

**TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY**  
**Agenda – 525<sup>th</sup> Meeting**  
**Monday, June 21 2021-8:30 am**

**James J. Allen Boardroom**  
**Agency Offices – 4287 Main Street, Amherst, NY 14226**

1. Roll Call of Members
2. Reading and Approval of Minutes
3. Bills & Communications
4. Treasurer's Report
5. Executive Director's Report
6. Committee Reports
7. Unfinished Business
8. New Business
  - I. Authorization Resolution
    - a. Stark Real Estate Holdings, LLC
9. Adjournment

**TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY**  
**Minutes of the 524<sup>th</sup> Meeting**  
**May 21, 2021 – 8:30 am**  
**James J. Allen Boardroom**  
**Agency Offices, 4287 Main Street**

**Due to the Covid-19 Pandemic and pursuant to Governor Andrew Cuomo’s Executive Order No.202.1, the Amherst IDA Board of Directors meeting was conducted through Zoom.com and live streamed at [www.AmherstIDA.com](http://www.AmherstIDA.com). In physical attendance at the meeting at AIDA offices was Executive Director David Mingoia. A video recording of the meeting can be accessed and viewed at [www.AmherstIDA.com](http://www.AmherstIDA.com).**

PRESENT via Zoom.com: Carlton N. Brock, Jr.  
William Tuyn  
Anthony Agostino  
Hon. Timothy J. Drury  
Philip Meyer  
Hadar Borden  
Frank L. LoTempio  
Kevin J. Zanner, Hurwitz & Fine PC

GUESTS via Zoom.com: Jacqueline Berger, TOA Councilmember  
AIDA Staff  
Genevieve Trigg, DMG Investments  
Ariel Hai, DMG Investments  
Yuan Yuan Ma, DMG Investments  
Jeff Amengual, DMG Investments

Vice Chairman William Tuyn called the meeting to order due to an unstable telephone connection with Chairman Brock.

**MINUTES**

Upon a motion by Frank LoTempio seconded by Philip Meyer and unanimously carried, the minutes of the April meeting were approved as presented.

**BILLS & COMMUNICATIONS**

There were no Bills & Communications presented at this meeting.

**TREASURER’S REPORT**

Upon a motion by Timothy Drury, seconded by Philip Meyer and unanimously carried, the Treasurer’s Report for April 2021 was approved as presented.

**PUBLIC COMMENT**

There was no Public Comment at this meeting.

**EXECUTIVE DIRECTOR’S REPORT**

The Executive Director’s Report is attached to these minutes.

## **COMMITTEE REPORTS**

There were no Committee Reports presented at this meeting.

## **UNFINISHED BUSINESS**

There was no Unfinished Business presented at this meeting.

## **NEW BUSINESS**

### **I. Authorization Resolution – Amherst Sweethome Road Property LLC**

The project applicant intends to invest \$11,000,000 in adapting an unfinished hotel property and adding to the building footprint into 154 market rate units with a mix of studios and one and two bedroom layouts. The property was abandoned in 2017. DMG Investments, through Amherst Sweethome Road Property LLC, is seeking benefits from the AIDA to obtain financing and make the project financially feasible. The Project constitutes an adaptive reuse project as identified in the Countywide Eligibility Policy and faces significant financial challenges including the restrictive building envelope resulting in mostly studio and one-bedroom units and renovating to a multi-family development from an uncompleted structure intended for hospitality use. Given the impacts of the COVID-19 pandemic on the hotel industry, it is unlikely that this property would ever be finished as a hotel. The total project value is \$21,338,806.

Executive Director Mingoia presented the board with a detailed Project Profile, including an in-depth explanation of the Countywide UTEP Adaptive Reuse Policy, along with the Cost Benefit Analysis associated with this project.

Anthony Agostino made motion to approve the Amherst Sweethome Road Property LLC project. Hadar Borden seconded the motion. There was discussion. A roll call was taken to approve the Amherst Sweethome Road Property LLC project:

Brock – aye  
Agostino – aye  
Tuyn – aye  
Meyer – no  
Drury – aye  
Borden – aye  
LoTempio – abstain

Motion to approve passed 5-1-1.

9:04 am – Frank LoTempio made a motion to adjourn the meeting. Anthony Agostino seconded the motion. The motion to adjourn was unanimously carried.

