

APPENDIX A

FORM OF SALES TAX EXEMPTION APPLICATION

To: Village of Green Island Industrial Development Agency

Re: Village of Green Island Industrial Development Agency
Taxable Industrial Development Revenue Bond

Sales Tax Exemption

Application No. _____

Date: _____, 199__

Gentlemen:

Pursuant to Section 8.14 of that certain installment sale agreement dated as of _____, 1998 (the "Installment Sale Agreement") by and between Village of Green Island Industrial Development Agency (the "Issuer") and _____ (the "Company"), the Company is applying for a sales tax exemption letter to cover the following contract:

i. Project Name:

ii. Project Number: _____

iii. Project Description: _____

iv. Developer: _____

v. Date of Contract or Purchase
Order (the "Contract") _____, 20__

vi. Parties to the Contract: Owner: _____, as agent for Village of
Green Island Industrial Development
Agency

Contractor: _____

vii. Specific Goods or Service _____
which are subject of the _____
Contract: _____

viii. Maximum amount Payable under
the Contract (the "Contract
Price") \$ _____

ix. Amount of Contract Price normally
subject to State and Local sales
and use taxes: \$ _____

x. Anticipated Sales Tax Benefit: \$ _____

xi. Cumulative Sales Tax Benefit
received by the Company to date
with respect to the Project
(i.e. line 10 plus line 10 of all
previous applications): \$ _____

(If additional space is required to complete this form, please attach a separate page).

By: _____

APPENDIX B

FORM OF SALES TAX EXEMPTION LETTER

_____, 20__

To Whom It May Concern:

Re: New York State Sales or Use Tax Exemption
Village of Green Island Industrial Development Agency
Industrial Development Revenue Bond

Pursuant to TSB-M-87(7) issued by the New York State Department of Taxation and Finance on April 1, 1987 (the "Policy Statement"), you have requested a letter from Village of Green Island Industrial Development Agency (the "Issuer"), a public benefit corporation created pursuant to Chapter 1030 of 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 1030 of the Laws of 1969 of the State of New York, as amended, constituting Section 925-m of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act"), containing the information required by the Policy Statement regarding the sales tax exemption with respect to the captioned project (the "Project") located at _____ in the Village of Green Island, Albany County, New York (the "Project Site").

_____ (the "Company") has applied to and been approved for financial assistance from the Issuer in the matter of completion of the Project on the Project Site. The Project includes the following:

Please be advised that on or about _____, __, __, the Issuer adopted a preliminary resolution whereby the Issuer appointed the Company as agent of the Issuer to acquire, construct and install the Project Facility.

For purposes of the New York State Sales Tax and Compensating Use Tax only, pursuant to Sections 1115(a)(15), 1115(a)(16) and 1116(a)(1) of the New York Tax Law, as applied to the Project through the Policy Statement, the Company and the contractors named on Schedule 1 attached hereto (the "Contractors" and each a "Contractor") are designated as agents of the Issuer for specific contracts identified on Schedule 1 attached hereto in the specific maximum dollar amounts identified on such Schedule 1 attached hereto (the "Contracts"). The Company and the Contractors are sometimes collectively referred to as the "Agents", and each individually as an "Agent". Schedule 1 is subject to additions and amendments by the Issuer. As other agents are designated by the Issuer for the Project, an updated Schedule 1 with reference to this letter will be dated and signed by the Executive Director of the Issuer and will supersede any and all previously dated Schedule 1 to this letter.

It is our opinion that THE AGENTS NAMED ON SCHEDULE I may make project purchases of materials to be incorporated in the Project and machinery and equipment constituting a part of the Project, and purchase or rentals of supplies, tools, equipment, or services necessary to acquire or install the Project and, with respect to such specific purchases or rentals, are exempt from any sales or use tax imposed by the State of New York or any governmental instrumentality located within the State of New York, if the following procedures are observed.

1. Purchases must be billed or invoiced by the vendor to THE AGENTS NAMED ON SCHEDULE 1 as agent for the Issuer (e.g., "COMPANY/CONTRACTOR as agent for Village of Green Island Industrial Development Agency") and identify the date of delivery and indicate the place of delivery (Note: Schedule I shall not be valid unless (A) it is signed by the same officer of the Issuer who signed this letter and (b) it contains the same watermark of the Issuer in the background as appears on each page of this letter.

