

**County of Otsego Industrial Development Agency
Annual Compliance Report Pursuant to Paragraph (d) of Section
875(3) of the General Municipal Law**

Paragraph (d) of Section 875(3) of the General Municipal Law (“GML”) requires that County of Otsego Industrial Development Agency (the “Agency”) prepare an annual compliance report (A) detailing the terms and conditions of paragraph (a) of GML Section 875(3) and (B) the Agency’s activities to recover, recapture, receive, or otherwise obtain New York State sales and use tax exemption benefits described in paragraph (b) of GML Section 875(3).

With respect to item (A) above, the Agency confirms, for the period from January 1, 2014 to December 31, 2014 (“Fiscal Year 2014”), that:

- (1) the Agency has included the terms and conditions set forth in GML Section 875(3) within its resolutions and project documents establishing any project or appointing an agent or project operator; and
- (2) every such agent, project operator, or other person or entity has agreed to such terms as a condition prior to receiving or benefiting from New York State sales and use tax exemption benefits.

With respect to (B) above, the Agency confirms, for the Fiscal Year 2014, the following:

(1) New York State Sales and Use Tax Exemption Benefits Recovered, Recaptured, Received, or otherwise obtained during Fiscal Year 2014:

(a) During Fiscal Year 2014, it did not come to the attention of the Agency that any agent, project operator or other person or entity that has enjoyed state sales and use tax exemption benefits provided by Agency (each, an “IDA Agent”) has taken state sales and use tax exemptions under any of the following circumstances (tax exemptions taken under any of the following circumstances are hereinafter referred to as “Improper Exemptions”):

(i) state sales and use tax exemptions to which such IDA Agent is not entitled;

(ii) state sales and use tax exemptions which are in excess of the amounts authorized to be taken by such IDA Agent;

(iii) state sales and use tax exemptions which are for property or services not authorized; or

(iv) state sales and use tax exemptions which are taken in cases where such IDA Agent failed to comply with a material term or condition to use property or services in the manner required by such IDA Agent’s agreement with the Agency.

(b) Since the Agency was not aware during Fiscal Year 2014 that any IDA Agent has taken any Improper Exemptions, the Agency was not entitled during Fiscal Year 2014 to recover any New York State sales and use tax exemption benefits, together

with relevant penalties and interest pursuant to GML Section 875(3)(b) (collectively, the "Recovered Amounts").

(c) Since the Agency was not entitled during Fiscal Year 2014 to recover any Recovered Amounts, the Agency did not forward any Recovered Amounts to the New York State Department of Taxation and Finance ("NYSDTF") during Fiscal Year 2014.

(2) New York State Sales and Use Tax Exemption Benefit Recaptures Requested during Fiscal Year 2014:

(a) Since the Agency was not entitled during Fiscal Year 2014 to recover any Recovered Amounts, the Agency did not issue a request to recover, recapture, receive, or otherwise obtain New York State sales and use tax exemption benefits from any IDA Agent.

IN WITNESS WHEREOF, the Agency has caused this report to be executed in its name this 31 day of March, 2015.

COUNTY OF OTSEGO INDUSTRIAL
DEVELOPMENT AGENCY

By: Robert S. Aburk
Title: Chairman