

Preliminary Resolution

PRELIMINARY RESOLUTION

(Precious Plate, Inc. 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 14th day of July, 2010 at 9:00 a.m., local time.

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

PRESENT:

Henry M. Sloma	Chairperson
Michael Tucker	First Vice Chairperson
Robert Connolly	Member
Patricia Dufour	Member
Joseph C. Frain	Member
William J. Bradberry	Member

ABSENT:

Stephen F. Brady	Second Vice Chairperson
Deanna Brennen	Secretary
Mark A. Onesi	Member

THE FOLLOWING PERSONS WERE ALSO PRESENT:

Gary E. Kelsey	Manager of Finance
Susan C. Langdon	Marketing/Project Manager
Michael Dudley	Accounting Associate
Mary Melloni	Administrative Assistant
Mark Gabriele, Esq.	Agency Counsel

The following resolution was offered by Mr. Frain, seconded by Mr. Bradberry, to wit:

Resolution No. 10-07-8.2.1

RESOLUTION OF THE NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) ACCEPTING THE APPLICATION OF PRECIOUS PLATE, INC. WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DEFINED BELOW) TO BE UNDERTAKEN BY THE AGENCY FOR THE BENEFIT OF **PRECIOUS PLATE, INC.** OR AN ENTITY FORMED OR TO BE FORMED; (ii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO THE PROJECT; (iii) AUTHORIZING THE EXECUTIVE DIRECTOR OF THE AGENCY TO TAKE CERTAIN ACTIONS UNDER ARTICLE 8 OF THE ENVIRONMENTAL CONSERVATION LAW IN CONNECTION WITH THE PROJECT; AND (iv) 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, **PRECIOUS PLATE, INC.**, for itself or on behalf of an entity to be formed (the "Company"), has requested the Agency's assistance with respect to a certain project (the "Project") consisting of: (A)(i) the acquisition or retention, by the Agency, of fee title to, or a leasehold interest in, a portion of an approximately 13.8-acre parcel of land located at 2111 Liberty Drive in the Town of Wheatfield, Niagara County, New York (the "Land"); (ii) the renovation of an existing approximately 60,057 square foot building for use by the Company in its business of manufacturing precious metal electroplated parts and as warehouse space (the "Improvements"); and (iii) the acquisition of and installation in and around the Improvements of certain machinery, equipment and items of personal property (the "Equipment" and, collectively with the Land and the Improvements, the "Facility"); (B) the leasing of the Project back to the Company, and (C) the providing of financial assistance to the Company for qualifying portions of the Project in the form of sales and use tax exemptions and a mortgage recording tax exemption, consistent with the policies of the Agency, a partial real property tax abatement and a mortgage recording tax exemption with respect to a certain payment-in-lieu-of-tax mortgage; 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, it is contemplated that the Agency will hold a public hearing and (i) negotiate a lease agreement (the "Lease Agreement"), leaseback agreement (the "Leaseback Agreement"), payment-in-lieu-of-tax agreement (the "PILOT Agreement") and payment-in-lieu of tax mortgage (the "PILOT Mortgage") with the Company, (ii) take or retain fee title to, leasehold or other interest in the Land, Improvements, Equipment and personal property constituting the Project (once the Lease Agreement, Leaseback Agreement, PILOT Agreement and PILOT Mortgage have been negotiated), and (iv) provide financial assistance to the Company in the form of a partial real property tax abatement and a mortgage recording tax exemption with respect to a certain payment-in-lieu-of-tax mortgage; and

WHEREAS, pursuant to Section 859-a of the Act, prior to the Agency providing any financial assistance to any project, the Agency, among other things, must hold a public hearing with respect to the Project; and

WHEREAS, at a regular meeting of the Project Review Committee (the "Committee") of the Agency, the Committee resolved to schedule a public hearing and provide 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 with respect to the same will be in

conformance with Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (said law and regulations hereinafter collectively referred to as "SEQR").

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. For purposes of investigating the advisability of undertaking a coordinated review under SEQR with respect to the Project and determining whether the Project may have a "significant effect on the environment" (as such term is defined under SEQR), the Executive Director of the Agency is hereby authorized and directed to take the following actions:

(A) To obtain an Environmental Assessment Form (the "EAF") with respect to the Project from the Company; and

(B) To review the EAF with counsel to the Agency and prepare proceedings to allow the Agency to comply with SEQR; and

(C) To contact all other "involved agencies" with respect to the Project for the purposes of ascertaining whether they are interested in undertaking a coordinated review with respect to the Project; and

(D) Upon completion of the foregoing, to report to the Agency at its next meeting on the status of the environmental review process with respect to the Project.

Section 3. The Chairperson, Vice Chairperson and/or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to hold a public hearing in compliance with the Act and negotiate (but not execute or deliver) the terms of (A) a Lease Agreement, whereby the Company leases the Project to the Agency, (B) a related Leaseback Agreement, conveying the Project back to the Company, (C) a PILOT Agreement, whereby the Company agrees to make certain payments-in-lieu-of real property taxes, (D) a PILOT Mortgage, securing the payment of the amounts due under the PILOT Agreement and (E) related documents; *provided*, (i) the rental payments under the Leaseback Agreement include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement are consistent with the Agency's Uniform Tax Exemption Policy or the procedures for deviation have been complied with.

Section 4. The Agency is hereby authorized to conduct a public hearing in compliance with the Act.

Section 5. 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 6. 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>Nea</u>	<u>Abstain</u>	<u>Absent</u>
Henry M. Sloma	[X]	[]	[]	[]
Michael W. Tucker	[X]	[]	[]	[]
Stephen F. Brady	[]	[]	[]	[X]
Deanna Brennen	[]	[]	[]	[X]
Mark A. Onesi	[]	[]	[]	[X]
Joseph C. Frain	[X]	[]	[]	[]
John J. Petrozzi	[X]	[]	[]	[]
Robert Connolly	[X]	[]	[]	[]
Patricia Dufour	[X]	[]	[]	[]

The Resolutions were thereupon duly adopted.

Final Resolution

FINAL RESOLUTION

(Precious Plate, Inc. 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 11th day of August, 2010 at 9:00 a.m., local time.

The meeting was called to order by the (Vice) Chairperson and, upon roll being called, the following members of the Agency were.

PRESENT:

Henry M. Sloma	Chairperson
Mayor Michael Tucker	First Vice Chairperson
Stephen F. Brady	Second Vice Chairperson
Deanna Alterio-Brennen	Secretary
Joseph C. Frain	Member
Mark A. Onesi	Member
Patricia Dufour	Member
William J. Bradberry	Member

THE FOLLOWING PERSONS WERE ALSO PRESENT:

Samuel M. Ferraro	Executive Director
Lawrence D. Witul	Assistant Director
Gary E. Kelsey	Manager of Finance
Susan C. Langdon	Marketing/Project Manager
Michael Dudley	Accounting Associate
Mary Melloni	Administrative Assistant
Mark Gabriele, Esq.	Agency Counsel

The following resolution was offered by Mr. Frain, seconded by Mr. Onesi, to wit:

Resolution No. 10-08-7.3.1

RESOLUTION OF THE NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) UNDERTAKE A CERTAIN PROJECT FOR THE BENEFIT OF **PRECIOUS PLATE, INC.** OR AN ENTITY FORMED OR TO BE FORMED (AS MORE FULLY DEFINED BELOW) (ii) DETERMINE THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT; (iii) NEGOTIATE AND EXECUTE A LEASE AGREEMENT, LEASEBACK AGREEMENT, PAYMENT-IN-LIEU-OF-TAX AGREEMENT, PILOT MORTGAGE AND RELATED DOCUMENTS; AND (iv) PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT AND (B) A MORTGAGE RECORDING TAX EXEMPTION FOR THE MORTGAGE RELATED TO THE PILOT AGREEMENT.

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, **Precious Plate, Inc.**, for itself or on behalf of an entity formed or to be formed (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 acquisition or retention, by the Agency, of fee title to, or a leasehold interest in, a portion of an approximately 13.8-acre parcel of land located at 2111 Liberty Drive in the Town of Wheatfield, Niagara County, New York (the "Land"); (B) the renovation of an existing approximately 60,057 square foot building for use by the Company in its business of manufacturing precious metal electroplated parts and as warehouse space (the "Improvements"); and (C) the acquisition of and installation in and around the Improvements of certain machinery, equipment and items of 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 July 14, 2010, the Agency adopted a resolution (the "Preliminary Resolution") accepting the Application and directing that a public hearing be held; and

WHEREAS, it is contemplated that the Agency will 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) negotiate a lease agreement (the "Lease Agreement"), leaseback agreement (the "Leaseback Agreement"), payment-in-lieu-of-tax agreement (the "PILOT Agreement") and payment-in-lieu of tax mortgage (the "PILOT Mortgage") with the Company, (iii) take or retain fee title to, leasehold or other interest in the Land, Improvements, Equipment and personal property constituting the Facility (once the Lease Agreement, Leaseback Agreement, PILOT Agreement and PILOT Mortgage have been negotiated), and (iv) provide financial assistance to the Company in the form of sales and use tax exemptions and a mortgage recording tax exemption for financing related to the Project, consistent with the policies of the Agency, a partial real property tax abatement and a mortgage recording tax exemption with respect to a certain payment-in-lieu-of-tax mortgage; and

WHEREAS, on the 9th day of August, 2010, at 3:45 p.m. at the Niagara County Center for Economic Development, 6311 Inducon Corporate Drive, Wheatfield, New York, 14132, 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 thirty (30) days prior to said Public Hearing are attached hereto as Exhibit A;

WHEREAS, the Company has submitted to the Agency a Short Environmental Assessment Form (the "EAF") in compliance with Article 8 of the Environmental Conservation Law and Regulations adopted pursuant thereto by the Department of Environmental Conservation of the State (collectively, "SEQR") with respect to the Project, a copy of which is attached hereto as Exhibit B.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NIAGARA COUNTY INDUSTRIAL DEVELOPMENT 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) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing and equipping the Project; and

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

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

(E) 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; and.

(F) The Project involves an "unlisted action" (as said quoted term is defined under SEQR). The review is "uncoordinated" (as said quoted term is defined under SEQR). Based upon the review by the Agency of the Short Environmental Assessment Form (the "EAF") and related documents delivered by the Company to the Agency and other representations made by the Company to the Agency in connection with the Project, the Agency hereby finds that (i) the

Project will result in no major impacts and, therefore, is one which may not cause significant damage to the environment; (ii) the Project will not have a “significant effect on the environment” (as said quoted term is defined under SEQR); and (iii) no “environmental impact statement” (as said quoted term is defined under SEQR) need be prepared for this action. This determination constitutes a “negative declaration” (as said quoted term is defined under SEQR) for purposed of SEQR. The Agency’s findings are incorporated in Part II of the EAF; and

Section 2. 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 Agency Agreement shall expire on the date as indicated in the Agent Agreement (*unless extended for good cause by the Chief Executive Officer of the Agency*) if the Lease Agreement, Leaseback Agreement and PILOT Agreement contemplated have not been executed and delivered.

Section 3. The Chairperson, Vice Chairperson and/or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to negotiate and execute (A) the Lease Agreement whereby the Company leases the Project to the Agency, (B) the related Leaseback Agreement conveying the Project back to the Company, and (C) the PILOT Agreement; provided (i) the rental payments under the Leaseback Agreement include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement are consistent with the Agency’s Uniform Ta Exemption Policy or the procedures for deviation have been complied with.