**PROJECT PROFILE:**  
**STARK REAL ESTATE HOLDINGS LLC**  
**\$3,150,000**  
 June 21, 2021



**ELIGIBILITY**

- Commercial Project under NYS Law
- Eligible NAICS—53 & 54 under Countywide Eligibility Policy

**COMPANY INCENTIVES (EST.)**

- Sales Tax = \$153,125
- Mortgage Tax = \$22,500
- Property Tax = \$282,000

**PROJECT BENEFITS (EST.)**

- Property Taxes = \$96,000
- Income Taxes = \$3,236,000
- Sales Tax = \$2,169,000

**EMPLOYMENT**

- 25 Construction Period Jobs Created
- 10 Jobs Created
- 80 jobs Retained
- Average Salary of Retained Jobs = \$93,750
- Average Salary of New Jobs = \$85,000

**PROJECT SCHEDULE**

- July 2021 - Work Begins
- Dec. 2021 - Project Complete

**Project Address:**

2100 Wehrle Drive and 60 Lawrence Bell  
 Amherst, New York 14221  
 (Williamsville School District)

**Investment:**

Construction: \$2,500,000  
 Equipment: \$500,000  
 Soft/Other costs: \$150,000

**Company Description:**

The applicant is Stark Real Estate Holdings the parent company of several business ventures. The company is a diversified consulting and engineering firm specializing in technology based building system and process optimization. Through acquisitions and strategic partnerships it is experiencing significant growth which is forecast to continue.

The applicant has acquired the property located at 2100 Wehrle Drive in Williamsville and owns a nearby business, formerly known as TP Woodside, at 60 Lawrence Bell Drive. It also operates a facility at 95 Stark Street in Tonawanda, NY. 240 full time employees exist across all locations and remotely.

**Project Description:**

Stark is proposing to retrofit the 34,000 square foot building at 2100 Wehrle Drive and add 10,000 square foot to their 5,000 square foot facility at 60 Lawrence Bell. The retrofit would provide space for the callback of current employees who are working remotely plus provide for a new training and command center operation. These facilities also provide room for expected future expansion. Stark will maintain the current 162 Full-Time Equivalent positions in Tonawanda, which is at full capacity.

AIDA assistance is a critical part of their long-term planning of growing their employee base and operation here. Incentives offset the costly renovations at the Wehrle Drive facility and allow the company room to add high paying jobs. The company has been offered incentives to locate their training center and administration operation in Florida.



**PROJECT PROFILE:  
STARK REAL ESTATE HOLDINGS, LLC  
\$3,150,000**

**AIDA COMPANY HISTORY:**

None

**MATERIAL TERMS:**

1. Achievement of a total of 88.5 Full-Time equivalent jobs at the project locations two years after project completion and maintenance of these jobs for the duration of the PILOT.
2. Investment of not less than \$2,677,500 at the project locations as noted in the application.
3. Compliance with the Agency's Local Labor Policy in connection with the construction of the Project
4. Maintaining employment and operations at the Stark Street Facility as set forth in the Application and retention of such jobs throughout the Compliance Period

