, transfers and delivers unto the Grantee and its successors and assigns, the Equipment as defined in the Agent and Financial Assistance Agreement dated May 1, 2024 (the "Agent Agreement"), as may be amended from time to time, which were acquired and installed and/or are to be acquired and installed by the Grantee as agent for the Grantor pursuant to the Agent Agreement, which Equipment is located or intended to be located at the Facility located at 1 East Avenue, in the City of Lockport, Niagara County, New York 14094.

TO HAVE AND TO HOLD the same unto the Grantee and its successors and assigns, forever.

THE GRANTOR MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF THE EQUIPMENT OR ANY PART THEREOF OR AS TO THE SUITABILITY OF THE EQUIPMENT OR ANY PART THEREOF FOR THE GRANTEE'S PURPOSES OR NEEDS. THE GRANTEE SHALL ACCEPT TITLE TO THE EQUIPMENT "AS IS," WITHOUT RECOURSE OF ANY NATURE AGAINST THE GRANTOR FOR ANY CONDITION NOW OR HEREAFTER EXISTING. NO WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY IS MADE. IN THE EVENT OF ANY DEFECT OF DEFICIENCY OF ANY NATURE, WHETHER PATENT OR LATENT, THE GRANTOR SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO.

IN WITNESS WHEREOF, the Grantor has caused this bill of sale to be executed in its name by the officer described below on the date indicated beneath the signature of such officer and dated as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**NIAGARA COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY**

Form Only - Do Not Sign

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

**EXHIBIT F**

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

Company name and address: Big Ditch Brewing Company LLC

55 Huron Street, Buffalo, New York 14203

Project Name: Big Ditch Brewing Company LLC Project

**Job Information**

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

<b>Category</b>	<b>FTE</b>	<b>Average Salary and Fringe Benefits or Ranges</b>
Management		_____ _____
Professional	_____	_____
Administrative	_____	_____
Production	_____	_____
Other	_____	_____

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

<b>Category</b>	<b>FTE</b>	<b>Average Salary and Fringe Benefits or Ranges</b>
Management		_____ _____
Professional	_____	_____
Administrative	_____	_____
Production	_____	_____

Other \_\_\_\_\_

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

**Financing Information**

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

Yes      No

If financing assistance was provided, please provide:

- Original principal balance of bond or note issued \_\_\_\_\_
- Outstanding principal balance of such bond or note as of December 31 \_\_\_\_\_
- Outstanding principal balance of such bond or note as of December 31 \_\_\_\_\_

Final maturity date of the bond or note \_\_\_\_\_

**Sales Tax Abatement Information**

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

Yes      No

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

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

**Mortgage Recording Tax Information**

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

Yes      No

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

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

**PILOT INFORMATION:**

County Real Property Tax without PILOT

\$ \_\_\_\_\_



City/Town Property Tax without PILOT	\$ _____
School Property Tax without PILOT	\$ _____
<b>TOTAL PROPERTY TAXES WITHOUT PILOT</b>	<b>\$ _____</b>
 Total PILOT Payments made for reporting period:	 \$ _____

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

County PILOT	\$ _____
City/Town PILOT	\$ _____
Village PILOT	\$ _____
School PILOT	\$ _____
<b>TOTAL PILOTS</b>	<b>\$ _____</b>
 Net Exemptions	 \$ _____

(subtract Total PILOTS from TOTAL property taxes without PILOT)

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

Signed: \_\_\_\_\_

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

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

(authorized company representative)

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

**EXHIBIT G**

**FINAL PROJECT COST AND FINANCING REPORT**

**A. Actual costs for the construction, acquisition, rehabilitation, improvement and/or equipping of the project by the applicant.**

**Actual Costs Eligible for Sales Tax Exemption Benefit**

a. Building Construction or Renovation Costs	a.	\$	
b. Sitework	b.	\$	_____
c. Non-manufacturing Equipment	c.	\$	_____
d. Furniture, Fixtures	d.	\$	_____
e. Other (specify)	e.	\$	_____
f. <b>Subtotal</b>	f.	\$	_____