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>
Henry M. Sloma	[X]	[]	[]	[]
Michael W. Tucker	[X]	[]	[]	[]
Stephen F. Brady	[X]	[]	[]	[]
Deanna Brennen	[X]	[]	[]	[]
Mark Onesi	[X]	[]	[]	[]
William J. Bradberry	[X]	[]	[]	[]
Joseph C. Frain	[X]	[]	[]	[]
Patricia Dufour	[X]	[]	[]	[]

The Resolutions were thereupon duly adopted.

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

I, the undersigned (Assistant) 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 August 11, 2010 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 Issuer 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 Issuer this 11th day of August, 2010.

[SEAL]


Sanna Ottavio Bruner
(Assistant) Secretary

EXHIBIT A

Notice Documents

[Attached hereto]

Niagara County Industrial Development Agency

NOTICE LETTER

BOARD OF DIRECTORS July 2, 2010

Henry M. Sloma
Chairperson
Michael W. Tucker
First Vice Chairperson
Stephen F. Brady
Second Vice Chairperson
Deanna Brennen
Secretary
Joseph C. Frain
Robert Connolly
Mark A. Onesi
Patricia Dufour
William J. Bradberry
Samuel M. Ferraro
Executive Director

Hon. Gregory D. Lewis, Co Manager
Philo J. Brooks Building
59 Park Avenue
Lockport, New York 14094

Mr. William F. Budde, Jr., Director
Niagara County Real Property
Philo J. Brooks Co Office Building
59 Park Avenue
Lockport, New York 14094

Mr. Carl Militello, Superintendent
Niagara-Wheatfield School District
6700 Schultz Street
Niagara Falls, New York 14304

Ms. Michele Hoerner, Board President
Niagara-Wheatfield School District
6700 Schultz Street
Niagara Falls, New York 14304

Hon. William L. Ross, Chairman
Niagara County Legislature
175 Hawley Street
Lockport, New York 14094

Hon. Robert Cliffe, Supervisor
Wheatfield Town Hall
2800 Church Street
North Tonawanda, New York 14120

Ms. Brigette A. Grawe
Appointed Assessor
Wheatfield Town Hall
2800 Church Street
North Tonawanda, New York 14120


Re: **Precious Plate, Inc.**

Ladies and Gentlemen:

On **Monday, August 9, 2010, at 3:45 p.m.**, at the Niagara County Center for Economic Development, Vantage Center, 6311 Inducon Corporate Drive, Wheatfield, New York 14132, the Niagara County Industrial Development Agency (the "Agency") will conduct a public hearing regarding the above-referenced project. Attached is a copy of the Notice of Public Hearing describing the project and the financial assistance contemplated by the Agency. The Notice has been submitted to the *Niagara Gazette* for publication.

You are welcome to attend such hearing at which time you will have an opportunity to review the project application and present your views, both orally and in writing, with respect to the project. The public hearing is being conducted pursuant to Section 859-a of the General Municipal Law. We are providing this notice to you, pursuant to General Municipal Law Section 859-a, as the chief executive officer of an affected tax jurisdiction within which the project is located.

**NIAGARA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
Samuel M. Ferraro
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 **9th day of August, 2010 at 3:45 p.m.**, local time, at the Niagara County Center for Economic Development, Vantage Center, 6311 Inducon Corporate Drive, Wheatfield, New York 14132, in connection with the following matter:

PRECIOUS PLATE, INC., a New York corporation, with offices at 2124 Liberty Drive, Wheatfield, New York 14120, for itself or on behalf of an entity formed or to be formed (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 acquisition or retention, by the Agency, of fee title to, or a leasehold interest in, a portion of an approximately 13.8-acre parcel of land located at 2111 Liberty Drive in the Town of Wheatfield, Niagara County, New York (the "Land"); (B) the renovation of an existing approximately 60,057 square foot building for use by the Company in its business of manufacturing precious metal electroplated parts and as warehouse space (the "Improvements"); and (C) the acquisition of and installation in and around the Improvements of certain machinery, equipment and items of personal property (the "Equipment" and, collectively with the Land and the Improvements, the "Facility").

The Agency will retain title to, or a leasehold interest in, the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of the lease. At the end of the lease term, the Company will purchase the Facility from the Agency, or if the Agency holds a leasehold interest, the leasehold interest will be terminated. The Agency contemplates that it will provide financial assistance to the Company for qualifying portions of the Project in the form of sales and use tax exemptions and a mortgage recording tax exemption, consistent with the policies of the Agency, and a partial real property tax abatement.

A representative of the Agency will be at the above-stated time and place to present a copy of the Application and hear and accept written and oral comments from all persons with views in favor of or opposed 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: July 2, 2010

**NIAGARA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
Samuel M. Ferraro
Executive Director

STATE OF NEW YORK

NIAGARA COUNTY, } SS, _____

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

THE NIAGARA GAZETTE

A newspaper published in the County and State aforesaid, and that the annexed printed legal ad# 07520107 was printed and published in said paper on the following dates: July 7, 2010.

Linda Elliott
Principal Clerk

Subscribed and sworn to me before this 12 day of July, 2010.

[Signature]
Notary Public

PATRICIA J. KING
Notary Public, State of New York
Qualified in Niagara County
My Commis

7/27/2010
Expiration Date

**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 9th day of August, 2010 at 3:45 p.m., local time, at the Niagara County Center for Economic Development, Vantage Center, 6311 Inducon Corporate Drive, Wheatfield, New York 14132, in connection with the following matter:

PRECIOUS PLATE, INC., a New York corporation, with offices at 2124 Liberty Drive, Wheatfield, New York 14120, for itself or on behalf of an entity formed or to be formed (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 acquisition or retention, by the Agency, of fee title to, or a leasehold interest in, a portion of an approximately 13.8-acre parcel of land located at 2111 Liberty Drive in the Town of Wheatfield, Niagara County, New York (the "Land"); (B) the renovation of an existing approximately 60,057 square foot building for use by the Company in its business of manufacturing precious metal electroplated parts and as warehouse space (the "Improvements"); and (C) the acquisition of and installation in and around the Improvements of certain machinery, equipment and items of personal property (the "Equipment" and, collectively with the Land and the Improvements, the "Facility").

The Agency will retain title to, or a leasehold interest in, the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of the lease. At the end of the lease term, the Company will purchase the Facility from the Agency, or if the Agency holds a leasehold interest, the leasehold interest will be terminated. The Agency contemplates that it will provide financial assistance to the Company for qualifying portions of the Project in the form of sales and use tax exemptions and a mortgage recording tax exemption, consistent with the policies of the Agency, and a partial real property tax abatement.

A representative of the Agency will be at the above-stated time and place to present a copy of the Application and hear and accept written and oral comments from all persons with views in favor of or opposed 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: July 2, 2010

**NIAGARA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: Samuel M. Ferraro
Executive Director

#N07520107

7/7/2010

ORIGINAL

NIAGARA COUNTY CENTER FOR ECONOMIC DEVELOPMENT

PUBLIC HEARING

In the Matter

of

PRECIOUS PLATE, INC.

LOCATION: NIAGARA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY
6311 Inducon Corporate Drive
Wheatfield, New York 14132

DATE: August 9, 2010

TIME: 3:47 p.m.

REPORTED BY: KELLY MAJCHRZAK



Apex Reporting, Inc.

403 Main Street, Suite 300 Buffalo, New York 14203
(716) 854-8900

1 Present: Lawrence Witul
2 Susan Langdon
3 Scott Law
4 Dennis Moher

5 MR. WITUL: If everyone would please
6 sign in. I will be serving as the Hearing

7 Officer for this Public Hearing. It is now 3:47
8 p.m. A copy of the project summary and Notice
9 of Public Hearing has been provided to those in
10 attendance.

11 The purpose of this hearing is to
12 solicit comments both written and oral on the
13 Precious Plate, Incorporated Project,
14 wheatfield, New York. Comments can be in
15 support of or in opposition to the project or on
16 the nature or location of the project. All
17 comments are to be limited to the Precious
18 Plate, Inc. Project.

19 This hearing is not for accepting
20 comments on any environmental issues nor
21 environmental determination and this is not a
22 part of the New York State SEQRA process.

23 Notice of Public Hearing: A copy of
the hearing has been circulated among those in

1 attendance along with a copy of the project
2 summary. We will forego the formal reading of
3 the notice, but will attach it as an exhibit to
4 this hearing.

5 I will open the hearing for comments.

6 If you have anything to say, please state your
7 name and address and organization you might
8 represent. Anyone wishing to comment, please do
9 so at this time.

10 It is now 3:52 p.m. There being no
11 comment I will close the hearing.

12 * * * * *

1 STATE OF NEW YORK)

2 SS:

3 COUNTY OF ERIE)

4
5 I, KELLY MAJCHRZAK, a Notary Public in

6 and for the State of New York, County of Erie,
7 DO HEREBY CERTIFY, that the proceedings were
8 taken down by me in a verbatim manner by means
9 of Machine Shorthand on August 9, 2010,
10 that the proceedings were taken to be used in
11 the above-entitled action.

12 I further CERTIFY that the
13 above-described transcript constitutes a true,
14 accurate and complete transcript of the
15 testimony.

16
17
18
19 
20 KELLY MAJCHRZAK
21 Notary Public
22
23

**Niagara County Industrial Development Agency
Project Summary Sheet
Precious Plate Inc.
Project No. 10-08**

Applicant: Precious Plate Inc

Project Location: 2124 Liberty Drive
Wheatfield, New York

Assistance: 15-year Industrial PILOT
Sales and Mortgage Recording Tax Exemptions.

Description: **Precious Plate Inc.** is a New York State business located in Wheatfield, New York that coats/plates products and components for the automotive, electronics and telecommunications industry. The company currently has an active project with the NCIDA for a building expansion at the 2124 Liberty Drive location. They are current on all PILOT payments and job commitments.

Precious Plate Inc. is the parent company of a second business, Precision Engineering that leases space at the Niagara Business Park. To improve operating efficiencies, integration of business activities and to meet both current and future growth, Precious Plate is considering a consolidation of the two operations on Liberty Drive. Under the proposed consolidation Precious Plate proposes to purchase the former Sherwood building at 2111 Liberty Drive (vacant for over 1 year) across the street from 2124 Liberty, move certain existing operations and expanded operations of Precious Plate to the new building and move Precision Engineering into part of the 2124 Liberty Drive building.

The Agency proposal for this project identified a 5 year PILOT but the Company is requesting a 15 year PILOT to make the economics of the proposed project work.