# **Cost-Benefit Analysis for Stark Real Estate Holdings - Stark Tech Group**

Prepared by this agency using InformAnalytics

# Executive Summary

**INVESTOR**  
Stark Real Estate Holdings, LLC

**TOTAL JOBS**  
175 Ongoing;  
25 Temporary

**TOTAL INVESTED**  
\$3.2 Million

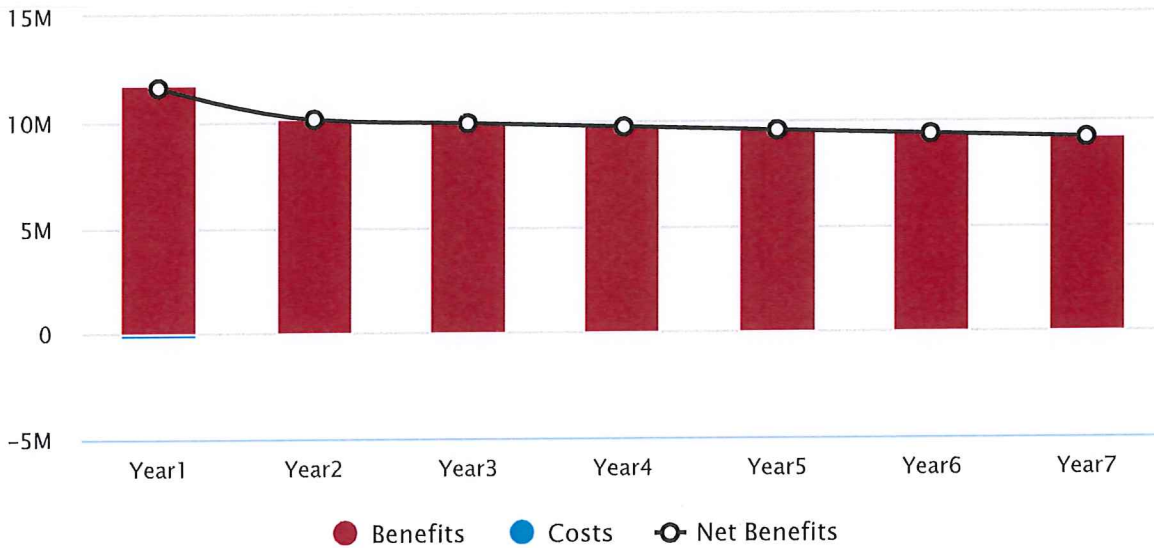
**LOCATION**  
2100 Wehrle Drive

**TIMELINE**  
7 Years

F1 FIGURE 1

Discounted\* Net Benefits for Stark Real Estate Holdings - Stark Tech Group by Year

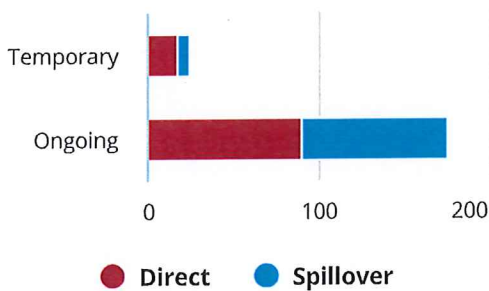
Total Net Benefits: \$69,329,000



Discounted at 2%

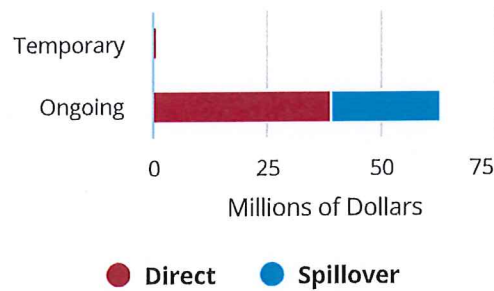
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



# Proposed Investment

Stark Real Estate Holdings, LLC proposes to invest \$3.2 million at 2100 Wehrle Drive over 7 years. Agency staff summarize the proposed with the following: The project would renovate 2100 Wehrle Drive and expand a building at 60 Lawrence Bell Drive by adding a 10,000 SF warehouse.

T1 TABLE 1

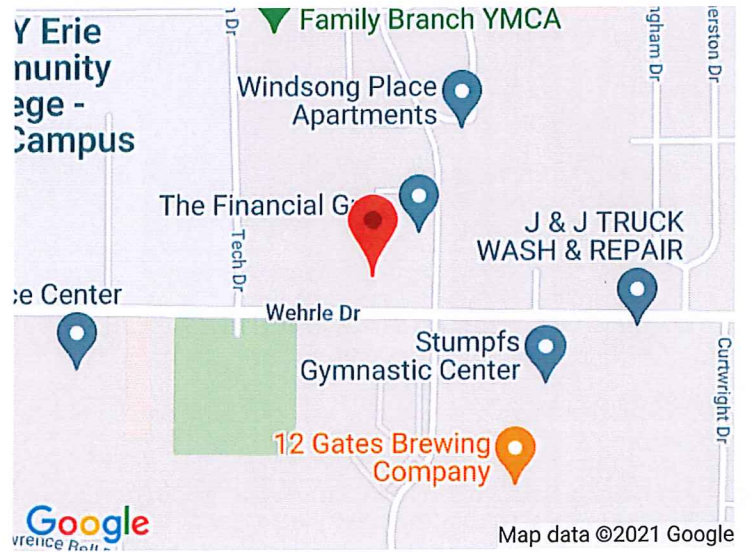
## Proposed Investments

Description	Amount
<b>CONSTRUCTION SPENDING</b>	
Building Renovation and Expansion	\$1,500,000
New Building	\$1,000,000
<b>OTHER SPENDING</b>	
Equipment	\$500,000
Soft Costs	\$150,000
<b>Total Investments</b>	<b>\$3,150,000</b>
Discounted Total (2%)	\$3,150,000

May not sum to total due to rounding.

