

**ORANGE COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY**

**County Government Center  
255 Main Street  
Goshen, New York 10924  
Phone: 845-291-2700 Fax: 845-291-2724**

Robert Armistead, Chairman  
Mary Ellen Rogulski, Vice Chairman  
Russell O. Vernon, Second Vice Chairman  
Stephen Brescia, Secretary  
John Steinberg, Jr., Assistant Secretary  
Henry VanLeeuwen  
Robert J. Schreiber, Sr.

James O'Donnell, Executive Director  
Joel Kleiman, Chief Financial Officer  
Kevin Dowd, Attorney  
Laurie Villasuso, Administrative Assistant

## **Agenda**

PLEASE TAKE NOTICE, The Orange County Industrial Development Agency will hold a regularly scheduled meeting on May 15, 2013 at 3:00 p.m. in the Newburgh Armory Unity Center, 321 South William Street, Newburgh, New York, to consider and/or act upon the following:

### Order of Business

- **Roll Call**
- **Approval of the minutes from April 3, 2013 meeting**
- **Financial Reports and/or Requests for Payments**
- **New and Unfinished Business**
  - Chairman's Report
  - Executive Director's Report
  - OCBA Report
  - OCP Report
  - Discussions
    - Vincent Cozzolino – Center for Global Advanced Manufacturing
    - Dr. William Richards – SUNY Orange
    - Hoboken International Film Festival
    - Daughters of the American Revolution – Project Expenditure
    - Woodbury Commons
- **Resolutions**
  - Fairbanks Manufacturing, LLC – Initial Resolution
  - Pharmline, Inc. – Initial Resolution
- **Such other and further business as may be presented**
- **Public Comments**
- **Executive Session**
- **Adjournment**

Dated: May 8, 2013

Stephen Brescia, Secretary

By: James O'Donnell, Executive Director

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

April 3, 2013

A regular meeting of the Orange County Industrial Development Agency was convened in public session on April 3, 2013 at 3:04 P.M. at the Orange County Business Accelerator, in New Windsor, New York.

The meeting was called to order by the Chairman, Robert Armistead, and upon roll being called, the following were:

PRESENT: Robert Armistead, Mary Ellen Rogulski, Stephen Brescia, Russell Vernon, Robert Schreibeis, Henry VanLeeuwen

ABSENT: John Steinberg

ALSO PRESENT: James O'Donnell – Executive Director  
Kevin Dowd – Attorney  
Joel Kleiman – CFO  
Laurie Villasuso – Administrative Assistant  
Maureen Halahan – Orange County Partnership  
Larry Gottlieb - HVEDC  
Brian Gates – HVEDC  
Peter Malone – Orange County Business Accelerator  
Dawn Ansbro – Orange County Arts Council  
Gary Schuster – Orange County Arts Council  
Michael DiTullo – PTAC  
Liz Kallen – PTAC  
Ron Kossar – Attorney for Fairbanks Manufacturing, LLC  
James Walsh – Times Herald Record  
Kathleen Hendrickson – City of Port Jervis

Chairman Armistead calls the meeting for the Orange County IDA, April 3, 2013 (Pledge of Allegiance is recited). Board consists of six members. There is a quorum.

Review of the prior February 20, 2013 meeting minutes. Motion made by VanLeeuwen, seconded by Vernon to approve the minutes as presented. Motion carries with all in favor.

Roll Call taken.

**Financial Reports and/or Requests for Payment**

Mr. Kleiman asks the members to refer to the March report for Revenues and Expenses. Year to Date, January through the end of February, the IDA has received \$2K and expended \$43K; expenses exceed revenues by \$141K. He notes that through the end of the year, the IDA will receive monies that will exceed the projected expenses for the year. The Bank Account report, through February 28, indicates \$7.8M for the IDA, and just over \$400K for the OCFC. Mr. Kleiman notes that he will be soliciting bids from banks for Money Markets and CDs for a large portion of the OCFC funds. Mr. Kleiman moves on to address the revised monthly voucher list. Through the end of March, the IDA collected over \$141,608.90, and vouchers total approximately \$160,841.68.