2. Payment must be made by THE AGENTS NAMED ON SCHEDULE I acting as agent directly to the vendor from either a requisition from the project bond fund, or if a separate bond fund does not exist, then from a special project fund of the payor. In either case, the fund should be identified by reference to the Project name listed on Schedule I.

3. Deliveries must be made to the Project Site, or under certain circumstances (such as where the materials require additional fabrication before installation on the Project Site or for storage to protect materials from theft or vandalism prior to installation at the Project Site) deliveries may be made to a site other than the Project Site, providing the ultimate delivery of the material is made to the Project Site. Where delivery is made to a site other than the Project Site, the purchases must be billed or invoiced by the vendor to THE AGENT NAMED ON SCHEDULE I as agent of the Issuer, identify the date and place of delivery, the Issuer's full name and address and the Project Site where the materials will ultimately be delivered for installation.

Pursuant to Section 874(8) of the Act, the Company, as agent of the Issuer, must annually file a statement with the New York State Department of Taxation and Finance, on a form and in such a manner as is prescribed by the Commissioner of Taxation and Finance, of the value of all sales tax exemptions claimed by the Company under the authority granted by the Issuer. The penalty for failure to file such a statement under Section 874(8) of the Act shall be the removal of authority to act as an agent for the Issuer.

This letter shall serve as proof of the existence of an agency contract between the Issuer, the Company and the Contractors for the SOLE EXPRESS PURPOSE OF SECURING EXEMPTION FROM NEW YORK STATE SALES TAXES FOR THE PROJECT ONLY. NO OTHER PRINCIPAL/AGENT RELATIONSHIP BETWEEN THE ISSUER, THE COMPANY AND/OR ANY CONTRACTOR IS INTENDED OR MAY BE IMPLIED OR INFERRED BY THIS LETTER.

It is hereby further certified that, under the Policy Statement, since the Issuer is a public benefit corporation, neither the Issuer, nor the Company or any Contractor named herein as its agent, is required to furnish an "Exempt Organization Certificate" in order to secure exemption from any sales or use tax for such items or services.

Under the Policy Statement, a copy of this letter retained by any vendor or seller to any Agent, as Agent for the Issuer, 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 Section 1132(c)(2), thereby relieving such vendor or seller from the obligation to collect sales and use tax on purchases or rental of such materials, supplies, tools, equipment, or services by the Issuer through its Agent.

THIS LETTER SHALL BE IN EFFECT UNTIL

In the event you have any questions with respect to the above, please do not hesitate to call _____, CEO or CFO of the Agency at (518) __273-2201_____.

Very truly yours,

VILLAGE OF GREEN ISLAND INDUSTRIAL
DEVELOPMENT AGENCY

By: _____

SCHEDULE I

VILLAGE OF GREEN ISLAND INDUSTRIAL DEVELOPMENT AGENCY

SALES TAX EXEMPTION LETTER

Note: This Schedule is not effective unless accompanied by the Sales Tax Letter referred to below. Sales tax exemption for this Project is limited to materials, machinery and equipment constituting or used in the construction and/or installation of the Project. The sales tax exemption also extends to machinery and equipment purchased or rented for the purpose of constructing and/or installing the Project Facility. The sales tax exemption does not extend to utility services provided for or equipment used in the operation of the Project Facility, not otherwise specifically included in the Project description.

Project Name:

Project Number: 20____

Project Description:

Project Beneficiary: _____

Date of Sales Tax Exemption Letter

to which this Schedule relates: _____, 20__

Expiration Date of said Sales Tax

Exemption Letter: _____, 20__

Date of Contract or Purchase Order

(the "Contract"): _____, 20__

Parties to the Contract: Owner: _____, as agent for the Village of Green
Island Industrial Development Agency

Contractor: _____

Specific Goods or Services which

are the Subject of the Contract: _____

Maximum Amount Payable under the

Contract: \$ _____

Anticipated Sales Tax Benefit: \$ _____

VILLAGE OF GREEN ISLAND INDUSTRIAL DEVELOPMENT AGENCY

By: _____

Chairman

Date: _____, 20__