F4 FIGURE 4

## Location of Investment





# Cost-Benefit Analysis

A cost-benefit analysis of this proposed investment was conducted using InformAnalytics, an economic impact model developed by CGR. The report estimates the impact that a potential project will have on the local economy based on information provided by the agency. The report calculates the costs and benefits for specified local taxing districts over the first 7 years, with future returns discounted at a 2% rate.

T2 TABLE 2

## Estimated Costs or Incentives

The agency is considering the following incentive package for Stark Real Estate Holdings, LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$282,000	\$261,000
Sales Tax Exemption	\$153,000	\$153,000
Mortgage Recording Tax Exemption	\$23,000	\$23,000
<b>Total Costs</b>	<b>\$457,000</b>	<b>\$437,000</b>

May not sum to total due to rounding.

\* Discounted at 2%

T3 TABLE 3

### State & Regional Impact (Life of Project)

The following table estimates the total benefits from the project over its lifetime.

Description	Direct	Spillover	Total
<b>REGIONAL BENEFITS</b>	<b>\$43,130,000</b>	<b>\$26,526,000</b>	<b>\$69,657,000</b>
<b>To Private Individuals</b>	<b>\$42,295,000</b>	<b>\$26,089,000</b>	<b>\$68,384,000</b>
Temporary Payroll	\$961,000	\$333,000	\$1,294,000
Ongoing Payroll	\$41,334,000	\$25,756,000	\$67,090,000
<b>To the Public</b>	<b>\$835,000</b>	<b>\$437,000</b>	<b>\$1,273,000</b>
Property Tax Revenue	\$96,000	N/A	\$96,000
Temporary Sales Tax Revenue	\$16,000	\$6,000	\$22,000
Ongoing Sales Tax Revenue	\$693,000	\$432,000	\$1,125,000
Purchases Sales Tax Revenue	\$31,000	N/A	\$31,000
<b>STATE BENEFITS</b>	<b>\$2,767,000</b>	<b>\$1,460,000</b>	<b>\$4,227,000</b>
<b>To the Public</b>	<b>\$2,767,000</b>	<b>\$1,460,000</b>	<b>\$4,227,000</b>
Temporary Income Tax Revenue	\$47,000	\$16,000	\$63,000
Ongoing Income Tax Revenue	\$2,097,000	\$1,075,000	\$3,173,000
Temporary Sales Tax Revenue	\$14,000	\$5,000	\$18,000
Ongoing Sales Tax Revenue	\$583,000	\$364,000	\$947,000
Purchases Sales Tax Revenue	\$26,000	N/A	\$26,000
<b>Total Benefits to State &amp; Region</b>	<b>\$45,898,000</b>	<b>\$27,986,000</b>	<b>\$73,884,000</b>
<b>Discounted Total Benefits (2%)</b>	<b>\$43,352,000</b>	<b>\$26,413,000</b>	<b>\$69,766,000</b>

May not sum to total due to rounding.

T4 TABLE 4

**Benefit to Cost Ratio**

The following benefit to cost ratios were calculated using the discounted totals.

Description	Benefit*	Cost*	Ratio
Region	\$65,773,000	\$352,000	187:1
State	\$3,993,000	\$85,000	47:1
<b>Grand Total</b>	<b>\$69,766,000</b>	<b>\$437,000</b>	<b>160:1</b>

**May not sum to total due to rounding.**

\* Discounted at 2%

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CGR has exercised reasonable professional care and diligence in the production and design of the InformAnalytics™ tool. However, the data used is provided by users. InformAnalytics does not independently verify, validate or audit the data supplied by users. CGR makes no representations or warranties with respect to the accuracy of the data supplied by users.

**RESOLUTION OF THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE RENOVATION OF AN APPROXIMATELY 35,000 SQUARE FOOT FACILITY TO BE LOCATED AT 2100 WEHRLE DRIVE, WILLIAMSVILLE, NEW YORK AND THE EXPANSION AND CONSTRUCTION OF AN APPROXIMATELY 10,000 SQUARE FOOT ADDITION TO AN EXISTING 5,000 SQUARE FOOT FACILITY LOCATED AT 60 LAWRENCE BELL DRIVE, WILLIAMSVILLE, NEW YORK BY STARK REAL ESTATE HOLDINGS, LLC, FOR SALE OR LEASE TO THE AGENCY AND SUBSEQUENT LEASE OR RECONVEYANCE PURSUANT TO AN INSTALLMENT SALE CONTRACT OR LEASE TO STARK REAL ESTATE HOLDINGS, LLC FOR SUBLEASE TO STARK TECHNOLOGIES GROUP, INC., THE EXECUTION OF LEASE AGREEMENTS AND/OR INSTALLMENT SALE CONTRACT, MORTGAGE AGREEMENT, PILOT AGREEMENT AND THE TAKING OF OTHER ACTIONS.**