Motion made by Schreibeis, seconded by Brescia, that the Board accepts the financial report and authorization of payments and vouchers for April 2013. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Mr. Kleiman moves on to address the Year End Audit. He begins by noting that the audit must be approved before March 31<sup>st</sup> for PARIS reporting purposes; Because of the timing of the monthly IDA meeting, the Audit Committee met with the auditors on March 13. At that time they reviewed, and accepted, the audit. As a result, the filing has been completed. Copies of the IDA and OCFC audits, management and internal control letters were sent to each Board Member for review. He adds that the IDA Management Letter was a positive letter: last year, the IDA had three

comments, and those comments were addressed and corrected this year, and there were no additional comments. There were also no comments for the OCFC. Referring to the Financial Statements, he points out that the IDA and OCFC received clean opinions. He goes on to explain some of the individual statements within the documents.

Chairman Armistead reiterates for the Board that, since a quorum could not be reached in the month of March, the audit committee assembled in order to review the audit. He notes that he, Ms. Rogulski, Mr. Steinberg, Mr. Dowd and Mr. O'Donnell were present for the meeting with the auditors.

Mr. Vernon asks Mr. Kleiman to explain \$424K in "Deferred Income." Mr. Kleiman advises that he will research it. Mr. Kleiman also notes that auditors came to begin reviewing items in the last quarter of 2102, and then visited again in January of 2013. The process was so successful that it will be repeated for the 2013 audit.

Lastly, he notes that the 2012 Form 990 for the OCFC was received from JGS. He reviewed and verified the figures, and the members will receive copies to review.

### **Chairman's Report**

Chairman Armistead begins by advising the Board that he and Mr. Vernon attended the CPV hearing before the town of Wawayanda. The IDA has been working with CPV's power plant in Wawayanda for a number of years. He adds that there was a tremendous outpouring of support for the project. While there some negative comments, the turnout was largely positive. Chairman Armistead reminds the Board that Orange County is in competition with two other sites for the CPV project.

Chairman Armistead moves on to publicly thank the sponsors for the OCBA Challenge, the press conference and luncheon for which was held prior to the meeting.

Project Green, he advises, has come to Orange County. It will not be an OCIDA project, but they will go to the Town of Montgomery IDA. He applauds everyone who worked so hard on that project to bring jobs and great economic impact to the County.

Chairman Armistead mentions that Mr. Kaplan of the Newburgh Armory has invited the Board to hold May's IDA meeting at the Armory. The Board agrees that they would like the May 15 meeting held at the Armory.

Mr. VanLeeuwen tells the Board that he visited the Armory, and informs the Board that the progress made at the Armory has been fantastic. He commends the Board for investing in the Armory and, by extension, the City of Newburgh. Mr. Vernon notes that the Armory began as a recreational facility, but has truly transformed into an educational facility, between the reading programs and the English-as-a-Second-Language courses. Mr. Vernon also notes that part of the IDA's mission is tourism, and in that vein, many sporting clubs are using the Armory for training purposes, and bringing in teams from all across the region. In addition, the semi-pro Hudson Valley Renegades baseball team is looking to use the Armory as a training facility. Mr. O'Donnell adds that Deirdre Glenn is still the Executive Director and runs the facility's day to day operations, but they have hired an education coordinator. The West Point wrestling coach is involved and a wrestling program for the kids is in progress.

### **Executive Director Report**

Mr. O'Donnell begins by advising that he met with Vinnie Cozzolino and Dr. Yeigh of the SUNY Institute of Technology. They are pretty close to reaching an agreement for the Advanced Manufacturing program. They are aiming to house it in the basement of the Newburgh Armory.

Mr. O'Donnell also notes that he's spoken with Mr. Zuckerman regarding a medical project in Goshen, and the two will discuss IDA incentives.

He also advises that there have been a number of phone conversations between himself, Mr. Remillard of CPV and Mr. McCarey of Orange County Real Property. They are getting closer to reaching an agreement on the PILOT, and the discussions are moving in a positive direction.

Mr. O'Donnell notes that the still-ongoing IBM audit was discussed at the audit committee meeting. Mr. O'Donnell would like the audit firm, JGS, to talk to the board about a proposal to audit all IDA projects, to really pinpoint how many jobs have been created and how much capital has been invested. JGS will attend May's meeting to present the plan to the Board.

He notes that he has met with Central Hudson, who is being purchased by a Canadian company. Central Hudson has put an extra \$5M in a separate account just for economic development in Orange, Ulster and Dutchess counties.

With regard to Dynergy, Mr. O'Donnell met with Wayne Booth. In addition, Mr. O'Donnell and the County Executive met with the school board.