Project Costs:	Building acquisition (est.)	\$1,390,000
	Project costs	<u>40,000</u>
	Sub Total	\$1,430,000

Employment: Retain 115 existing jobs Create 25 new jobs within 2 years

Staff Recommendations:

- Project is consistent with Agency policy and legislation.
- Places a vacant building back into productive use
- Creates 25 new manufacturing jobs

EXHIBIT B

EAF

[Attached hereto]

PROJECT ID NUMBER

617.20

SEQR

APPENDIX C

STATE ENVIRONMENTAL QUALITY REVIEW

SHORT ENVIRONMENTAL ASSESSMENT FORM

for UNLISTED ACTIONS Only

PART 1 - PROJECT INFORMATION (To be completed by Applicant or Project Sponsor)

1. APPLICANT / SPONSOR <i>PRECIOUS PLATE, Inc</i>	2. PROJECT NAME <i>2111 LIBERTY DRIVE, WHEATFIELD</i>
3. PROJECT LOCATION: <i>2111 LIBERTY DRIVE, WHEATFIELD</i> Municipality <i>NEW YORK 14304</i>	County <i>NIAGARA</i>
4. PRECISE LOCATION: Street Address and Road Intersections, Prominent landmarks etc - or provide map <i>2111 LIBERTY DRIVE, WHEATFIELD, NEW YORK, 14304</i>	
5. IS PROPOSED ACTION: <input type="checkbox"/> New <input checked="" type="checkbox"/> Expansion <input type="checkbox"/> Modification / alteration	
6. DESCRIBE PROJECT BRIEFLY: <i>ACQUISITION OF ADDITIONAL MANUFACTURING AND WAREHOUSE OVER FLOW SPACE AS WELL AS MANUFACTURING SPACE FOR PRECISION PROCESS EQUIPMENT, INC A RELATED COMPANY.</i>	
7. AMOUNT OF LAND AFFECTED: Initially <i>26</i> acres Ultimately <i>26</i> acres	
8. WILL PROPOSED ACTION COMPLY WITH EXISTING ZONING OR OTHER RESTRICTIONS? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, describe briefly:	
9. WHAT IS PRESENT LAND USE IN VICINITY OF PROJECT? (Choose as many as apply.) <input type="checkbox"/> Residential <input checked="" type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Agriculture <input type="checkbox"/> Park / Forest / Open Space <input type="checkbox"/> Other (describe)	
10. DOES ACTION INVOLVE A PERMIT APPROVAL, OR FUNDING, NOW OR ULTIMATELY FROM ANY OTHER GOVERNMENTAL AGENCY (Federal, State or Local) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, list agency name and permit / approval:	
11. DOES ANY ASPECT OF THE ACTION HAVE A CURRENTLY VALID PERMIT OR APPROVAL? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, list agency name and permit / approval: <i>N/A</i>	
12. AS A RESULT OF PROPOSED ACTION WILL EXISTING PERMIT / APPROVAL REQUIRE MODIFICATION? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>N/A</i>	
I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE TO THE BEST OF MY KNOWLEDGE Applicant / Sponsor Name <i>PRECIOUS PLATE, Inc.</i> Date: <i>June 29/10</i> Signature <i>[Signature]</i>	

If the action is a Coastal Area, and you are a state agency, complete the Coastal Assessment Form before proceeding with this assessment

PART II - IMPACT ASSESSMENT (To be completed by Lead Agency)

A. DOES ACTION EXCEED ANY TYPE I THRESHOLD IN 6 NYCRR, PART 617.4? If yes, coordinate the review process and use the FULL EAF.
 Yes No

B. WILL ACTION RECEIVE COORDINATED REVIEW AS PROVIDED FOR UNLISTED ACTIONS IN 6 NYCRR, PART 617.6? If No, a negative declaration may be superseded by another involved agency.
 Yes No

C. COULD ACTION RESULT IN ANY ADVERSE EFFECTS ASSOCIATED WITH THE FOLLOWING: (Answers may be handwritten, if legible)

C1. Existing air quality, surface or groundwater quality or quantity, noise levels, existing traffic pattern, solid waste production or disposal, potential for erosion, drainage or flooding problems? Explain briefly:
 Project is the acquisition and operation of an existing manufacturing building in an approved Industrial Park.

C2. Aesthetic, agricultural, archaeological, historic, or other natural or cultural resources; or community or neighborhood character? Explain briefly:
 No Impact

C3. Vegetation or fauna, fish, shellfish or wildlife species, significant habitats, or threatened or endangered species? Explain briefly:
 No Impact

C4. A community's existing plans or goals as officially adopted, or a change in use or intensity of use of land or other natural resources? Explain briefly:
 Consistent with community zoning and planning

C5. Growth, subsequent development, or related activities likely to be induced by the proposed action? Explain briefly:
 Building is in an industrial park.

C6. Long term, short term, cumulative, or other effects not identified in C1-C5? Explain briefly:
 None

C7. Other impacts (including changes in use of either quantity or type of energy? Explain briefly:
 None

D. WILL THE PROJECT HAVE AN IMPACT ON THE ENVIRONMENTAL CHARACTERISTICS THAT CAUSED THE ESTABLISHMENT OF A CRITICAL ENVIRONMENTAL AREA (CEA)? (if yes, explain briefly):
 Yes No

E. IS THERE, OR IS THERE LIKELY TO BE, CONTROVERSY RELATED TO POTENTIAL ADVERSE ENVIRONMENTAL IMPACTS? If yes explain:
 Yes No

PART III - DETERMINATION OF SIGNIFICANCE (To be completed by Agency)

INSTRUCTIONS: For each adverse effect identified above, determine whether it is substantial, large, important or otherwise significant. Each effect should be assessed in connection with its (a) setting (i.e. urban or rural); (b) probability of occurring; (c) duration; (d) irreversibility; (e) geographic scope; and (f) magnitude. If necessary, add attachments or reference supporting materials. Ensure that explanations contain sufficient detail to show that all relevant adverse impacts have been identified and adequately addressed. If question d of part ii was checked yes, the determination of significance must evaluate the potential impact of the proposed action on the environmental characteristics of the CEA.

Check this box if you have identified one or more potentially large or significant adverse impacts which **MAY** occur. Then proceed directly to the FULL EAF and/or prepare a positive declaration.

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 **AND** provide, on attachments as necessary, the reasons supporting this determination.

Niagara County I.D.A. Name of Lead Agency 8/14/2010 Date

Laura A. Wilson Print or Type Name of Responsible Officer in Lead Agency Assistant Director NCFDA Title of Responsible Officer

[Signature] Signature of Responsible Officer in Lead Agency [Signature] Signature of Preparer (If different from responsible officer)

PILOT Agreement



**INDUSTRIAL DEVELOPMENT AGENCIES
APPLICATION FOR REAL PROPERTY TAX EXEMPTION
(Real Property Tax Law, Section 412-a and General Municipal Law, Section 874)**

1. INDUSTRIAL DEVELOPMENT AGENCY (IDA)

Name: **Niagara County Industrial Development Agency**

Street: **6311 Inducon Corporate Drive, Suite 1**

City: **Sanborn, New York 14132**

Telephone No. Day: **(716) 278-8760**

Evening: _____

Contact: **Samuel M. Ferraro**

Title: **Executive Director**

2. OCCUPANT (IF OTHER THAN IDA)

(If more than one occupant attach separate listing)

Name: **Precious Plate, Inc.**

Street: **2124 Liberty Drive**

City: **Niagara Falls, New York 14304**

Telephone No. Day: **(716) 283-0690**

Evening: _____

Contact: **Scott Law**

Title: **General Manager/V.P.**

DESCRIPTION OF PARCEL

- | | |
|---|---|
| <p>a. Assessment roll description (tax map no./roll year)
161.00-1-20</p> <p>b. Street address: 2111 Liberty Drive</p> <p>c. City, Town or Village: Town of Wheatfield</p> | <p>d. School District: Niagara-Wheatfield CSD</p> <p>e. County: Niagara</p> <p>f. Current assessment: approx. \$937,200.00</p> <p>g. Deed to IDA (date recorded; liber and page)
Lease Agreement, a memorandum of which was recorded on or about October 29, 2010</p> |
|---|---|

4. GENERAL DESCRIPTION OF PROPERTY (if necessary, attach plans or specifications)

- | | |
|---|---|
| <p>a. Brief description (include property use): approx. 13.8-acre parcel of land and renovation and equipping of acquired building thereon comprising approx. 60,057 sq. ft. of space to be used for manufacturing.</p> <p>b. Type of construction:</p> <p>c. Square footage: approx. 60,057</p> <p>d. Total cost: approx. \$1,430,000</p> <p>e. Date construction commenced: Fall 2010</p> | <p>f. Projected expiration of exemption (i.e. date when property is no longer possessed, controlled, supervised or under the jurisdiction of IDA):
December 31, 2026</p> |
|---|---|

**5. SUMMARIZE AGREEMENT (IF ANY) AND METHOD TO BE USED FOR PAYMENTS TO BE MADE TO MUNICIPALITY REGARDLESS OF STATUTORY EXEMPTION
(Attach copy of the agreement or extract of the terms relating to the project).**

- a. Formula for payment: **See attached PILOT Agreement**
- b. Projected expiration date of agreement: **December 31, 2026**

c. Municipal corporations to which payments will be made

d. Person or entity responsible for payment

County: **Niagara**
Town/City: **Niagara**
Village: **N/A**
School District: **Niagara-Wheatfield CSD**

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Name: **Scott Law**
Title: **General Manager/V.P.**
Address: **2124 Liberty Drive**
Niagara Falls, New York 14304

Telephone: **(716) 283-0690**

e. Is the IDA the owner of the property? Yes/No (circle one)

If "No" identify owner and explain IDA rights or interest in an attached statement.

Occupant owns property and leases to IDA, IDA then leases property back to the Occupant.

6. Is the property receiving or has the property ever received any other exemption from real property taxation? (check one) Yes No

If yes, list the statutory exemption reference and assessment roll year on which granted:

Exemption: assessment roll year

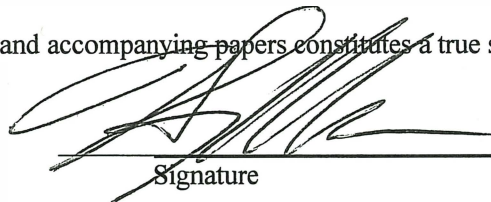
7. A copy of this application, including all attachments, has been mailed or delivered on _____, 2010 to the chief executive official of each municipality within which the project is located as indicated in Item 3.

CERTIFICATION

I, Henry M. Sloma, Chairperson of the NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY,
Name Title Organization

hereby certify that the information on this application and accompanying papers constitutes a true statement of facts.

October 20, 2010
Date


Signature

FOR USE BY ASSESSOR

1. Date application filed _____

2. Applicable taxable status date _____

3a. Agreement (or extract) date _____

3b. Projected exemption expiration (year) _____

4. Assessed valuation of parcel in first year of exemption \$ _____

5. Special assessments and special ad valorem levies for which the parcel is liable:

Date

Assessor's signature

NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AND

PRECIOUS PLATE, INC.

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Relating to the Premises located at
2111 Liberty Drive in the
Town of Wheatfield, Niagara County, New York

Tax Map No.

161.00-1-20

Affected Tax Jurisdictions:
Niagara County
Town of Wheatfield
Niagara-Wheatfield Central School District

Dated as of October 1, 2010

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT, dated as of October 1, 2010 (the "PILOT Agreement"), is by and between the **NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York, having its offices at 6311 Inducon Corporate Drive, Suite One, Sanborn, New York 14132 (the "Agency"), and **PRECIOUS PLATE, INC.**, a corporation formed and existing under the laws of the State of New York, with offices at 2124 Liberty Drive, Niagara Falls, New York 14304 ("the "Company").

WITNESSETH:

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

WHEREAS, the Company has requested the Agency's assistance with a certain project (the "Project") consisting of: (A) the acquisition or retention, by the Agency, of fee title to, or a leasehold interest in, a portion of an approximately 13.8-acre parcel of land located at 2111 Liberty Drive in the Town of Wheatfield, Niagara County, New York (the "Land"); (B) the renovation of an existing approximately 60,057 square foot building for use by the Company in its business of manufacturing precious metal electroplated parts and as warehouse space (the "Improvements"); and (C) the acquisition of and installation in and around the Improvements of certain machinery, equipment and items of personal property (the "Equipment" and, collectively with the Land and the Improvements, the "Facility"); and

WHEREAS, in order to induce the Company to acquire, renovate and equip the Facility, the Agency is willing to take a leasehold or other interest in the land, improvements and personal property constituting the Facility and lease said land, improvements and personal property back to the Company pursuant to the terms and conditions of a certain Leaseback Agreement, to be dated on or about the date hereof (the "Leaseback Agreement"); and

WHEREAS, pursuant to Section 874(1) of the Act, the Agency is exempt from the payment of taxes imposed upon real property and improvements owned by it or under its jurisdiction, control or supervision, other than special ad valorem levies, special assessments and service charges against real property which are or may be imposed for special improvements or special district improvements; and

WHEREAS, the Agency and the Company deem it necessary and proper to enter into an agreement making provisions for payments-in-lieu-of-taxes by the Company to the Agency for the benefit of Niagara County (the "County"), the Town of Niagara (the "Town") and the Niagara-Wheatfield Central School District (the "School District" and, collectively with the County and the Town, the "Affected Tax Jurisdictions").