**WHEREAS**, the Town of Amherst Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Section 914-a of the General Municipal Law, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

**WHEREAS**, Stark Real Estate Holdings, LLC, for itself or for related individuals or entities (the “Company”), has entered into negotiations with officials of the Agency with respect to the acquisition, construction and equipping by the Agency without the proceeds of a bond issue of a project (the “Project”) involving (A)(i) the renovation of a vacant office building located at 2100 Wehrle Drive, Williamsville, New York 14221 (the “Wehrle Drive Premises”); (ii) the renovation of an existing 5,000 square foot building located at 60 Lawrence Bell Drive, Williamsville, New York 14221 and the construction of a 10,000 square foot building addition (the “Lawrence Bell Drive Premises”); and (B) the acquisition and installation of machinery, equipment and personal property to be used in, at or on the Wehrle Drive Premises and the Lawrence Bell Drive Premises (together, the “Premises”) and conveyance of the Project to the Company pursuant to an Installment Sale Contract or the lease of the Project to the Company, for sublease to a related entity, Stark Technologies Group, Inc. (the “Lessee”); and

**WHEREAS**, the Company submitted an application and other materials and information (collectively, the “Application”) to the Agency to initiate the accomplishment of the above; and

**WHEREAS**, the Application sets forth certain information with respect to the Company and the Project, including the following: that the Company desires Agency financing for the renovation of a 35,000 square foot building at the Wehrle Drive Premises for a command center, training center, and office space for the Lessee, and the renovation of a 5,000 square building and construction of a

10,000 square foot addition to the building at the Lawrence Bell Drive Premises to be used by Lessee, all at a cost of approximately \$3,150,000.00; that the Company anticipates that ten (10) new full-time jobs will be created as a result of the Project at the end of two (2) years of operation thereof; that (i) there will be no substantial adverse disruption of existing employment of facilities of a similar nature, (ii) the Project will retain present employment, expand employment and result in substantial capital investment; (iii) that if Agency financing is disapproved, the Company may locate their operations outside of New York State; and that, therefore, Agency financing is necessary to encourage the Company to proceed with the Project in the Town of Amherst; and

**WHEREAS**, after the giving of all required notices (including published notice), the Agency held a public hearing on the Project on June 10, 2021, and has considered all oral and written presentations made at or in connection with said public hearing;

**WHEREAS**, the Agency has reviewed the Application and prepared a cost-benefit analysis with respect to the Project, including the extent to which the Project will create and retain permanent, private-sector jobs, the value of tax exemptions to be provided, the amount of private sector investment generated or likely to be generated by the Project, the likelihood of accomplishing the proposed Project in a timely fashion, the extent to which the proposed Project will provide additional sources of revenue for the municipalities and school district and other public benefits that might occur as a result of the Project; and

**WHEREAS**, based on the Agency's review of the Application, the Lessee is not relocating its operations from its current location at 95 Stark Street, Tonawanda, New York (the "Stark Street Facility") and the Project will not result in the closure of or reduced activity at the Stark Street Facility; and

**WHEREAS**, the Agency desires to encourage the Company and the Lessee with respect to the consummation of the Project, if by doing so it is able to induce the Company to proceed with the Project in the Town of Amherst; and

**WHEREAS**, the Company is expected to undertake and complete the Project by obtaining a conventional loan from a third party, and the Company has requested that the Agency execute any and all documents required by the parties, including any collateral mortgages on the Project given to secure a loan(s) obtained by the Company to finance the cost of the Project; and

**WHEREAS**, the Company has completed and submitted to the Agency Part 1 of the Environmental Assessment Form ("EAF") for the Wehrle Drive Premises and a separate Part 1 of the EAF Lawrence Bell Drive Premises in accordance with the provisions of the State Environmental Quality Review Act and regulations adopted pursuant thereto (collectively, "SEQRA"); and

**WHEREAS**, the Agency has completed separate Part 2 of the EAF for both the Wehrle Drive Premises and the Lawrence Bell Drive Premises and has considered the proposed Project and reviewed the EAFs and the criteria set forth in SEQRA in order to determine whether the Project will have a significant effect on the environment and wishes to make the findings required of an agency under SEQRA.