There were a few ribbon cuttings in the past month, and the Hoboken Film Festival will be in Middletown May 31 through June 7. In part, the festival is due to the IDA assistance received by Paramount Theatre. Orange County is a \$5K sponsor for the festival, and the County has also offered the use of a County-owned billboard. In addition, there are three great projects coming up with HVEDC.

Lastly, the NYS Economic Development Council annual meeting will take place May 22<sup>nd</sup>, and Mr. O'Donnell would like the Board to authorize \$2K to become a sponsor at the meeting. As the most active IDA in the state, Chairman Armistead believes a sponsorship would be an excellent investment.

Motion made by Brescia, seconded by Schreibeis, to authorize \$2,000 for NYEDC annual meeting sponsorship. Affirmative votes of all members present resulted in motion carried.

### **OCBA Report**

Mr. Gates begins by thanking the members for their support, and thanks those who were able to attend the press conference earlier in the day. As of today, there are 5 new full time clients of the Accelerator and 4 new associate clients. He and Mr. Malone have been working on contacting all contestants of the Accelerator Challenge and offering them associate memberships. At this time, the Accelerator is full.

He and Mr. Malone will be visiting commercial kitchens within the month. After they've visited some kitchens, they will meet with the Armory about the possibility of starting a commercial kitchen there. Misters Gates and Malone continue to work on marketing ideas to promote the Accelerator. Mr. Gates has ensured that the Chamber event notices are being sent to IDA member emails, and reminds the Board that Chamber events do not compete with the Accelerator events.

Chairman Armistead notes that an Entrepreneurial Conference and Expo will be taking place on May 17<sup>th</sup> at the Rockland County Community College. He suggests that the Accelerator may wish to have a booth at the Expo.

### **OCP Report**

Chairman Armistead notes that Ms. Halahan will be presenting her request for another year of a Wall Street Journal ad campaign. Chairman Armistead informs the board that he and the County Executive support the effort.

Ms. Halahan begins by offering marketing updates. Analysis of the OCP website has detailed who is looking at the website, and will aid in the website design going forward. A number of features and statistics will be added to the website. In addition, they have been setting up meetings and information for trade shows.

Moving on to address the WSJ campaign, Ms. Halahan informs the Board that they will redesign the insert, but would like to hit the WSJ right before the summer time, and before their site tour. She reminds the Board of the statistics from last year, and notes that 128 calls and one closed deal came from the ad last year. Chairman Armistead adds that the timing is right to run an ad again. This year's ad will cost \$29,951.69.

Ms. Rogulski asks if the Partnership will get the benefit of electronic of WSJ delivery, Ms. Halahan notes that she will investigate that further. Ms. Rogulski notes that she's in favor of the ad. Mr. O'Donnell would like to see the IDA featured more prominently.

Motion made by VanLeeuwen, seconded by Rogulski, to approve the \$29,951.69 for the Orange County Partnership's Wall Street Journal Ad Campaign. Motion carries with all in favor.

Chairman Armistead notes that there is a lot of activity in the pipeline. Ms. Halahan goes on to detail their 25 leads to date, and 3 closed projects.

\*Project Green – Public hearing was last Monday

\*CPV – Negotiations are still ongoing, and a public hearing was held recently, with over 100 business and community leaders there to show their support for the project.

\*Project Fairway – Distribution project, 500K square feet; capital investment and job creation still to be determined.

\*Project NA1 – 1-1.2M square foot distribution site on Neelytown Rd with 300K square feet of storage outside, with 250 jobs.

\*Project Delivery – 75 acre, 460K square foot distribution facility, bringing 95 jobs and a \$26M capital investment.

\*Project Red Bird - 20 acre 150K square foot international manufacturing company bringing 400 jobs and \$30M capital investment.

Turning her attention to business retention and expansion, Ms. Halahan notes that there are 2 closed expansions, 6 pending expansions, and 7 business retention clients, and there have been a number of business visits as well. She also goes on to describe the push for film industry in the area, and a workforce training program developed in conjunction with SUNY and President Container.

Upcoming events include the April 17<sup>th</sup> spring dinner, the MVP breakfast on June 6<sup>th</sup>, and the Commercial Real Estate Summit on May 9<sup>th</sup>.

Mr. Schreiber asks about the Warwick Prison site. Ms. Halahan advises that there are local investors interested in purchasing the site, and there is a local LDC who will decide how the site is developed, and would like to develop the property for mixed use.