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:

Section I - Payment in lieu of Ad Valorem Taxes:

Section 1.1 A. Subject to the completion and filing by the taxable status date **March 1, 2011** (the "Taxable Status Date") of New York State Form RP-412-a Application For Real Property Tax Exemption (the "Exemption Application") under Section 412-a of the New York State Real Property Tax Law and Section 874 of the Act and the approval of the Exemption Application by the appropriate assessors or Board of Assessment Review, the Facility shall be exempt from Real Estate Taxes commencing with the **2011/2012** School tax year and the **2012** Town and County tax year. For purposes of the foregoing "Real Estate Taxes" means all general levy real estate taxes levied against the Facility by the Town, County and School. The Company shall provide to the Agency with the information necessary for the completion and filing of the Exemption Application and shall provide such additional information and take such actions as are required by the appropriate assessors or Board of Assessment Review to process and approve the Exemption Application. Notwithstanding anything contained herein or in the Leaseback Agreement to the contrary, in the event the exemption from Real Estate Taxes is denied for any reason, the Company shall pay (and hereby agrees to pay) all Real Estate Taxes levied upon the Facility as they become due. After giving written notice to the Agency, the Company may in good faith contest the denial of the Exemption Application, provided that (i) the overall operating efficiency of the Facility is not impaired and the Facility continues to qualify as a "project" under the Act; (ii) neither the Facility nor any part of or interest in it would be in any danger of being sold, forfeited or lost; or (iii) neither the Company nor the Agency, as a result of such contest, shall be in any danger of any civil or criminal liability. The Company hereby waives any claim or cause of action against the Agency, and releases the Agency from any liability to the Company, arising from the denial of an exemption from Real Estate Taxes except to the extent that such denial results solely from the failure of the Agency to file the Exemption Application with the appropriate assessors or Board of Assessment Review by the Taxable Status Date.

B. Payee. As long as the Agency has a leasehold or other interest in the Facility, the Company agrees to pay annually to the Affected Tax Jurisdictions as a payment in lieu of taxes, on or before **October 1** of each calendar year for School taxes and on or before **January 1** of each calendar year for County and Town taxes (collectively, the "Payment Date"), commencing on **October 1, 2011** and **January 1, 2012**, respectively, an amount equal to the PILOT Payment, as described on Schedule A attached hereto.

The parties hereto agree and acknowledge that payments made hereunder are to obtain revenues for public purposes, and to provide a revenue source that the Affected Tax Jurisdictions would otherwise lose because the subject parcels are not on the tax rolls.

1.2 Allocation. To the extent the Agency receives any PILOT payment, the Agency shall remit to the Affected Tax Jurisdictions amounts received hereunder within thirty (30) days of receipt of said payment and shall allocate said payments among the Affected Tax Jurisdictions in the same proportion as ad valorem taxes would have been allocated but for the Agency's

involvement, unless the Affected Tax Jurisdictions have consented in writing to a specific allocation.

1.3 Tax Rates. For purposes of determining the allocation of the Total PILOT Payment among the Affected Tax Jurisdictions, the Agency shall use the last tax rate utilized for levy of taxes by each such jurisdiction. For County and Town and special district purposes, the tax rates used to determine the allocation of the Total PILOT Payment shall be the tax rates relating to the calendar year which includes the PILOT payment due date. For school district purposes, the tax rates used to determine the PILOT payment shall be the rate relating to the school year which includes the PILOT payment due date.

1.4 Valuation of Future Additions to the Facility: If there shall be a future addition to the Facility constructed or added in any manner after the date of this PILOT Agreement that is not part of the Project, the Company shall notify the Agency of such future addition ("Future Addition"). The notice to the Agency shall contain a copy of the application for a building permit, plans and specifications, and any other relevant information that the Agency may thereafter request. Upon the earlier of substantial completion, or the issuance of a certificate of occupancy for any such Future Addition to the Facility, the Company shall become liable for payment of an increase in the Total PILOT Payment. The Agency shall notify the Company of any proposed increase in the Total PILOT Payment related to such Future Addition. If the Company shall disagree with the determination of assessed value for any Future Additions made by the Agency, then and in that event that valuation shall be fixed by a court of competent jurisdiction. Notwithstanding any disagreement between the Company and the Agency, the Company shall pay the increased PILOT payment until a different Total PILOT Payment shall be established. If a lesser Total Annual Payment is determined in any proceeding or by subsequent agreement of the parties, the Total PILOT Payment shall be re-computed and any excess payment shall be refunded to the Company or, in the Agency's sole discretion, such excess payment shall be applied as a credit against the next succeeding PILOT payment(s).

1.5 Period of Benefits. The benefit period provided for herein should be deemed to include (i) the **2011/2012** School tax year through the **2025/2026** School tax year, and (ii) the **2012** County and Town tax years through the **2026** County and Town tax years. This PILOT Agreement shall expire on **December 31, 2026**; *provided, however*, the Company shall pay the **2026/27** School tax bill and the **2027** County tax bill on the dates and in the amounts as if the Agency were not in title on the tax status date with respect to said tax years. In no event shall the Company be entitled to receive tax benefits relative to the Facility for more than the periods provided for herein, unless the period is extended by amendment to this PILOT Agreement executed by both parties after any applicable public hearings. The Company agrees that it will not seek any tax exemption for the Facility which could provide benefits for more than the periods provided for herein and specifically agrees that the exemptions provided for herein, to the extent actually received (based on the number of lease years elapsed), supersede and are in substitution of the exemptions provided by Section 485-b of the New York Real Property Tax Law ("RPTL"). It is hereby agreed and understood that the Affected Tax Jurisdictions can rely upon and enforce the above waiver to the same extent as if they were signatories hereto.

Section II - Special District Charges, Special Assessments and other charges.

2.1 Special district charges, special assessments, and special ad valorem levies (specifically including but not limited to fire district charges), and pure water charges and sewer charges are to be paid in full in accordance with normal billing practices.

Section III - Transfer of Facility.

3.1 In the event that the Facility is transferred from the Agency to the Company (the lease/leaseback agreements are terminated), and the Company is ineligible for a continued tax exemption under some other tax incentive program, or the exemption results in a payment to the Affected Tax Jurisdictions in excess of the payment described in Section I herein, or this PILOT Agreement terminates and the property is not timely transferred back to the Company, the Company agrees to pay no later than the next tax lien date (plus any applicable grace period), to each of the Affected Tax Jurisdictions, an amount equal to the taxes and assessments which would have been levied on the Facility if the Facility had been classified as fully taxable as of the date of transfer or loss of eligibility of all or a portion of the exemption described herein or date of termination.

Section IV - Assessment Challenges.

4.1 The Company shall have all of the rights and remedies of a taxpayer as if and to the same extent as if the Company were the owner of the Facility, with respect to any proposed assessment or change in assessment with respect to the Facility by any of the Affected Tax Jurisdictions and likewise shall be entitled to protest before and be heard by the appropriate assessors or Board of Assessment Review, and shall be entitled to take any and all appropriate appeals or initiate any proceedings to review the validity or amount of any assessment or the validity or amount of any tax equivalent provided for herein.

4.2 The Company shall have all of the rights and remedies of a taxpayer with respect to any tax, service charge, special benefit, ad valorem levy, assessment, or special assessment or service charge in lieu of which the Company is obligated to make a payment pursuant to this PILOT Agreement, as if and to the same extent as if the Company were the owner of the Facility.

4.3 The Company shall (i) cause the appropriate real estate tax assessment office and tax levy officers to assess the Facility and apply tax rates to the respective assessments as if the Facility were owned by the Company, (ii) file any accounts or tax returns required by the appropriate real estate tax assessment office and tax levy officers.

Section V - Changes in Law.

5.1 To the extent the Facility is declared to be subject to taxation or assessment by an amendment to the Act, other legislative change, or by final judgment of a Court of competent jurisdiction, the obligations of the Company hereunder shall, to such extent, be null and void.

Section VI - Events of Default.

6.1 The following shall constitute "Events of Default" hereunder. The failure by the Company to: (i) make the payments described in Section I within thirty (30) days of the Payment Date (the "Delinquency Date"); (ii) make any other payments described herein on or before the last day of any applicable cure period within which said payment can be made without penalty; (iii) the occurrence and continuance of any events of default under the Leaseback Agreement after any applicable cure periods. Upon the occurrence of any Event of Default hereunder, in addition to any other right or remedy the Agency and/or the Affected Tax Jurisdictions may have at law or in equity, the Agency and/or the Affected Tax Jurisdictions may, immediately and without further notice to the Company (but with notice to the Agency with respect to actions maintained by the Affected Tax Jurisdictions) pursue any action in the courts to enforce payment or to otherwise recover directly from the Company any amounts so in default. The Agency and the Company hereby acknowledge the right of the Affected Tax Jurisdictions to recover directly from the Company any amounts so in default pursuant to Section 874(6) of the General Municipal Law and the Company shall immediately notify the Agency of any action brought, or other measure taken, by any Affected Tax Jurisdiction to recover any such amount.

6.2 If payments pursuant to Section I herein are not made by the Delinquency Dates, or if any other payment required to be made hereunder is not made by the last day of any applicable cure period within which said payment can be made without penalty, the Company shall pay penalties and interest as follows. With respect to payments to be made pursuant to Section I herein, if said payment is not received by the Delinquency Date defined in Section 6.1 herein, Company shall pay, in addition to said payment, (i) a late payment penalty equal to five percent (5%) of the amount due and (ii) for each month, or any part thereof, that any such payment is delinquent beyond the first month, interest on the total amount due plus the late payment penalty, in an amount equal to one percent (1%) per month. With respect to all other payments due hereunder, if said payment is not paid within any applicable cure period, the Company shall pay, in addition to said payment, the greater of the applicable penalties and interest or penalties and interest which would have been incurred had payments made hereunder been tax payments to the Affected Tax Jurisdictions.

Section VII - Assignment.

7.1 No portion of any interest in this PILOT Agreement may be assigned by the Company, nor shall any person other than the Company be entitled to succeed to or otherwise obtain any benefits of the Company hereunder without the prior written consent of the Agency, which shall not be unreasonably withheld or delayed.

Section VIII - Miscellaneous.

8.1 This PILOT Agreement may be executed in any number of counterparts each of which shall be deemed an original and which together shall constitute a single instrument.

8.2 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 nationally recognized overnight courier, as follows:

To the Agency: Niagara County Industrial Development Agency
6311 Inducon Corporate Drive, Suite One
Sanborn, New York 14132-9099
Attn: Executive Director

With a Copy To: Harris Beach PLLC
800 Main Street, 4th Floor
Niagara Falls, New York 14302
Attention: Mark J. Gabriele, Esq.

To the Company: Precious Plate, Inc.
2124 Liberty Drive
Niagara Falls, New York 14304
Attn: Scott Law, General Manager & V.P.

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

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.