**Actual Costs Not Subject to Sales Tax**

g. Land and/or building purchase	g.	\$	
h. Manufacturing Equipment	h.	\$	_____
i. Soft Costs (Legal, Architect, Engineering)	i.	\$	_____
j. Other (specify)	j.	\$	_____
k. <b>Subtotal</b>	k.	\$	_____

<b>Total Project Costs</b>	<b>f &amp; k</b>	<b>\$</b>	_____
----------------------------	------------------	-----------	-------

**B. Indicate how the project was financed**

a. Tax-Exempt IRB	a.	\$
b. Tax-Exempt Bond	b.	_____
c. Taxable IRB	c.	_____
d. Bank Financing	d.	_____
e. Public Financing	e.	_____
f. Equity	f.	_____
		_____
<b>TOTAL SOURCES</b>		\$
		_____
<b>Estimated Amount of Mortgage</b>		\$
		_____

I certify that to the best of my knowledge and belief all the information on this form is correct. I also understand that failure to report completely and accurately may be subject to penalty of perjury and result in enforcement of provisions of my agreement, including but not limited to avoidance of the agreement and potential claw back of benefits.

Signed: \_\_\_\_\_

(authorized company representative)

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

# **Sales Tax Exempt Letter**

# Niagara County Industrial Development Agency

May 9, 2024

Big Ditch Brewing Company LLC  
55 East Huron Street  
Buffalo, New York 14203

***Re: Big Ditch Brewing Company LLC -- Sales Tax Exemption Letter  
Expiring December 31, 2025***

Ladies and Gentlemen:

Pursuant to a resolution duly adopted on March 27, 2024, the **Niagara County Industrial Development Agency** (the "Agency") appointed **Big Ditch Brewing Company LLC** (the "Company") its true and lawful agent to undertake a certain project (the "Project") consisting of: (A) the retention by the Agency of a leasehold interest in a parcel of land located at 1 East Avenue in the City of Lockport, Niagara County, New York from Iskalo 1 East Avenue LLC (the "Land"); (B) the establishment of a two story microbrewery, tap room and event space in approximately 15,000 square feet of the existing building located on the Land to be operated by the Company (the "Improvements"); and (C) the acquisition and installation in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment" and collectively with the Land and the Improvements, the "Facility").

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 renovation, 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 the renovation and equipping, (2) all purchases, rentals, uses or consumption of supplies, materials, utilities and services of every kind and description used in connection with the renovation 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" (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. Failure to comply with these requirements may result in loss of sales tax exemptions for the Facility.**

**In exercising this appointment, the Company and/or Project Operator should give the supplier or vendor "IDA Agent or Operator Exempt Purchase Certificate" (NYS Form ST-123) to show that the Company and/or Project Operator is acting as agent for the Agency. The supplier or vendor should identify the Facility on each bill or invoice and indicate thereon that the Agency or Agent or Project Operator of the Agency was the purchaser. The Company's 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, 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)" and "(d)".**

**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" (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. Upon each such annual filing, the Company shall, within thirty (30) days of each filing, provide a copy of the same to the Agency; provided, however, in no event later than February fifteen (15<sup>th</sup>) of each year.**

**The agency created by this letter is limited to the Facility, and will expire on December 31, 2025; *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. You may apply to extend this agency authority by showing good cause.**

**This letter is being issued pursuant to the Agent and Financial Assistant and Project Agreement, dated May 1, 2024, 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.**

Big Ditch Brewing Company LLC

May 9, 2024

Page 3

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.

With respect to registered vehicles acquired by the Company in name of the Agency, the Agency shall transfer title to such vehicles immediately back to the Company, or as soon thereafter as reasonably practicable; and any personal property acquired by the Company in the name of the Agency shall be located in the City of Lockport, New York, except for temporary periods during ordinary use.

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,

NIAGARA COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By

  
Name: Andrea Klyczek

Title: Executive Director

**SCHEDULE A**

**LIST OF APPOINTED AGENTS<sup>1</sup>**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

---

**<sup>1</sup> FOR EACH AGENT APPOINTED BY THE COMPANY, A FORM ST-60 MUST BE COMPLETED AND FILED WITH NYS DEPARTMENT OF TAXATION AND FINANCING INDICATING SUCH AGENT OF THE COMPANY.**