### **PTAC – IDA Agent Update**

Mr. DiTullo introduces the Rockland Economic Development Corporation, which offers site selection, external marketing, an IDA and a small business center. The REDC has a contract with the US Defense Department, where they administer the PTAC program for three counties – Orange, Rockland and Westchester. Liz Kallen meets with clients at the Accelerator multiple times every month; Mr. DiTullo introduces her and notes that she will offer an update on this year's progress, which was about \$33M in contracts with Orange County businesses.

Ms. Kallen thanks the Board for their continued support, and explains that PTAC primarily helps local businesses sell to Defense, Federal, State and Local governments, in addition to helping prime contractors when they use small businesses. All of PTAC's services are free, thanks in part to the funding received from Orange County. She goes on to note all of the services PTAC provides, as well as the processes of connecting businesses and government.

In 2012, \$33M came into Orange County through contracts, and PTAC increased the number of clients by over 9%, and this year Ms. Kallen would like to increase the clients by 10%. She will be spending more time in Orange County this year, and will be creating a team of organizations to spread the word about PTAC. On April 10th in Goshen, they will be partnering with the Commissioner of General Services and offering a presentation on doing business with Orange County.

Chairman Armistead asks Mr. DiTullo and Ms. Kallen to address their request for an increase in funding to \$28K. Mr. DiTullo advises that they have hired a Westchester County consultant, which allows Ms. Kallen to spend more time at the Accelerator. Mr. Vernon asks about the budget and the funding received from DOD and Westchester County. He is advised that DOD provides half of their budget, and Westchester County contributes over \$30K, which is more than Orange County IDA contributes.

Motion made by VanLeeuwen, seconded by Rogulski, to amend the agent agreement with Rockland County PTAC to provide an additional \$4K to such agent for fiscal year 2013. Motion carries with all in favor.

### **Orange County Arts Council – IDA Agent Application**

Mr. Brescia notes that Governance discussed approving \$45K for the Orange County Arts Council for the first year. There is a stipulation that the Arts Council comes back next year with an assessment of what was done for Orange County the first year. There is also a note that they cannot use the funds for certain things, such as travel and administration items.

Motion made by Brescia, seconded by Vernon, to approve the Orange County Arts Council, Inc. as an agent for economic development in the film industry. Motion carries with all in favor.

## **Procurement Policy**

Mr. Dowd advises the Board that state laws have changed regarding bidding qualifications. As a result, Exhibit J of the Bylaws needs to be amended to bring the Procurement Policy into regulation with the State General Municipal Law.

Mr. Brescia motions to accept the revision of Exhibit J of the Agency Bylaws, entitled "Procurement Policy" to bring same into compliance with recent changes to the General Municipal Law of the State of New York. Motion carries with all in favor.

## **Fairbanks Manufacturing, LLC – Initial Resolution**

Mr. Kossar, the attorney for the applicant, introduces the application to the Board. The application is being submitted so that Fairbanks may purchase their existing building – a 51K square foot building – in the Town of Walkill, as well as pay for a 16K square foot addition completed in December and a proposed second 19K square foot addition. Fairbanks is also purchasing additional equipment to expand production. The purchase price of the building is \$2.2M, the completed addition was \$750K, the second addition will be \$800K, the equipment cost is \$2.7M and the soft costs of approximately \$50K brings the total project to \$6.5M.

They are requesting the standard 10 Year PILOT, Mortgage Tax Exemption, Sales and Use Tax Exemption and, in addition, the approval of Tax Exempt Bonds through the OCFC.

He explains that Fairbanks is the manufacturing company which is wholly owned by the parent company, Medora Snacks. Medora started operation in 2008, and spent their first 3 years developing Pop Corners using contract manufacturers. After they began working with Jet Blue, they needed their own manufacturing facility and leased their existing facility, with a purchase option, in May of 2011.

The completion of the second addition will add 35 jobs, bring the total jobs to 119. The average annual wage is \$35K, and the median wage is \$55K. The bulk of the jobs are manufacturing on the production line. Mr. Vernon notices a discrepancy in the stated "expected yearly payroll" of \$2,450,000, and notes that with the wages reported the expected yearly payroll should be higher, and the application needs to be fixed.

Mr. O'Donnell advises Mr. Kossar that the application needs to be revised, and the Fairbanks should come back to the next meeting with the correct numbers. He adds that the Board cannot vote on an application without complete and accurate information.