8.3 This PILOT 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.

8.4 Notwithstanding any other term or condition contained herein, all obligations of the Agency hereunder shall constitute a special obligation payable solely from the revenues and other monies, if any, derived from the Facility and paid to the Agency by the Company. No member of the Agency nor any person executing this PILOT Agreement on its behalf shall be liable personally under this PILOT Agreement. No recourse shall be had for the payment of the principal or interest on amounts due hereunder or for any claim based upon or in respect of any

modification of or supplement hereto against any past, present or future member, officer, agent (other than the Company), servant, or employee, as such, of the Agency, or of any successor or political subdivision, either directly or through the Agency or any such successor, all such liability of such members, officer, agents (other than the Company), servants and employees being, to the extent permitted by law, expressly waived and released by the acceptance hereof and as part of the consideration for the execution of this PILOT Agreement.

8.5 The parties hereto recognize that the purpose of the Project is to create or retain permanent private sector jobs in Niagara County, New York. Accordingly, the parties hereto have agreed that the existence of this PILOT Agreement shall bear a direct relationship to the success or lack of success of the Project in achieving this goal. **Therefore, by each January 1 during the term of this PILOT Agreement, the Company shall file with the Agency an affidavit indicating the average number of full time equivalent employees (1820 hours equaling one full time equivalent employee) employed at the Facility.**

[Remainder of Page Intentionally Left Blank]

[Signature Page to PILOT Agreement]

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

**NIAGARA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**



By: _____

Name: Henry M. Sloma

Title: Chairperson

PRECIOUS PLATE, INC.



By: _____

Name: Scott Law

Title: General Manager & V.P.

SCHEDULE A

To Payment in Lieu of Tax Agreement by and between
Niagara County Industrial Development Agency
and
Precious Plate, Inc.

<u>PILOT Year</u>	<u>School Tax Year</u>	<u>County and Town Tax Year</u>	<u>Percentage of Normal Tax</u>
Year 1	2011/12	2012	20%
Year 2	2012/13	2013	20%
Year 3	2013/14	2014	30%
Year 4	2014/15	2015	30%
Year 5	2015/16	2016	40%
Year 6	2016/17	2017	40%
Year 7	2017/18	2018	40%
Year 8	2018/19	2019	40%
Year 9	2019/20	2020	40%
Year 10	2020/21	2021	50%
Year 11	2021/22	2022	50%
Year 12	2022/23	2023	50%
Year 13	2023/24	2024	50%
Year 14	2024/25	2025	50%
Year 15	2025/26	2026	50%
Year 16	2026/27	2027	100%

The payments in lieu of taxes to be paid by the Company to the Affected Tax Jurisdiction pursuant to the terms of this Payment-in-Lieu-of-Tax Agreement shall be computed separately for each Affected Tax Jurisdiction as follows:

1. First, determine the amount of general taxes and general assessments (hereinafter referred to as the "Normal Tax") which would be payable to each Affected Tax Jurisdiction if the Land was owned by the Company and not the Agency by multiplying the (a) Assessed Value of the Land as determined by the appropriate Assessor by (b) the tax rate or rates of such Affected Tax Jurisdiction that would be applicable to the Land if the Land was owned by the Company and not the Agency.
2. In each tax year during the term of this PILOT Agreement, commencing on the first tax year following the date on which the Land shall be assessed as exempt on the assessment roll of any Affected Tax Jurisdiction, the amount payable by the Company to the Affected Tax Jurisdiction as a payment in lieu of property tax with respect to the Land

shall be an amount equal to 100% of the Normal Tax due each Affected Tax Jurisdiction with respect to the Land for such tax year.

3. Next, determine the Normal Tax which would be payable to each Affected Tax Jurisdiction if the Facility and any portion of the Equipment assessable as real property were owned by the Company and not the Agency by multiplying the (a) Assessed Value of the Facility and such assessable Equipment as determined by the appropriate Assessor by (b) the tax rate or rates of such Affected Tax Jurisdiction that would be applicable to the Facility and such assessable Equipment if the Facility and such assessable Equipment was owned by the Company and not the Agency
4. In each tax year during the term of this PILOT Agreement, commencing on the first tax year following the date on which the Facility and such assessable Equipment shall be assessed as exempt on the assessment roll of any Affected Tax Jurisdiction, the amount payable by the Company to the Affected Tax Jurisdiction as a payment in lieu of property tax with respect to the Facility and such assessable Equipment shall be an amount equal to the applicable percentage of the Normal Tax due each Affected Tax Jurisdiction with respect to the Facility and such assessable Equipment for such tax year, as shown in the table.
5. The Total PILOT Payment to be made by the Company to the Affected Tax Jurisdictions shall equal the sum of Number (2) and Number (4), above, for each tax year during the term of this PILOT Agreement.

NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AND

PRECIOUS PLATE, INC.

collectively, the Mortgagor

AND

**NIAGARA COUNTY, NEW YORK, TOWN OF WHEATFIELD, NEW YORK
and NIAGARA-WHEATFIELD CENTRAL SCHOOL DISTRICT,**

collectively, the Mortgagee

PILOT MORTGAGE

Relating to the Premises located at
2111 Liberty Drive in the Town of Wheatfield,
Niagara County, New York

Tax Map No.

161.00-1-20

Dated: as of October 1, 2010

RECORD AND RETURN TO:

**Melinda Boesken
Harris Beach PLLC
800 Main Street, 4th Floor
Niagara Falls, New York 14302**

PILOT MORTGAGE

THIS PILOT MORTGAGE, dated as of October 1, 2010 (the "PILOT Mortgage"), is 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"), **PRECIOUS PLATE, INC.**, a corporation formed and existing under the laws of the State of New York, with offices at 2124 Liberty Drive, Niagara Falls, New York 14304 (the "Company") and, together with the Agency, sometimes hereinafter collectively referred to as, the "Mortgagor") and **NIAGARA COUNTY, NEW YORK, TOWN OF WHEATFIELD, NEW YORK and NIAGARA-WHEATFIELD CENTRAL SCHOOL DISTRICT**, each of which shall ultimately receive the PILOT Payments (collectively, the "Mortgagee", and hereinafter sometimes referred to as, the "Taxing Jurisdictions").

WITNESSETH, that to secure the obligation of the Company to make all payments and perform all other obligations of the Company for the benefit of the Agency and the Mortgagee under that certain Payment-In-Lieu-of-Tax Agreement, dated as of October 1, 2010 (the "PILOT Agreement"), between the Agency and the Company (as such payments are described in the PILOT Agreement, a form of which is attached hereto as **Exhibit B**), the Mortgagor hereby mortgages to the Mortgagee the following described property (the "Mortgaged Property"):

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected or to be erected, suited, lying and being in the Town of Wheatfield, Niagara County, New York, as more particularly described on **Exhibit A** attached hereto, including any insurance or condemnation proceeds related thereto in an amount equal to the aggregate of all Total PILOT Payments (as defined in the PILOT Agreement);

TOGETHER with all equipment, right, title and interest of the Mortgagor in and to the land lying in the streets and road in front of and adjoining said premises in an amount equal to the aggregate of all unpaid and defaulted Total PILOT Payments (as defined in the PILOT Agreement);

TOGETHER with all fixtures, furnishings, fittings, appliances, machinery, chattels and articles of personal property now or hereafter attached to or used in connection with said premises, together with any and all replacements thereof and additions thereto in an amount equal to the aggregate of all unpaid and defaulted Total PILOT Payments (as defined in the PILOT Agreement); and

BEING THE SAME PREMISES and interest therein leased by the Company to the Agency pursuant to that certain Lease Agreement, dated as of the date hereof (the "Lease Agreement") and which premises and interests therein are being leased by the Agency back to the Company under a Leaseback Agreement, dated as of the date hereof (the "Leaseback Agreement"), between the Agency and the Company; which Lease Agreement or a memorandum thereof, and Leaseback Agreement or a memorandum thereof are intended to be recorded in the office of the Niagara County Clerk prior to or contemporaneously with the recording of this PILOT Mortgage.

This PILOT Mortgage, when recorded, shall constitute a first priority lien against the Mortgaged Property in an amount equal to any and all unpaid and defaulted Total PILOT Payments.

AND the Mortgagor covenants and agrees with the Mortgagee as follows:

1. That the Company will timely perform all of its obligations under the PILOT Agreement and will timely pay all amounts due thereunder. In addition, the Company will maintain or cause to be maintained in good condition and repair the buildings and improvements executed or to be executed on the Mortgaged Property, and shall not commit or permit waste or permit any nuisance to exist thereon.

2. That if any action or proceeding be commenced (except an action to foreclose this PILOT Mortgage or to collect the debt secured thereby), to which action or proceeding the Mortgagee is made a party, or in which it becomes necessary to defend or uphold the lien of this PILOT Mortgage, all sums paid by the Mortgagee for the expense of any litigation to prosecute or defend the rights and lien created by this PILOT Mortgage (including reasonable counsel fees and all costs and disbursements incurred in connection with such litigation) shall be paid by the Company, together with interest thereon at the applicable rate prescribed by Title I of Article 18-A of the New York State General Municipal Law, and any such sum and the interest thereon shall be a lien on said Mortgaged Property, prior to any right, title to, interest in or claim upon said Mortgaged Property attaching or accruing subsequent to the lien of this PILOT Mortgage, and shall be deemed to be secured by this PILOT Mortgage. In any action or proceeding to foreclose this PILOT Mortgage, the provisions of law respecting the recovery of costs, disbursements and allowance shall prevail unaffected by this covenant.

3. The Mortgagee's enforcement of its rights under this PILOT Mortgage shall be expressly subject (in the case of a failure of the Company to make any payments required to be paid pursuant to the PILOT Agreement) to the limitation that no such rights may be exercised until the Company shall be in default in the making of any payment for the benefit of the Mortgagee in accordance with the terms of the PILOT Agreement, which remains uncured following written notice to the Company and an additional five (5) day cure period beyond any cure periods provided in the PILOT Agreement ("Event of Default").

4. The Company shall name the Agency and the Mortgagee as additional insureds, as their respective interests may appear, on any policy of hazard insurance required to be carried in connection with the Mortgaged Property, until the amounts secured by the Mortgage are paid in full.

5. The obligations and agreements of the Agency contained herein and in any other instrument or document executed in connection herewith, and any other instrument or document supplemental hereto, shall be deemed the obligations and agreements of the Agency, and not of any member, officer, agent (other than the Company) or employee of the Agency in his/her individual capacity, and the members, officers, agents (other than the Company) and employees of the Agency shall not be liable personally hereon or be subject to any personal liability or accountability based upon or in respect hereto or of any transaction contemplated hereby. The obligations and agreements of the Agency contained herein shall not constitute or give rise to any obligations of the County or

the State of New York, and further, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency payable solely from the revenues of the Agency derived and to be derived from the lease of the Facility (as defined in the PILOT Agreement).

Notwithstanding any provision of this PILOT Mortgage to the contrary, the Agency shall not be obligated to take any action pursuant to any provision hereof unless (A) the Agency shall have been requested to do so in writing by the Company or the Taxing Jurisdictions, and (B) compliance with such request is not reasonably expected to result in the incurrence by the Agency (or any member, officer, agent (except the Company) or employee of the Agency) of any liabilities, fees, expenses or other costs, unless the Agency shall have received from the Company or the Taxing Jurisdictions, as the case may be, security or indemnity satisfactory to the Agency for protection against all such liabilities, however remote, and for the reimbursement of all such fees, expenses and other costs. This PILOT Mortgage shall in no way impair or adversely affect the Agency's Unassigned Rights (as defined in the Leaseback Agreement).

