

Exhibit D

[FORM OF SALES TAX AGENT AUTHORIZATION LETTER]

SALES TAX AGENT AUTHORIZATION LETTER

EXEMPTION EXPIRATION DATE: September 9, 2024

**ELIGIBLE LOCATION:
379 Troutman St., Brooklyn, NY 11237**

September 9, 2022

[Kato Sake Works, LLC]
5 Central Ave.
Space B
Brooklyn, NY 11206

Re: **New York City Industrial Development Agency**
(2022 *Kato Sake Works* Project)

Ladies and Gentlemen:

The New York City Industrial Development Agency (the "Agency"), by this notice, hereby advises you as follows:

1. Pursuant to a certain Agency and Lease Agreement, dated as of August __, 2022 (the "Agreement"), between the Agency and Kato Sake Works, LLC (the "Lessee"), the Agency has authorized the Lessee to act as its agent in connection with the Project described therein. Certain capitalized terms used herein and not defined shall have the respective meanings given to such terms in the Agreement.

2. At the Lessee's request, the Agency appoints Kato Sake Works, LLC (the "Agent") as an agent of the Agency, pursuant to this Sales Tax Agent Authorization Letter for the purpose of effecting purchases of Eligible Items exempt from Sales and Use Taxes in accordance with the terms, provisions of this Sales Tax Agent Authorization Letter and the Agreement. **The Agent should review the definitions of Eligible Items and Ineligible Items in the Agreement in order to determine the scope of Sales Tax Exemption provided under the Agreement and hereunder.**

3. On the date hereof, the Agency has executed and will file within thirty days of the date hereof, Form ST-60 "IDA Appointment of Project or Agent" ("Form ST-60") with the State the New York State Department of Taxation and Finance, in order to evidence that the Agency has appointed you as its agent. Pursuant to the Sales Tax Exemption hereby made available to you, the Agent shall avail itself of such Sales Tax Exemption for Eligible Items acquired at the

direction of the Lessee in connection with the Project and shall not include such Sales Taxes in its contract price, bid or reimbursable costs, as the case may be.

4. The Agent acknowledges that the executed Form ST-60 shall not serve as a sales or use tax exemption certificate or document. The Agent shall not tender a copy of the executed Form ST-60 to any person required to collect Sales Taxes as a basis to make such purchases exempt from such Sales Taxes. No such person required to collect Sales Taxes may accept the executed Form ST-60 in lieu of collecting any tax required to be collected. THE CIVIL AND CRIMINAL PENALTIES FOR MISUSE OF A COPY OF FORM ST-60 AS AN EXEMPTION CERTIFICATE OR DOCUMENT OR FOR FAILURE TO PAY OR COLLECT TAX SHALL BE AS PROVIDED IN THE TAX LAW. IN ADDITION, THE USE BY AN AGENT, PROJECT OPERATOR, OR OTHER PERSON OR ENTITY OF SUCH FORM ST-60 AS AN EXEMPTION CERTIFICATE OR DOCUMENT SHALL BE DEEMED TO BE, UNDER ARTICLES TWENTY EIGHT AND THIRTY SEVEN OF THE TAX LAW, THE ISSUANCE OF A FALSE OR FRAUDULENT EXEMPTION CERTIFICATE OR DOCUMENT WITH THE INTENT TO EVADE TAX.

5. The Agent hereby agrees to present to each seller or vendor a completed and signed NYSDTF Form ST-123 "IDA Agent or Project Operator Exempt Purchase Certificate" or such additional or substitute form as is adopted by NYSDTF for use in completing purchases that are exempt from Sales Taxes ("Form ST-123") for each contract, agreement, invoice, bill or purchase order entered into by you as agent for the Agency, in connection with the Project.

6. The Agent agrees to ensure that each seller or vendor accepting Form ST-123 in connection with purchases exempt from Sales Taxes identify the name of the Lessee and the address of the Project on each bill and invoice and indicate on the bill or invoice that the Agency; or you, as Agent; or the Lessee, as Project operator of the Agency, was the purchaser.