**NOW, THEREFORE, THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:**

**Section 1.** The Agency hereby resolves that the proposed Project will not have a significant impact on the environment for the reasons more particularly set forth in the negative declarations prepared by the Agency and, in accordance with SEQRA, hereby adopts such negative declarations with regard to the Project.

**Section 2.** The Project is described in the recitals to this Resolution. The financial assistance to be provided in connection therewith include: an exemption from sales and use taxes for building materials and machinery, equipment, fixtures and furnishings purchased for incorporation into or use at the Project location having a total cost not to exceed \$1,750,000.00, an exemption from mortgage recording taxes for one or more mortgages having a principal amount not to exceed \$3,000,000.00 and an abatement from real property taxes with respect to the Project at the Lawrence Bell Drive Premises in accordance with the Agency's standard 7-year payment in lieu of tax schedule (collectively, the "Financial Assistance"). In addition to any other covenants, obligations and agreements which may be contained in the Project Documents (as hereinafter defined), the provision by the Agency of the Financial Assistance is made subject to the agreement by the Company throughout the period during which the Company is receiving Financial Assistance from the Agency (the "Compliance Period") throughout the Compliance Period (as defined below) to comply with the following covenants and agreements, each of which shall constitute a "Material Factor":

- (a) compliance with the Agency's Local Labor Policy in connection with the construction of the Project;
- (b) investment of not less than \$2,677,500.00 at the Lawrence Bell and Wehrle Drive project locations;
- (c) achievement of a total of 88.5 full-time equivalent jobs at the Lawrence Bell and Wehrle Drive project locations within two (2) years of Project completion and retention of such jobs throughout the Compliance Period;
- (d) maintaining employment and operations at the Stark Street Facility as set forth in the Application and retention of such jobs throughout the Compliance Period.

**Section 3.** The Agency hereby determines that the Project and the financing thereof by the Agency pursuant to the New York State Industrial Development Agency Act will promote and is authorized by and will be in furtherance of the policy of the State as set forth in said Act. The Agency further determines that the Project will not result in the closure of or reduced activity at the Stark Street Facility; and

**Section 4.** The Agency hereby authorizes the Company and the Lessee, as agents for the Agency, to proceed with the Project as herein authorized. The Agency is hereby authorized to acquire an interest in the Project site and the buildings thereon, if any, and to make renovations or additions thereto. The Lessee and the Company are each authorized to proceed with the acquisition and construction of the Project as set forth in any Project Agreement, the Agency Lease Agreement or Installment Sale Contract (as hereinafter defined).

**Section 5.** The Chairman, Vice Chairman, Executive Director, Secretary, Treasurer, and

any Assistant Secretary of the Agency, and other appropriate officials of the Agency and its agents and employees, are hereby authorized and directed to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution and to complete the Project in cooperation with the Company and the Lessee.

**Section 6.** The Company and Lessee are each hereby authorized, as agents of the Agency, to initiate the renovation and construction of the buildings or building addition constituting the Project, and the acquisition of machinery and equipment which will be a part thereof or will be used in connection therewith, and to advance such funds as may be necessary to accomplish such purposes. The designation of the Company and Lessee as agents hereunder is limited to purchases of sales-taxable tangible personal property and services in connection with the Project which do not exceed a total cost of \$1,750,000.00 and shall not apply to any other purchase by the Company or Lessee or any operating expenses of the Company or Lessee. The Company and Lessee shall report to the Agency, at such times as the Agency shall require, or as may otherwise be prescribed by the Commissioner of the New York State Department of Taxation and Finance (the "Commissioner"), the value of all sales and use tax exemptions claimed by the Company or Lessee or agents of the Company or Lessee or any operators of the Project, including, but not limited to, consultants or subcontractors of such agents or Project operators under the authority granted pursuant to this Resolution. A failure to report may result in the revocation of the designation of the Company and Lessee as agents and repayment of any sales and use tax exemptions claimed.