6. An "Event of Default" as used herein shall have the meaning as set forth in Section 3 herein.

7. (a) Subject to the provisions of the PILOT Agreement and the provisions of Section 3 hereof, upon the occurrence and during the continuation of an Event of Default hereunder, the Mortgagee may, in addition to any other rights or remedies available to it hereunder at law or in equity, take such action, as may be permitted by applicable law, as is necessary to protect and enforce its rights against the Mortgagor in and to the Mortgaged Property including, but not limited to, the following actions:

(i) enter into or upon the Mortgaged Property, either personally or by its agents, nominees or attorneys, and dispossess the Mortgagor and its agents, employees and servants therefrom, and thereupon the Mortgagee may (A) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Mortgaged Property and conduct the business thereat, (B) complete any construction on the Mortgaged Property in such manner and form as the Mortgagee deems advisable, (C) make alterations, additions, renewals, replacements and improvements to or on the Mortgaged Property, and (D) exercise all rights and powers of the Mortgagor with respect to the Mortgaged Property, whether in the name of the Mortgagor or otherwise; the Mortgagor consents that in such instance the Mortgagee shall be its attorney-in-fact.

(ii) institute proceedings for the foreclosure of this PILOT Mortgage;

(iii) to the extent permitted by applicable law, sell or otherwise dispose of the Mortgaged Property or any part thereof and all estate, claim, demand, right, title and interest of the Mortgagor therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, in whole or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law, and in the event of a sale, by foreclosure or otherwise, of less than all of the Mortgaged Property, this PILOT

Mortgage shall continue to the full extent permitted by applicable law as a lien on the remaining portion of the Mortgaged Property; or

(iv) pursue such other remedies as the Mortgagee may have hereunder, under applicable law or in equity.

(b) The avails of any sale or other disposition made under or by virtue of this Section 7, together with any other sums which then may be held by the Mortgagee under this PILOT Mortgage, whether under the provisions of this paragraph or otherwise, shall be applied as follows:

First: To payment of the reasonable costs and expenses, including, but not limited to, necessary repairs, improvements, or environmental remediations, of any such sale or other disposition including reasonable out-of-pocket costs of the Mortgagee, its agents and counsel, and of any judicial proceedings wherein the same may be made, and all expenses, liabilities and advances reasonably made or incurred by the Mortgagee under this PILOT Mortgage on all advances made by the Mortgagee, and all taxes required to be paid in connection with such sale or other disposition of the Mortgaged Property, except any taxes or other charges subject to which the Mortgaged Property shall have been sold;

Second: To the payment of the Company's liabilities and obligations pursuant to the PILOT Agreement; and

Third: The surplus, if any to the Mortgagor, or to whomsoever may be lawfully entitled to receive the same if not the Mortgagor upon ten (10) days' prior notice to the Mortgagor.

(c) The Mortgagee may adjourn from time to time any sale by it under or by virtue of this PILOT Mortgage by announcement at the time and place appointed for such sale or for adjourned sale or sales and, except as otherwise provided by any applicable provision of law, the Mortgagee, without further notice or publication, may make such sale at the time and place to which the same shall be so adjourned.

(d) To the extent permitted by applicable law, no recovery of any judgment by the Mortgagee and no levy of an execution under any judgment upon the Mortgaged Property or upon any other property of the Mortgagor shall affect in any manner or to any extent the lien of this PILOT Mortgage upon the Mortgaged Property or any part thereof or any liens, rights, powers or remedies of the Mortgagee hereunder, but such liens, rights, powers and remedies of the Mortgagee shall continue unimpaired.

(e) Upon the occurrence and during the continuation of the Event of Default hereunder, the Mortgagor, if it is an occupant of the Mortgaged Property or any part thereof, shall upon the Mortgagee's demand immediately surrender possession of the Mortgaged Property (or the portion thereof so occupied) to the Mortgagee.

8. To the extent permitted by applicable law, no remedy herein conferred upon or reserved to the Mortgagee is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission of the Mortgagee in exercising any right or power accruing upon an Event of Default shall impair any such right or power, or shall be construed to be a waiver of such Event of Default, or any acquiescence therein; and every power and remedy given by that Mortgage to the Mortgagee may be exercised from time to time as often as may be deemed expedient by the Mortgagee. Without limiting the generality of the foregoing, any payment made by the Mortgagee for insurance premiums, taxes, assessments, water rates, sewer rentals, levies, fees or any other charges affecting the Mortgaged Property shall not constitute a waiver of the Mortgagor's obligations in making such payments and shall not obligate the Mortgagee to make any further payments. Nothing in this PILOT Mortgage or in the PILOT Agreement shall affect the obligation of the Company to perform its obligations under the PILOT Agreement in the manner and at the time and place therein expressed.

9. No Additional Waiver Implied by One Waiver. In the event any covenant or agreement contained in this PILOT Mortgage should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver shall be binding unless it is in writing and signed by the party making such waiver. No course of dealing between the Agency and the Company or any delay or omission on the part of the Agency in exercising any rights hereunder or under any other document shall operate as a waiver.

10. Anything contained herein to the contrary notwithstanding (i) the Mortgagee hereby agrees that there shall be no recourse against the Company for any liability to the Mortgagee arising in connection with any breach or default under this PILOT Mortgage or the PILOT Agreement, by the Company except to the extent the same is enforced against the rights, title and interest of the Company in the Mortgaged Property, and the Mortgagee shall look solely to the rights, title and interest of the Company relating to the Mortgaged Property in enforcing its rights against the Company under and in connection with this PILOT Mortgage or the PILOT Agreement; *provided, that:* (a) the foregoing provisions of this Section 10 shall not constitute a waiver, release or discharge of any of the obligations arising under, or of any of the terms, covenants, conditions, or provisions of, this PILOT Mortgage or the PILOT Agreement, but the same shall continue until fully paid, discharged, observed, or performed, and (b) the foregoing provisions of this Section 10 shall not limit or restrict the right of the Mortgagee to name the Company or any other Person as a defendant in any action or suit for a judicial foreclosure or for the exercise of any remedy under or with respect to this PILOT Mortgage or the PILOT Agreement, or for injunction or specific performance. In addition, nothing contained in this Section 10 shall limit in any way the ability of the Mortgagee to enforce its rights or the rights of the Company against any Person other than the Company under this PILOT Mortgage or the PILOT Agreement.

11. The Company, as agent of the Agency, shall bear any and all costs and expenses pertaining to this PILOT Mortgage and the perfection thereof, including but not limited to any applicable recording. This PILOT Mortgage shall be exempt from mortgage tax pursuant to the Agency's mortgage tax exemption.

12. All notices, certificates and other communication hereunder shall be in writing and shall be sufficiently given and shall be deemed given when (a) sent to the applicable address stated below by registered or certified mail, return receipt requested, or by telecopy or other electronic means of communication, followed by prompt written confirmation thereof, or by such other means as shall provide the sender with documentary evidence of such delivery, or (b) delivery is refused by the addressee, as evidenced by the affidavit of the person who attempted to effect such delivery. The addresses to which notices, certificates and other communication hereunder shall be delivered are as follows:

If 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:

Harris Beach PLLC
800 Main Street, 4th Floor
Niagara Falls, New York 14302
Attn: Mark J. Gabriele, Esq.

If to the Company:

Precous Plate, Inc.
2124 Liberty Drive
Niagara Falls, New York 14304
Attn: Scott Law, General Manager & V.P.

With a Copy to:

Hodgson Russ LLP
140 Pearl Street
Suite 100
Buffalo, New York 14202
Attn: Christofer C. Fattey, Esq.

If to the County:

County Manager
Philo J. Brooks Building
59 Park Avenue
Lockport, New York 14094

If to the Town:

Hon. Robert Cliffe, Town Supervisor
Wheatfield Town Hall
2800 Church Road
North Tonawanda, New York 14120

If to the School District:

Mr. Carl H. Militello, Superintendent
Niagara-Wheatfield Central School District
6700 Schultz Street
Niagara Falls, New York 14304

Any party, by notice given hereunder to each of the other parties, may designate any further or different address to which subsequent notices, certificates or other communications to them shall be sent.

13. Terms with capitalized first initials used in this PILOT Mortgage shall have the meanings ascribed to such terms in the PILOT Agreement unless the context otherwise requires. The word "Mortgagor" shall be construed as if it read "Mortgagors" whenever the sense of this PILOT Mortgage so requires. The word "Mortgagee" shall be construed as if it read "Mortgagees" whenever the sense of this PILOT Mortgage so requires.

14. If an Event of Default shall have occurred and be continuing, the Mortgagee (subject to the provisions of Section 3 hereof), as a matter of right and without regard to the adequacy of the Mortgaged Property as collateral security, but after notice to the Mortgagor, shall have the right to appoint a receiver or receivers, and the Mortgagor hereby irrevocably consents to such appointment.

15. The Mortgagor agrees that it will not, at any time, insist upon or plead in any way the advantage of any appraisal, valuation, stay, marshaling of assets, extensions, redemption or moratorium law now or hereafter in force and effect so as to prevent, hinder or delay the enforcement of the provisions of this PILOT Mortgage or any rights or remedies, including foreclosure proceedings, the Mortgagee may have hereunder or by law or equity.

16. The Company represents and warrants that the Company has leased the Mortgaged Property to the Agency pursuant to the Lease Agreement and that the Company has a good and insurable leasehold interest herein pursuant to the Leaseback Agreement.

17. Intentionally deleted.

18. This PILOT Mortgage may not be effectively waived, discharged, amended, changed, modified, altered or terminated, unless such amendment, change, modification, alteration or

termination is in a writing intended for such purpose and executed by the Mortgagee and the Mortgagor.

19. If any article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion of this PILOT Mortgage shall for any reason be finally held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion so adjudged invalid, illegal, or unenforceable shall be deemed separate, distinct and independent, and the remainder of this PILOT Mortgage shall be and remain in full force and effect and shall not be invalidated or rendered illegal or enforceable or otherwise affected by any such holding or adjudication.

20. This PILOT Mortgage shall be governed by and construed in accordance with the laws of the State of New York, exclusive of New York's conflict of laws, rules and public policies. This PILOT Mortgage constitutes the final expression of the agreement between the Mortgagor and the Mortgagee with respect to its subject matter, and all prior and contemporaneous discussions, negotiations, drafts and agreements are hereby merged into and superseded by this PILOT Mortgage. Notwithstanding the foregoing, it is expressly agreed that the PILOT Agreement and each of the Company's obligations thereunder shall survive the execution, delivery and recording of this PILOT Mortgage.

21. If any action or proceeding be commenced by or on behalf of the Mortgagee to foreclose this PILOT Mortgage, the Company agrees to pay to the Mortgagee its reasonable attorneys' fees and other expenses incurred in connection with such action or proceeding, and such amounts shall be a lien on the Mortgaged Property prior to any right or title to, or interest in, or claim upon the Mortgaged Property attaching or accruing subsequent to the lien of this PILOT Mortgage.

22. The rights of the Mortgagee under this PILOT Mortgage are independent of and cumulative to its rights, with respect to the collection of special assessments and special ad valorem levies, if any, lawfully assessed against the Mortgaged Property or any part thereof.

23. This PILOT Mortgage constitutes a security agreement under the New York Uniform Commercial Code with respect to any portion of the Mortgage Property which is personal property and the Mortgagee shall have all of the rights and remedies of a secured party thereby in addition to the rights and remedies granted by other applicable law or by this PILOT Mortgage. The Mortgagor agrees that Mortgagee may file a UCC-1 Financing Statement to implement this provision.

24. So long as any portion of the obligations of the Company under the PILOT Agreement shall remain outstanding, the title to the Mortgaged Property and the lien of this PILOT Mortgage shall not merge, but shall always be kept separate and distinct.