7. The Agent hereby agrees to comply with the terms and conditions of the Agreement. Agent agrees to retain for at least six (6) years from the date of expiration of its Contract copies of (a) its contract with the Lessee to provide services in connection with the Project, (b) all contracts, agreements, invoices, bills or purchases entered into or made by such Agent using the Letter of Authorization for Sales Tax Exemption, and (c) the executed Form ST-60 appointing the Agent as an agent of the Agency, and shall make such records available to the Agency upon reasonable notice. This provision shall survive the expiration or termination of this Sales Tax Agent Authorization Letter.

8. In order to assist the Lessee in complying with its obligation to file New York State Department of Taxation and Finance Form ST-340 "Annual Report of Sales and Use Tax Exemptions Claimed by Project Operator of Industrial Development Agency/Authority" ("Form ST-340"), the Agent agrees that it shall file semi-annually with the Lessee (no later than January 15th and July 15th of each calendar year in which it has claimed sales and use tax exemptions in connection with the Project) a written statement of all sales and use tax exemptions claimed by such Agent for the preceding six-month period (ending on June 30th or December 31st, as applicable) in connection with the Project by completing and submitting to the Lessee the **Sales Tax Registry** attached hereto as **Exhibit A**. If the Agent fails to comply with the foregoing requirement, the Agent shall immediately cease to be the agent for the Agency in connection with the Project (such agency relationship being deemed to be immediately revoked) without any

further action of the parties, the Agent shall be deemed to have automatically lost its authority to make purchases as agent for the Agency, and shall desist immediately from all such activity.

9. The Agent agrees that if it fails to comply with the requirements for Sales Tax Exemptions, as described in this Sales Tax Agent Authorization Letter and the Agreement, it shall pay any and all applicable Sales Taxes exempted in violation thereof, together with any interest and penalties applicable hereunder or by law or judicial order. This provision shall survive the expiration or termination of this Sales Tax Agent Authorization Letter.

10. Special Provisions Relating to State Sales Tax Savings.

(a) The Agent covenants and agrees to comply with the terms and conditions of subdivisions (1) and (3) of GML § 875 (the "Special Provisions"), as such provisions may be amended from time to time. In the event of a conflict between the other provisions of this Letter or the Agreement and the Special Provisions, the Special Provisions shall control.

(b) The Agent acknowledges and agrees that the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Agent State Sales Tax Savings taken or purported to be taken by the Agent or any other person or entity acting on behalf of the Agent to which Agent is not entitled or which are for property or services not authorized or taken in cases where the Agent or any other person or entity acting on behalf of the Agent failed to comply with a material term or condition to use property or services in the manner required by this Agreement. The Agent shall, and shall require and any other person or entity acting on behalf of the Agent to, cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such State Sales Tax Savings and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of the New York State Department of Taxation and Finance to assess and determine State Sales and Use Taxes due from the Agent under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

(c) The Agent is hereby notified (provided that such notification is not a covenant or obligation and does not create a duty on the part of the Agency to the Agent or any other party) that the Agency is subject to certain requirements under GML § 875, including the following:

(i) if the Agency recovers, recaptures, receives, or otherwise obtains, any amount of State Sales Tax Savings from the Lessee, the Agency shall, within thirty days of coming into possession of such amount, remit it to the Commissioner, together with such information and report that the Commissioner deems necessary to administer payment over of such amount. The Agency shall join the Commissioner as a party in any action or proceeding that the Agency commences to recover, recapture, obtain, or otherwise seek the return of, State Sales Tax Savings from an agent, project operator or other person or entity.

(ii) The Agency shall prepare an annual compliance report detailing its terms and conditions described in this Section and its activities and efforts to recover, recapture, receive, or otherwise obtain State Sales Tax Savings described in subdivision (e)(ii) above, together with such other information as the Commissioner and the New York State Commissioner of Economic Development may require. The report shall be filed with the Commissioner, the Director of the Division of the Budget of The State of New York, the New York State Commissioner of economic development, the New York State

Comptroller, the Council of the City of New York, and may be included with the Annual financial statement required by GML § 859(1)(b). Such report required by this subdivision shall be filed regardless of whether the Agency is required to file such financial statement described by GML § 859. The failure to file or substantially complete the report required by GML § 859 shall be deemed to be the failure to file or substantially complete the statement required by such subdivision, and the consequences shall be the same as provided in GML § 859(1)(e).