Chairman Armistead addresses a letter from the Town of Walkill IDA, and asks if the project is in the City of Middletown or the Town of Walkill. Mr. Kossar advises that there are 2 parcels; the parcel with construction is totally within the Town of Walkill, and the second parcel in the City of Middletown, but there will be no construction on it.

Mr. Kossar offers examples of Fairbanks' products. Chairman Armistead advises Mr. Kossar to come to May's meeting, and advises him that if it is approved, there will be a public hearing. Mr. Kossar clarifies that Board is requesting updated information with regard to existing and projected payroll, as well as the average and median wages. Mr. Kossar then advises the Board that the project needs to close by the end of May, due to a contractual obligation with the seller and the lease agreement. Mr. Kossar asks if the company can close on the property and get the PILOT at a later date. Mr. Dowd advises that he will discuss the questions with Bond Counsel. The Board requests that Fairbanks comes back to the May meeting with a corrected application. The initial resolution is tabled.

## **Port Jervis Whitewater Project – Request to Extend**

Kathleen Hendrickson from the Port Jervis Whitewater project advises the Board that they are requesting an extension on their Project Expenditure through July 31<sup>st</sup> of 2013, in order to finish permit applications.

Motion made by Brescia, seconded by Schreibeis, to approve the further extension of the Project Expenditure deadline for the Port Jervis Whitewater Park project to July 31, 2013 and Authorizing the amendment of the IDA's standard Agreement. Motion carries with all in favor.

Mr. Brescia makes a motion to enter executive session pursuant to section 105(1)(g) of the open meetings law to discuss the sale or lease of real property. Motion seconded by Schreibeis. All in favor.

## *Executive Session*

The members discussed sale or lease of real property.

*End of Executive Session*

Motion to close Executive Session made by Brescia, seconded by Schreiber. All in favor. No action taken in Executive Session.

**Such other and further business as may be presented**

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Steinberg, seconded by Vernon, the time being 5:34 p.m.

DRAFT

Orange County Business Accelerator  
Profit & Loss YTD Comparison  
March 2013

	<u>Mar 13</u>	<u>Jan - Mar 13</u>	<u>Budget 2013</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Federal Tax Refund	293.12	293.12	
IDA Deposit	174,356.50	174,356.50	
Insurance Refund	13.23	13.23	
Rent-Clilents	6,179.98	17,687.06	100,000.00
Rent-HVEDC	3,025.54	9,076.62	38,400.00
Rent Sponsors	1,333.34	1,333.34	
Seminar/Sponsor			2,000.00
Utlilty Reimbursement	294.44	764.07	4,000.00
<b>Total Income</b>	<b>185,496.15</b>	<b>203,523.94</b>	<b>144,400.00</b>
<b>Expense</b>			
Admin. Salary - Ent. Dev. Dir.	3,846.20	10,000.12	40,000.00
Admin. Salary - IDA Admin Asst	4,666.65	10,904.49	40,556.00
Admin. Salary -Admin. Assistant	3,072.00	9,216.00	39,900.00
Automobile Expense	108.29	227.62	10,000.00
<b>Benefits</b>			
403B	308.95	1,103.61	
MVP	1,201.38	3,303.76	
NYSDBL	15.90	41.34	
<b>Total Benefits</b>	<b>1,526.23</b>	<b>4,448.71</b>	<b>21,000.00</b>
<b>Building Insurance</b>			<b>5,000.00</b>
Building Rent	14,647.50	43,942.50	175,770.00
Building Utilities	1,843.90	5,629.47	20,000.00
Business Accelerator Management	0.00	12,000.00	72,000.00
Contingency			5,000.00
Common Area Maintenance	3,239.42	9,718.26	44,400.00
Dues and Subscriptions	50.00	1,071.34	3,500.00
Info Technology	453.07	2,959.68	30,000.00
Marketing/PR & Web	65.00	32,628.00	150,000.00
Office Cleaning	250.00	750.00	3,000.00
Office Supplies & Postage	643.41	2,388.95	9,000.00
<b>Payroll Taxes &amp; Fees</b>			
FICA / Med	167.99	436.79	
FICA / SS	718.25	1,867.44	
FUTA	238.34	386.58	
Staff-Line Fee	202.75	527.15	
SUTA	104.48	382.56	
Workers Comp	86.90	225.94	
<b>Total Payroll Taxes &amp; Fees</b>	<b>1,518.71</b>	<b>3,826.46</b>	<b>12,000.00</b>
Professional Fees	525.00	1,800.00	6,300.00
Revenue Reimbursement to IDA	16,608.90	16,608.90	
Travel, Lodging, Meals	19.99	19.99	10,000.00
<b>Total Expense</b>	<b>53,084.27</b>	<b>168,140.49</b>	<b>697,426.00</b>
<b>Net Ordinary Income</b>	<b>132,411.88</b>	<b>35,383.45</b>	
<b>Other Income/Expense</b>			
<b>Other Income</b>			
Interest Income	27.88	41.82	
<b>Total Other Income</b>	<b>27.88</b>	<b>41.82</b>	
<b>Net Other Income</b>	<b>27.88</b>	<b>41.82</b>	
<b>Net Income</b>	<b>132,439.76</b>	<b>35,425.27</b>	