25. The covenants contained in this PILOT Mortgage shall run with the land and bind the Mortgagor, the heirs, personal representatives, successors and assigns of the Mortgagor and all subsequent owners, encumbrances, tenants and subtenants of the premises, and shall inure to the benefit of the Mortgagee, the personal representatives, successors and assigns of the Mortgagee and all subsequent holders of this PILOT Mortgage.

26. Upon the termination of the PILOT Agreement and the payment in full of all sums payable thereunder, the Mortgagee by acceptance of this PILOT Mortgage agrees to execute and deliver any and all instruments necessary and/or appropriate to discharge the lien of this PILOT Mortgage of record.

27. Counterpart Signatures. This PILOT Mortgage may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

28. Severability. If this PILOT Mortgage contains any unlawful provision not an essential part of this PILOT Mortgage and which shall not appear to have been a controlling or material inducement to the making thereof, the same shall be deemed of no effect and shall, upon notice by either party, be deemed stricken from this PILOT Mortgage without affecting the binding force of the remainder.

29. Section Headings. Section headings are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this PILOT Mortgage and in no way affect this PILOT Mortgage.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN ANY DOCUMENT TO THE CONTRARY, IT IS THE EXPRESS INTENT OF THE AGENCY TO PROVIDE FINANCIAL ASSISTANCE UNDER THE PILOT AGREEMENT TO THE COMPANY ONLY, AND TO NO OTHER PARTY. SUCH FINANCIAL ASSISTANCE SHALL APPLY ONLY TO THE FACILITY AND TO NO OTHER PROPERTY OR IMPROVEMENTS, AND TO THE EXTENT THAT ANY PORTION OF THE COMPANY'S INTEREST IN THE FACILITY IS REMOVED, TRANSFERRED OR TAKEN BACK BY THE FEE OWNER THEREOF, OR ANY PORTION OF THE FACILITY IS USED, OCCUPIED OR CONTROLLED BY ANY PARTY OTHER THAN THE COMPANY, SUCH PROPERTY OR USER/OWNER SHALL IN NO WAY RECEIVE FINANCIAL ASSISTANCE UNDER THE PILOT AGREEMENT OR OTHERWISE AND SUCH PROPERTY SHALL, WITHOUT FURTHER ACTION, NOTICE OR APPROVAL, BE DEEMED REMOVED FROM THE TERMS OF THE LEASE AGREEMENT, LEASEBACK AGREEMENT, PILOT AGREEMENT AND ANY DOCUMENT RELATED THERETO; PROVIDED, HOWEVER, THAT THIS PILOT MORTGAGE SHALL REMAIN IN FULL FORCE AND EFFECT.

[Remainder of Page Intentionally Left Blank]


[Signature Page to PILOT Mortgage]

IN WITNESS WHEREOF, this PILOT Mortgage has been duly executed by the Mortgagor as of the day and year first above written.

**NIAGARA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
Name: Henry M. Sloma
Title: Chairperson

PRECIOUS PLATE, INC.

By: 
Name: Scott Law, General Manager
Title: General Manager & V.P.

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

On the 20th day of October in the year 2010, before me, the undersigned, personally appeared **Henry M. Sloma**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public
Mark J. Gabriele
Qualified in Niagara county
No. 4948558
Notary Public, State of New York
My Commission Expires 03/20/2011

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

On the 28th day of October in the year 2010, before me, the undersigned, personally appeared **Scott Law**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

CHRISTOPHER FATTEY
No. 02FA8166869
Notary Public, State of New York
Qualified in Erie County
My Commission Expires May 21, 2011

EXHIBIT A

ALL THAT TRACT OR PARCEL OF LAND, situate in the Town of Wheatfield, County of Niagara and State of New York, being part of Lot. 62 and 63 of the Mile Reserve, bounded and described as follows: BEGINNING at the intersection of the east line of Williams Road with the north line of Liberty Drive; thence north $89^{\circ} 33' 12''$ east along the north line of Liberty Drive a distance of 445.16 feet to a point of curvature; thence southeasterly along the north line of Liberty Drive and on a curve to the right having a radius of 514.04 feet a distance of 498.94 feet to a point of tangency; thence south $34^{\circ} 50' 03''$ east a distance of 209.65 feet to the principal point of beginning; thence northerly at an interior angle of 90° a distance of 1056.55 feet; thence southeasterly at an interior angle of $84^{\circ} 38' 21''$ a distance of 602.64 feet; thence southwesterly at an interior angle of $95^{\circ} 21' 39''$ a distance of 1000 feet to the north line of Liberty Drive; thence northwesterly along the north line of Liberty Drive and on a curve to the right having a radius of 1160.0 feet a distance of 24.11 feet; thence continuing northwesterly along the north line of Liberty Drive a distance of 575.89 feet to the principal point of beginning.

EXHIBIT B

PILOT Agreement

[Attached]

**Sales Tax
Exempt
Letter**

Niagara County Industrial Development Agency

October 20, 2010

Precious Plate, Inc.
2124 Liberty Drive
Niagara Falls, New York 14304

***Re: Precious Plate, Inc. - Sales Tax Exemption Letter
Expiring December 31, 2011***

Ladies and Gentlemen:

Pursuant to a resolution duly adopted on August 11, 2010, the **Niagara County Industrial Development Agency** (the "Agency") appointed **Precious Plate, Inc.** (the "Company") its true and lawful agent to undertake a certain project (the "Project") consisting of: (A) the acquisition or retention, by the Agency, of fee title to, or a leasehold interest in, a portion of an approximately 13.8-acre parcel of land located at 2111 Liberty Drive in the Town of Wheatfield, Niagara County, New York (the "Land"); (B) the renovation of an existing approximately 60,057 square foot building for use by the Company in its business of manufacturing precious metal electroplated parts and as warehouse space (the "Improvements"); and (C) the acquisition of and installation in and around the Improvements of certain machinery, equipment and items of 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 renovating and equipping, (2) all purchases, rentals, uses or consumption of supplies, materials, utilities and services of every kind and description used in connection with renovating 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 agency appointment, the Company, its agents, subagents, contractors and subcontractors should give the supplier or vendor a copy of this letter to show that the Company, its agents, subagents, contractors and subcontractors are each acting as agent for the Agency. The supplier or vendor should identify the Facility on each bill or invoice and indicate thereon which of the Company, its agents, subagents, contractors and subcontractors acted as agent for the Agency in making the purchase.

In order to be entitled to use this exemption, you or your contractor should present to the supplier or other vendor of materials for the Facility, a completed "Contractor Exempt Purchase Certificate" (Form ST-120.1), checking box "(a)" and "(d)". You should give the supplier or vendor a copy of this letter to show that you (or the contractor) are acting as agent for the Agency in making the purchase. A copy of this letter retained by any vendor or seller may be accepted by such vendor or seller as a "statement and additional documentary evidence of such exemption" as provided by New York Tax Law §1132(c)(2), thereby relieving such vendor or seller from the obligation to collect sales and use tax with respect to the construction and installation and equipping of the Facility.

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.

The agency created by this letter is limited to the Facility, and will expire on December 31, 2011; 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 provided for the sole purpose of securing exemption from New York State Sales and Use Taxes for this project only. No other principal/agent relationship is intended or may be implied or inferred by this letter.

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

Very truly yours,

NIAGARA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 

Name: Henry M. Sloma

Title: Chairperson

SCHEDULE A

LIST OF APPOINTED AGENTS¹

1. _____

2. _____

3. _____

4. _____

¹ 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.



IDA Appointment of Project Operator or Agent For Sales Tax Purposes

ST-60

(7/02)

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

Name of IDA Niagara County Industrial Development Agency		IDA project number (use OSC numbering system for projects after 1998)	
Street address 6311 Inducon Corporate Drive - Suite One		Telephone number (716) 278-8760	
City Sanborn	State NY	ZIP code 14132-9099	
Name of IDA project operator or agent Precious Plate, Inc.		Check box if directly appointed by the IDA: <input checked="" type="checkbox"/>	Employer identification or social security number 16-1132470
Street address 2124 Liberty Drive		Telephone number (716) 283-0690	Primary operator or agent? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
City Niagara Falls	State NY	ZIP code 14304	
Name of project Precious Plate, Inc.		Purpose of project (<i>see instructions</i>) acquisition, renovation and equipping of a portion of a	
Street address of project site 2111 Liberty Drive			
City Niagara Falls	State NY	ZIP code 14304	

Description of goods and services intended to be exempted from sales and use taxes

Goods and services used to acquire, construct and equip approximately 60,057 sq. feet of space to be used in the manufacturing of precious metal electroplated parts.

Date project operator or agent appointed	mm	dd	yyyy	Date project operator or agent status ends	mm	dd	yyyy
	08	11	2010		12	31	2011

Estimated value of goods and services to be exempted from sales and use taxes as a result of the project's designation as an IDA project:

Approximate savings of \$240,000 (ALL AGENTS, ALL IN)

Print name of officer or employee signing on behalf of the IDA		Print title
Signature	Date	Telephone number ()

Instructions

Filing requirements

An IDA must file this form within 30 days of the date the IDA designates a project operator or appoints a person as agent of the IDA, for purposes of extending a sales and compensating use tax exemption.

The IDA must file a separate form for each project operator or agent appointed, whether directly or indirectly, and regardless of whether it is the primary operator or agent. If the IDA authorizes an operator or agent to appoint other agents, 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 new agent's appointment. The IDA need not file this form for people hired to work on an IDA project who are not appointed as agents of the IDA. The IDA need not file this form if there are no sales or use tax exemption benefits authorized for a project as a result of the project's designation as an IDA project.

Purpose of project

For **Purpose of project**, enter one of the following:

- Services
- Agriculture, forestry, fishing
- Finance, insurance, real estate
- Transportation, communication, electric, gas, sanitary services
- Construction
- Wholesale trade
- Retail trade
- Manufacturing
- Other (specify)

Mailing instructions

Mail completed form to: **NYS Tax Department, IDA Unit, Building 8 Room 738, W A Harriman Campus, Albany NY 12227**

Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Director of Records Management and Data Entry, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone 1 800 225-5829. From areas outside the United States and outside Canada, call (518) 485-6800.

Need help?

Telephone assistance is available from 8 a.m. to 5:55 p.m. (eastern time), Monday through Friday.

Business tax information: 1 800 972-1233

Forms and publications: 1 800 462-8100

From areas outside the U.S. and outside Canada: (518) 485-6800

Fax-on-demand forms: 1 800 748-3676

Hearing and speech impaired (telecommunications device for the deaf (TDD) callers only): 1 800 634-2110 (8 a.m. to 5:55 p.m., eastern time).



Internet access: www.tax.state.ny.us



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, please call 1 800 225-5829.



If you need to write, address your letter to: NYS Tax Department, Taxpayer Contact Center, W A Harriman Campus, Albany NY 12227.



New York State and Local Sales and Use Tax 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 exemption 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.

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

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

- I have been issued a New York State Certificate of Authority, _____, to collect New York State and local sales and use tax, and this certificate has not expired or been suspended or revoked.
(enter your sales tax vendor identification number)
- The tangible personal property or service being purchased will be used on the following project:
acquisition, renovation and equipping of a portion of approx. 13.8 acre parcel in its manufacturing precious metal located at 2111 Liberty Drive in the Town of Wheatfield, Niagara County, New York
for and with Precious Plate, Inc.
pursuant to prime contract dated _____
- These purchases are exempt from sales and use tax because:
(Mark an X in the appropriate box; for further explanation, see items A through O in instructions.)