(iii) The foregoing requirements shall apply to any amounts of State Sales Tax Savings that the Agency recovers, recaptures, receives, or otherwise obtains, regardless of whether the Agency or the Lessee or other person or entity acting on behalf of the Lessee characterizes such benefits recovered, recaptured, received, or otherwise obtained, as a penalty or liquidated or contract damages or otherwise. The foregoing requirements shall also apply to any interest or penalty that the Agency imposes on any such amounts or that are imposed on such amounts by operation of law or by judicial order or otherwise. Any such amounts or payments that the Agency recovers, recaptures, receives, or otherwise obtains, together with any interest or penalties thereon, shall be deemed to be State Sales and Use Taxes and the Agency shall receive any such amounts or payments, whether as a result of court action or otherwise, as trustee for and on account of the State.

11. The Agent represents and warrants that, except as otherwise disclosed to the Agency, none of the Agent, the Principals of the Agent, or any Person that directly or indirectly Controls, is Controlled by, or is under common Control with the Agent:

(a) is in default or in breach, beyond any applicable grace period, of its obligations under any written agreement with the Agency or the City, unless such default or breach has been waived in writing by the Agency or the City, as the case may be;

(b) has been convicted of a misdemeanor related to truthfulness and/or business conduct in the past five (5) years;

(c) has been convicted of a felony in the past ten (10) years;

(d) has received formal written notice from a federal, state or local governmental agency or body that such Person is currently under investigation for a felony criminal offense; or

(e) has received written notice of default in the payment to the City of any taxes, sewer rents or water charges, which have not been paid, unless such default is currently being contested with due diligence in proceedings in a court or other appropriate forum.

As used herein, the following capitalized terms shall have the respective meanings set forth below:

“City” shall mean The City of New York.

“Control” or “Controls” shall mean the power to direct the management and policies of a Person (x) through the ownership, directly or indirectly, of not less than a majority of its voting securities, (y) through the right to designate or elect not less than a majority of the members of its board of directors or trustees or other Governing Body, or (z) by contract or otherwise.

“Entity” shall mean any of a corporation, general partnership, limited liability company, limited liability partnership, joint stock company, trust, estate, unincorporated organization, business association, tribe, firm, joint venture, governmental authority or governmental instrumentality, but shall not include an individual.

“Governing Body” shall mean, when used with respect to any Person, its board of directors, board of trustees or individual or group of individuals by, or under the authority of which, the powers of such Person are exercised.

“Person” shall mean an individual or any Entity.

12. By execution of this Sales Tax Agent Authorization Letter, the Agent agrees to accept the terms hereof and represent and warrant to the Agency that the use of this Sales Tax Agent Authorization Letter by the Agent is strictly for the purposes stated herein.

13. The Agent acknowledges that this Sales Tax Agent Authorization Letter will expire on the date that is the earlier of (i) the Exemption Expiration Date referred to above, and (ii) the Exemption Expiration Date as defined in the Agreement. Upon such date, the agency relationship between the Agency and the Agent shall terminate.

The signature of a representative of the Agent where indicated below will indicate that the Agent accepted the terms hereof.

**NEW YORK CITY INDUSTRIAL
DEVELOPMENT AGENCY**

By: Emily Marcus
Name: Emily Marcus
Title: Executive Director

ACCEPTED AND AGREED TO BY:

Kato Sake Works, LLC

By: Shinobu Kato
Name: Shinobu Kato
Title: Founder

*Signed here before me appeared
Shinobu Kato, this 09/07/2022
Yusem Portly M.*

YESSENIA MAHIA RODRIGUEZ
Notary Public, State of New York
Registration #01RO8290558
Qualified in Kings County
Commission Expires October 7, 2025