**Orange County Business Accelerator  
Profit & Loss YTD Comparison  
April 2013**

	<u>Apr 13</u>	<u>Jan - Apr 13</u>	<u>Budget 2013</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Federal Tax Refund	0.00	293.12	
IDA Deposit	0.00	174,356.50	
Insurance Refund	0.00	13.23	
Rent-Clients	5,139.34	22,826.40	100,000.00
Rent-HVEDC	3,507.90	12,584.52	38,400.00
Rent Sponsors	1,333.34	2,666.68	
Seminar/Sponsor			2,000.00
Utility Reimbursement	284.23	1,048.30	4,000.00
<b>Total Income</b>	<u>10,264.81</u>	<u>213,788.75</u>	<u>144,400.00</u>
<b>Expense</b>			
Admin. Salary - Ent. Dev. Dir.	3,076.96	13,077.08	40,000.00
Admin. Salary - IDA Admin Asst	3,118.92	14,023.41	40,556.00
Admin. Salary -Admin. Assistant	3,072.00	12,288.00	39,900.00
Automobile Expense	59.75	287.37	10,000.00
Benefits			
403B	247.16	1,350.77	
MVP	1,201.36	4,505.12	
NYSDBL	12.72	54.06	
<b>Total Benefits</b>	<u>1,461.24</u>	<u>5,909.95</u>	21,000.00
Building Insurance			5,000.00
Building Rent	14,647.50	58,590.00	175,770.00
Building Utilities	1,642.25	7,271.72	20,000.00
Business Accelerator Management	12,000.00	24,000.00	72,000.00
Contingency			5,000.00
Common Area Maintenance	6,700.78	16,419.04	44,400.00
Dues and Subscriptions	175.00	1,246.34	3,500.00
Info Technology	2,525.88	5,485.56	30,000.00
Marketing/PR & Web	8,417.00	41,045.00	150,000.00
Office Cleaning	250.00	1,000.00	3,000.00
Office Supplies & Postage	982.79	3,371.74	9,000.00
Payroll Taxes & Fees			
FICA / Med	134.40	571.19	
FICA / SS	574.59	2,442.03	
FUTA	0.00	386.58	
Staff-Line Fee	162.20	689.35	
SUTA	0.00	382.56	
Workers Comp	69.52	295.46	
<b>Total Payroll Taxes &amp; Fees</b>	<u>940.71</u>	<u>4,767.17</u>	12,000.00
Professional Fees	525.00	2,325.00	6,300.00
Revenue Reimbursement to IDA	0.00	16,608.90	
Travel, Lodging, Meals	458.29	478.28	10,000.00
<b>Total Expense</b>	<u>60,054.07</u>	<u>228,194.56</u>	<u>831,826.00</u>
<b>Net Ordinary Income</b>	-49,789.26	-14,405.81	
<b>Other Income/Expense</b>			
<b>Other Income</b>			
Interest Income	0.00	41.82	
<b>Total Other Income</b>	<u>0.00</u>	<u>41.82</u>	
<b>Net Other Income</b>	<u>0.00</u>	<u>41.82</u>	
<b>Net Income</b>	<u>-49,789.26</u>	<u>-14,363.99</u>	

Orange County Industrial Development Agency  
Income and Expense Summary  
April 2013