A. The tangible personal property is to 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 section 1116(a) of the Tax Law. *(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, 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.

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

- E. The tangible personal property will be used predominantly either in farm production or in a commercial horse boarding operation, or in both.
- 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 will be used to erect, add to, improve, repair, maintain, or service a building, structure, or real property owned by a qualified empire zone enterprise (QEZE), and will become an integral component part of such building, structure, or real property. **(Note:** Item G purchases are exempt from the New York State tax rate and from the $\frac{3}{8}\%$ Metropolitan Commuter Transportation District (MCTD) rate. Item G purchases **may** be exempt from local taxes. See instructions.)
- H. The tangible personal property is residential solar energy systems equipment. **(Note:** Item H purchases are exempt from the 4% New York State tax rate and from the $\frac{3}{8}\%$ MCTD rate. Item H purchases may be exempt from local taxes. See instructions.)
- I. 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, *Tangible Personal Property Purchased 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.
- J. The services are for the project described in line 2 above and will be resold. (This includes trash removal services in connection with repair services to real property.)
- K. The trash removal service being performed for the above project is in connection with a capital improvement to the real property of an organization exempt under section 1116(a) of the Tax Law.
- 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.
- N. The services are to install residential 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, *Tangible Personal Property Purchased for Leased Commercial Office Space in Lower Manhattan*.

Caution: Contractors may not use this certificate to purchase services 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.

I certify that the above statements are true and complete, and I make these statements with the knowledge that willfully issuing a false or fraudulent certificate, with the intent to evade tax, is a misdemeanor under section 1817(m) of the New York State Tax Law and Section 210.45 of the Penal Law, punishable by a fine of up to \$10,000 for an individual or \$20,000 for a corporation. I also understand that the Tax Department is authorized to investigate the validity of exemptions claimed or the accuracy of any information entered on this form.

Type or print name and title of owner, partner, etc. of purchasing contractor	
Signature of owner, partner, etc.	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 exemption 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 K 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

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. Incorporated into real property and is production machinery or equipment for which the customer has given the contractor a copy of Form ST-121, *Exempt Use Certificate*.
- C. Used in one of the following situations:
 - Machinery, equipment, and other tangible personal property related to providing Web site services for sale to be installed in an Internet data center. (Examples of qualifying machinery, equipment, and tangible personal property include: computer system hardware, pre-written software, storage racks for computers, property relating to building systems designed for an Internet data center such as interior fiber optic and copper cable, property necessary to maintain the proper temperature and environment such as air filtration and air conditioning, property related to fire control, power generators, protective barriers, property that when installed will constitute raised flooring, and property related to providing security to the center.) 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 predominantly to transmit live or recorded programs. (Examples of exempt machinery and equipment include amplifiers, transmitters, and antennas.)
- 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. Used predominantly (more than 50%) either in farm production 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*. The exemption is allowed on tangible personal property whether or not the property is incorporated into a building or structure.
- F. Machinery or equipment used directly and predominantly to control, prevent, or abate pollution or contaminants from manufacturing or industrial facilities.
- G. Incorporated into a building, structure, or real property located in the empire zone in which the qualified empire zone enterprise (QEZE) has qualified for tax benefits. The exemption is allowed on the New York State tax rate and on the $\frac{3}{8}\%$ MCTD rate. The exemption does not apply to Municipal Assistance Corporation (MAC) taxes in New York City, or to county, city, or school district taxes, unless New York City or the county, city, or school district elects the exemption. In that case, purchases are exempt from the full, combined New York State and local tax rate. See Publication 718-Q, *Local Sales and Use Tax Rates on Sales to a Qualified Empire Zone Enterprise (QEZE)*, for a listing of sales tax rates pertaining to the QEZE exemption. The customer must furnish the contractor a completed Form ST-121.6, *Qualified Empire Zone Enterprise (QEZE) Exempt Purchase Certificate*.
- H. Residential solar energy systems equipment. *Residential solar energy systems equipment* means an arrangement of 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. The exemption is allowed on the New York State 4% tax rate and where applicable, the $\frac{3}{8}\%$ MCTD rate. The exemption does not apply to local taxes unless the locality specifically enacts the exemption. Note: No local exemption may be effective before December 1, 2005. The customer must furnish the contractor with a completed Form ST-121, *Exempt Use Certificate*, by completing the box marked *other*. 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*.
- I. 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, *Tangible Personal Property*

Purchased 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.

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

- J. 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 the front 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.
- K. Trash removal services purchased by a contractor and rendered in connection with a capital improvement to an exempt organization's property.
- L. Installing, maintaining, servicing, or repairing tangible personal property used for Web hosting, telecommunication or Internet access services, or by a broadcaster (described in 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 E on page 3).
- N. Installing residential solar energy systems equipment (described in H 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, *Tangible Personal Property Purchased 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.

To the purchaser

Warning for misuse of this form

Any person who intentionally issues a false exemption certificate to evade sales and compensating use tax may be assessed for the tax evaded, and will be subject to a penalty of 100% of the tax due and a penalty of \$50 for each such certificate issued. The purchaser will also be guilty of a misdemeanor punishable by a fine not to exceed \$10,000 (\$20,000 for a corporation). Other penalties may also apply.

In addition, your *Certificate of Authority*, allowing you to make certain tax-free purchases, may be revoked, prohibiting you from conducting any business in New York State for which a *Certificate of Authority* is required.

To the vendor

Do not accept this certificate unless all entries have been completed. The contractor must give you a properly completed exemption certificate **no later than 90 days after delivery** of the property or service; otherwise, the sale will be deemed to have been taxable at the time the transaction took place. When a certificate is received after the 90 days, both the seller (vendor) and contractor assume the burden of proving that the sale was exempt, and both may have to provide additional substantiation.

Your 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.

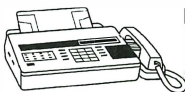
You must keep this exemption certificate for at least three years after the due date of the last return to which it relates, or after the date when the return was filed, if later. You must also maintain a method of associating an exempt sale made to a particular customer with the exemption certificate you have on file for that customer.

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?



Internet access: www.nystax.gov
(for information, forms, and publications)



Fax-on-demand forms: Forms are available 24 hours a day, 7 days a week. 1 800 748-3676



Telephone assistance is available from 8:00 A.M. to 5:00 P.M. (eastern time), Monday through Friday.

To order forms and publications: 1 800 462-8100

Business Tax Information Center: 1 800 972-1233

From areas outside the U.S. and outside Canada: (518) 485-6800



Hotline for the hearing and speech impaired:

If you have access to a telecommunications device for the deaf (TDD), contact us at 1 800 634-2110. If you do not own a TDD, check with independent living centers or community action programs to find out where machines are available for public use.



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, please call 1 800 972-1233.



**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

Name of IDA agent/project operator		Federal employer identification number (FEIN)	
Street address		Telephone number ()	
City	State	ZIP code	
Name of IDA agent/project operator's authorized representative, if any		Title	
Street address		Telephone number ()	
City	State	ZIP code	
Name of IDA			
Street address			
City	State	ZIP code	
Name of project			
Street address of project site			
City	State	ZIP code	

1 Project purpose:

Services Construction Agriculture, forestry, fishing

Wholesale trade Retail trade Finance, insurance or real estate

Transportation, communication, electric, gas, or sanitary services

Manufacturing Other (*specify*) _____

2 Date project began: _____ / _____ / _____
MM DD YYYY

3 Beginning date of construction or installation (actual or expected): _____ / _____ / _____
MM DD YYYY

4 Completion date of construction phase of project (actual or expected): _____ / _____ / _____
MM DD YYYY

5 Completion date of project (actual or expected): _____ / _____ / _____
MM DD YYYY

6 Duration of project (years/months; actual or expected): _____ / _____
Years Months

7 Total sales and use tax exemptions (actual tax savings; NOT total purchases)	7	\$
---	----------	-----------

Print name of officer, employee, or authorized representative signing for the IDA agent/project operator	Title of person signing
Signature	Date

Failure to annually file a complete report may result in the removal of authority to act as an IDA agent/project operator.
Mail completed report to: **NYS Tax Department, IDA Unit, Bldg 8 Rm 738, W A Harriman Campus, Albany NY 12227.**

Instructions

General information

Who must file?

The General Municipal Law (GML) and the Public Authorities Law require the agent/project operator (also known as **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 operator(s) directly appointed by the IDA must file Form ST-340. Contractors, subcontractors, consultants, or agents appointed by the agent/project operator(s) should **not** themselves file Form ST-340. However, the agent/project operator(s) must include on Form ST-340 information obtained from such contractors, subcontractors, consultants, and agents, as described below.

What must be reported?

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

The report requires only the **total combined** exemptions obtained by the above people. A break down of the total is not required. However, since the report must include the value of the exemptions they obtained, the agent/project operator must keep records of the amounts others report to the agent/project operator.

It is important that the agent/project operator make it clear to the contractors, subcontractors, consultants, and others that they must keep accurate tax information and have it available so that the agent/project operator can comply with the annual reporting requirements.

Do not include in this report the amount of any sales and use tax exemptions arising out of 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).

See instructions below for additional information required.

When is the report 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 the name, address, federal employer identification number (FEIN), and telephone number of the IDA agent/project operator.

Name of IDA agent/project operator's authorized representative

Enter the name, address, title (for example, attorney or accountant), and telephone number of the individual authorized by the IDA agent/project operator to submit this report.

Name of IDA

Enter the name and address of the IDA. If more than one IDA is involved in a particular project, the IDA agent/project operator must file a separate report for the tax exemptions attributable to each IDA.

Name of project

Enter the name of the project and the address of the project site. If the IDA agent is involved in more than one project, a separate report must be filed by the IDA agent/project operator for each project, even if authorized by the same IDA.

Line instructions

Line 1 — Project purpose — Check the box that identifies the purpose of the project. If you check **Other**, please be specific in identifying its purpose.

Line 2 — 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.

Line 3 — Enter the date on which you, or your general contractor or subcontractor, actually began, or expect to begin, construction or installation on the project. If the project does not involve any construction, enter **Does not apply**.

Line 4 — Enter the date the construction phase of the project was completed. If it has not been completed by the end of the reporting period, enter the date you expect to complete this phase of the project.

Line 5 — Enter the date on which installation, lease, or rental of property (for example, machinery or computers) on the project ended. If the project was not completed by the end of the reporting period, enter the date the project is expected to be completed.

Line 6 — Enter the total number of years and months from the project's inception to its completion or expected completion.

Line 7 — Enter the total amount of New York State and local sales and compensating use taxes exempted during the reporting period (if none, enter "0") as a result of the project's receipt of IDA financial assistance. 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 on line 7.

Signature area

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

Mail completed report to: **NYS Tax Department, IDA Unit, Bldg 8 Rm 738, W A Harriman Campus, Albany NY 12227.**

Need help?



Telephone assistance is available from 8 a.m. to 5:55 p.m. (eastern time), Monday through Friday.

Business tax information: 1 800 972-1233

Forms and publications: 1 800 462-8100

From areas outside the U.S. and outside Canada: (518) 485-6800

Fax-on-demand forms: 1 800 748-3676

Hearing and speech impaired (telecommunications device for the deaf (TDD) callers only): 1 800 634-2110 (8 a.m. to 5:55 p.m., eastern time).



Internet access: www.tax.state.ny.us



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, please call 1 800 225-5829.



If you need to write, address your letter to: NYS Tax Department, Taxpayer Contact Center, W A Harriman Campus, Albany NY 12227.

Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Director of Records Management and Data Entry, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone 1 800 225-5829. From areas outside the United States and outside Canada, call (518) 485-6800.