**Section 7.** The Agency is hereby authorized to enter into a Project Agreement with respect to the provision of the Financial Assistance authorized herein (the "Project Agreement") and to acquire an interest in the Project site and construct a facility thereon, and the execution and delivery of a lease by the Lessee to the Agency (the "Company Lease"), an Agency Lease Agreement (the "Agency Lease Agreement") or Installment Sale Contract (the "Installment Sale Contract") between the Agency and the Company and/or Lessee, a Payment in Lieu of Tax Agreement between the Agency and the Company or Lessee (the "PILOT Agreement"), and such other documents as may be necessary to fulfill the intent of the parties to the transaction (collectively, the "Project Documents"), in form satisfactory to Agency counsel, are hereby authorized. The PILOT Agreement, which shall apply with respect to the Lawrence Bell Drive Premises only, shall provide for payments in accordance with the Agency's standard 7-year payment in lieu of tax schedule. The Chairman, Vice Chairman, Executive Director, Secretary, Treasurer, or any Assistant Secretary are each authorized to execute such documents and to make or approve such amendments or modifications to the Project Agreement, Company Lease, the Agency Lease Agreement, Installment Sale Contract, the PILOT Agreement and such other documents executed and delivered in connection therewith as they deem necessary under the circumstances provided, however, that such modifications do not materially alter the risk to the Agency.

**Section 8.** The Agency is hereby authorized to execute and deliver to lender(s) one or more collateral mortgages on the Project given to secure such loans ("Mortgage Agreement"), and such other documents as may be necessary to fulfill the intent of the parties to the transaction in form satisfactory to Agency counsel provided that the aggregate amount of such mortgages shall not exceed \$3,000,000.00. The Chairman, Vice Chairman, Executive Director, Secretary, Treasurer, and any Assistant Secretary are each authorized to execute such collateral mortgages and to make or approve such amendment(s) or modifications to such collateral mortgages and other documents executed and



delivered in connection therewith as they may deem necessary under the circumstances, provided, however, that such modifications do not materially alter the risk to the Agency.

**Section 9.** Any such action heretofore taken by the Company or Lessee initiating the acquisition, installation and construction of the Project is hereby ratified, confirmed and approved.

**Section 10.** Any expenses incurred by the Agency with respect to the Project and the financing thereof shall be paid by the Company and Lessee. By acceptance hereof, the Company and Lessee each agree to pay such expenses and each further agrees to indemnify the Agency, its members, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency with respect to the Project and the financing thereof.

**Section 11.** In the event a lease is not executed between the Company and/or Lessee and the Agency by the expiration date of this Resolution (as such date may be extended as provided herein) or the termination of this Resolution, the Company and Lessee shall then be required to pay all sales taxes which would have been levied in connection with the acquisition, construction and installation of all improvements of the real property and the machinery and equipment which constitute the Project, as if the Agency did not have an interest in the Project from the date the Company or Lessee commenced its acquisition, construction and installation. In addition, in the event, because of the involvement of the Agency, the Company or Lessee claims an exemption from state sales or use tax in connection with the Project, and such exemption is claimed with respect to property or services not authorized hereunder, or which exemption is in excess of the amounts authorized hereunder, or is otherwise not permitted under this Resolution, or if the Company or Lessee shall fail to comply with a material term or condition regarding the use of property or services acquired by the Company or Lessee as agent for the Agency as set forth in this Resolution or in any document authorized hereunder, then the Company and Lessee shall each be required to remit to the Agency an amount equal to the amount of state sales and use taxes for which such exemption was improperly claimed. A failure to remit such amounts may result in an assessment against the Company and Lessee by the Commissioner of state sales and use taxes, together with any relevant penalties and interest.

In addition to the foregoing, in the event the Agency determines that Company or Lessee is in violation of a Material Factor, or in the event that the Company closes the Project or relocates its operations to a location outside of the Town of Amherst within the time period during which the Company is receiving Financial Assistance from the Agency or in the event the Agency determines, in its judgment, that the Company or Lessee knowingly and intentionally submitted false or intentionally misleading information in its application to the Agency or in any report or certification submitted to the Agency for the purpose of obtaining or maintaining any Financial Assistance from the Agency (each referred to herein as a “Recapture Event”), the Agency may, in accordance with its policies and procedures then in effect, (i) revoke the designation of the Company and Lessee and any agents of the Company and Lessee (including, but not limited to, consultants, sub-contractors or equipment lessors of the Company or Lessee) as agents for the Agency in connection with the Project and terminate the exemption from New York State and local sales and use taxes conferred with respect to the Project and/or (ii) require that the Company or the Lessee as applicable, commencing with the tax fiscal year next following such Recapture Event make payments in lieu of taxes on the Project with respect to all applicable taxing authorities in such