	Apr 13	Jan - Apr 13	Budget	\$ Over Budget
<b>Income</b>				
Closing Fees	\$ -	\$ 120,000	\$ 983,333	\$ (863,333)
Fees	\$ -	\$ -	\$ 455,000	\$ (455,000)
IDA Administrative Fees	\$ -	\$ 2,500	\$ 5,000	\$ (2,500)
Interest Earnings	\$ 1,004.46	\$ 4,132	\$ 22,000	\$ (17,868)
Pass Thru Legal Fees	\$ -	\$ 2,500	\$ 5,000	\$ (2,500)
Recovered Funds	\$ -	\$ -	\$ 255,000	\$ (255,000)
<b>Total Income</b>	<b>\$ 1,004.46</b>	<b>\$ 129,132</b>	<b>\$ 1,725,333</b>	<b>\$ (1,596,201)</b>
<b>Expense</b>				
<b>Administrative Costs</b>				
Advertising	\$ -	\$ -	\$ 1,500	\$ (1,500)
Auditors	\$ 11,500.00	\$ 11,500	\$ 13,000	\$ (1,500)
Insurance	\$ -	\$ 5,896	\$ 7,000	\$ (1,104)
Mileage	\$ -	\$ -	\$ 500	\$ (500)
OCIDA Admin. Support	\$ -	\$ -	\$ 15,000	\$ (15,000)
Office Supplies & Expenses	\$ -	\$ 1,533	\$ 5,000	\$ (3,467)
Secretary/Bookkeeper/Accountant	\$ -	\$ -	\$ 2,000	\$ (2,000)
<b>Total Administrative Costs</b>	<b>\$ 11,500.00</b>	<b>\$ 18,929</b>	<b>\$ 44,000</b>	<b>\$ (25,071)</b>
<b>Agency Contribution Costs</b>				
Hudson Valley Agribusiness Dvl.	\$ -	\$ -	\$ 25,000	\$ (25,000)
Hudson Valley Eco. Dev. Corp.	\$ -	\$ 20,000	\$ 20,000	\$ -
Hudson Valley Film Commission	\$ -	\$ -	\$ 10,000	\$ (10,000)
Hudson Valley Food & Beverage	\$ -	\$ -	\$ 20,000	\$ (20,000)
O.C. Empire Zone	\$ -	\$ -	\$ 5,000	\$ (5,000)
O.C. Foreign Trade Zone	\$ -	\$ -	\$ 25,000	\$ (25,000)
O.C. Partnership	\$ -	\$ -	\$ 200,000	\$ (200,000)
Orange County NY Arts Council	\$ -	\$ -	\$ 45,000	\$ (45,000)
Patterns for Progress	\$ -	\$ -	\$ 17,000	\$ (17,000)
PTAC	\$ -	\$ -	\$ 28,000	\$ (28,000)
<b>Total Agency Contribution Costs</b>	<b>\$ -</b>	<b>\$ 20,000</b>	<b>\$ 395,000</b>	<b>\$ (375,000)</b>
<b>Legal</b>				
Legal, Pass Thru	\$ 2,500.00	\$ 2,500	\$ 5,000	\$ (2,500)
Legal - Other	\$ 4,403.00	\$ 10,542	\$ 92,000	\$ (81,458)
<b>Total Legal</b>	<b>\$ 6,903.00</b>	<b>\$ 13,042</b>	<b>\$ 97,000</b>	<b>\$ (83,958)</b>
<b>Other Expenses</b>				
Conferences, Seminars & Events	\$ -	\$ 412	\$ 5,000	\$ (4,588)
Promotional Expenses	\$ -	\$ -	\$ 30,000	\$ (30,000)
<b>Total Other Expenses</b>	<b>\$ -</b>	<b>\$ 412</b>	<b>\$ 35,000</b>	<b>\$ (34,588)</b>
<b>Projects</b>				
Projects	\$ 142,438.68	\$ 252,325	\$ 350,000	\$ (97,675)
<b>Total Projects</b>	<b>\$ 142,438.68</b>	<b>\$ 252,325</b>	<b>\$ 350,000</b>	<b>\$ (97,675)</b>
<b>Total Expense</b>	<b>\$ 160,841.68</b>	<b>\$ 304,708</b>	<b>\$ 921,000</b>	<b>\$ (616,292)</b>
<b>Income Over/(Under) Expense</b>	<b>\$ (159,837.22)</b>	<b>\$ (175,577)</b>	<b>\$ 804,333</b>	<b>\$ (979,910)</b>

Orange County Industrial Development Agency  
Banks Accounts/Certificates of Deposit/Money Markets Accounts  
As of April 30, 2013

Listed in order of maturity date.