amounts as would be payable as real estate taxes levied on the Project if the Agency did not have an interest in the Project or otherwise modify the amount or terms of any Financial Assistance being provided by the Agency in connection with the Project and/or (iii) require that the Company and Lessee pay to the Agency an amount equal to all or a portion (as determined by the Agency in its discretion) of the total value of (x) all sales tax exemptions claimed by the Company, the Lessee and any agents of the Company or Lessee, including, but not limited to, consultants, sub-contractors, or any equipment lessors of the Company or Lessee under the authority granted under this Resolution and the Project Agreement, (y) any exemption from real estate taxes received by reason of the Agency's leasehold interest in the Project and/or (z) any exemption from mortgage recording tax received by reason of the Agency's involvement with the Project. If the Agency makes any of the foregoing determinations and requires a repayment of all or a portion of the Financial Assistance received by the Company or Lessee, the Company and Lessee shall each (i) cooperate with the Agency in its efforts to recover or recapture any or all Financial Assistance obtained by the Company and Lessee 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) unless otherwise agreed to by any affected tax jurisdiction.

**Section 12.** The Agency has made and makes no representation or warranty whatsoever, either express or implied, with respect to the merchantability, condition, environmental status, fitness, design, operation or workmanship of any part of the Project, its fitness for any particular purpose, the quality or capacity of the materials in the Project, or the suitability of the Project for the Company's or Lessee's purposes or needs. The Company and Lessee each is satisfied that the Project is suitable and fit for its purposes. The Agency shall not be liable in any manner whatsoever to anyone for any loss, damage or expense of any kind or nature caused, directly or indirectly, by the Project property or the use or maintenance thereof or the failure of operation thereof, or the repair, service or adjustment thereof, or by any delay or failure to provide any such maintenance, repairs, service or adjustment, or by any interruption of service or loss of use thereof or for any loss of business howsoever caused, and the Company and Lessee each hereby indemnifies and holds the Agency harmless from any such loss, damage or expense.

**Section 13.** Should the appropriate officers of the Agency determine, in their absolute discretion, that there is reason to believe that the activities of any past or present owner or operator of the Premises have resulted in the generation of any "hazardous substance" (as the term has been defined from time to time in any applicable federal or state law, rule or regulation), or that any party has stored, disposed or released any such substance on the Premises or within a one (1) mile radius thereof, the Agency shall be under no obligation to enter into a lease as contemplated by this Resolution.

**Section 14.** No covenant, stipulation, obligation or agreement herein contained or contained in the Project Agreement, Company Lease, the Mortgage Agreement, the Agency Lease Agreement, Installment Sale Contract, the PILOT Agreement or other documents, nor the breach thereof, shall constitute or give rise to or impose upon the Agency a pecuniary liability or a charge upon its general credit, nor shall be deemed to be a covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity.

**Section 15.** Should the Agency’s participation in the Project be challenged by any party, in the courts or otherwise, the Company and Lessee shall defend, indemnify and hold harmless the Agency and its members, officers and employees from any and all losses arising from any such challenge including, but not limited to, the fees and disbursements of the Agency’s counsel. Should any court of competent jurisdiction determine that the Agency is not authorized under Article 18-A of the General Municipal Law to participate in the Project, this Resolution shall automatically become null, void and of no further force and effect, and the Agency shall have no liability to the Company or Lessee hereunder or otherwise.

**Section 16.** This Resolution shall take effect immediately and shall continue in full force and effect for one (1) year from the date hereof and on or after such one (1) year anniversary, the Agency may, at its option (a) terminate the effectiveness of this Resolution (except with respect to the obligations of the Company and Lessee pursuant to Sections 10 and 11 of this Resolution which shall survive any expiration or termination) or (b) allow the Company and Lessee additional time in which to close the transactions contemplated by this Resolution based upon affirmative actions taken by the Company and Lessee to complete such transactions. Upon any allowance of additional time to close, the Agency may charge the Company or Lessee an extension fee in accordance with the Agency’s fee schedule.

**Section 17.** This Resolution is subject to compliance with all local building and zoning requirements.

DATED: June 21, 2021

ACCEPTED AND AGREED TO: \_\_\_\_\_, 2021

STARK REAL ESTATE HOLDINGS, LLC

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

STARK TECHNOLOGIES GROUP, INC.

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