#	Purchase Date	Maturity Date	# of Days	Bank	Principal	Interest Rate	Interest Amount	Status
1	10/5/07	1/4/08	91	Catskill Hudson Bank	\$ 2,820,045	5.03%	\$ 37,931.64	closed
2	12/10/07	1/15/08	36	Catskill Hudson Bank	\$ 1,000,000	4.82%	\$ 4,820.00	closed
3	12/10/07	2/19/08	71	Catskill Hudson Bank	\$ 1,000,000	4.79%	\$ 9,446.94	closed
4	1/4/08	3/18/08	74	Orange County Trust	\$ 1,000,000	4.52%	\$ 9,291.11	closed
5	1/4/08	4/15/08	102	Catskill Hudson Bank	\$ 1,000,000	4.75%	\$ 13,458.33	closed
6	1/4/08	5/20/08	137	Catskill Hudson Bank	\$ 1,000,000	4.75%	\$ 18,076.39	closed
7	1/15/08	6/17/08	154	Catskill Hudson Bank	\$ 1,000,000	4.45%	\$ 19,036.11	closed
8	2/19/08	7/15/08	147	Catskill Hudson Bank	\$ 1,000,000	3.13%	\$ 12,780.83	closed
9	7/15/08	9/17/08	63	Catskill Hudson Bank	\$ 1,000,000	3.13%	\$ 5,477.50	closed
10	8/19/08	10/15/08	55	Catskill Hudson Bank	\$ 1,000,000	3.06%	\$ 4,675.00	closed
11	9/17/08	12/17/08	91	Catskill Hudson Bank	\$ 4,800,000	3.18%	\$ 38,584.00	closed
12	10/15/08	4/15/09	182	HSBC	\$ 1,004,690	3.70%	\$ 18,793.00	closed
13	12/17/08	6/17/09	182	Orange County Trust	\$ 5,342,486	3.12%	\$ 83,114.44	closed
14	4/15/09	10/21/09	189	Orange County Trust	\$ 1,023,484	1.40%	\$ 7,419.55	closed
15	6/17/09	12/16/09	182	Orange County Trust	\$ 5,425,922	2.10%	\$ 56,816.10	closed
16	10/21/09	1/20/10	91	Catskill Hudson Bank	\$ 530,917	1.02%	\$ 1,368.88	closed
17	12/16/09	3/17/10	91	Orange County Trust	\$ 2,800,000	0.85%	\$ 5,934.00	closed
18	12/16/09	6/16/10	182	Orange County Trust	\$ 2,682,739	1.32%	\$ 17,657.56	closed
19	1/20/10	9/15/10	238	Orange County Trust	\$ 532,285	0.80%	\$ 2,776.63	closed
20	3/17/10	9/15/10	182	Catskill Hudson Bank	\$ 1,400,000	0.65%	\$ 4,600.56	closed
21	12/29/09	12/15/10	351	Orange County Trust	\$ 750,000	1.05%	\$ 7,572.95	closed
22	3/17/10	3/16/11	364	Catskill Hudson Bank	\$ 1,405,934	0.70%	\$ 9,950.89	closed
21	6/16/10	6/15/11	364	Orange County Trust	\$ 2,300,396	0.75%	\$ 17,205.70	closed
22	6/15/11	12/21/11	189	Orange County Trust	\$ 2,317,650	0.45%	\$ 5,400.44	closed
23	12/21/11	12/19/12	364	Orange County Trust	\$ 2,323,051	0.50%	\$ 11,583.43	closed
24	8/16/12	8/16/13	365	Orange County Trust	\$ 1,400,000	0.50%	\$ 6,992.82	open
25	12/19/12	12/18/13	364	Orange County Trust	\$ 2,334,634	0.35%	\$ 8,148.10	open
					Amount	% of total		rate
Bank Account				Chase - checking	\$ 63,228	1%	bank account	0.10%
Certificates of Deposit				Orange County Trust	\$ 3,734,634	48%	CD	
Money Market				Orange County Trust	\$ 4,036,106	52%	MM	0.30%
				total	\$ 7,833,968	100%		

Orange County Funding Corporation  
As of April 30, 2013

	Amount	% of total		rate
Chase - checking	\$ 90,251	13%	bank account	0.10%
Orange County Trust	\$ 600,005	87%	MM	0.30%
total	\$ 690,256	100%		



**ORANGE COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY**  
County Government Center  
Goshen, New York 10924

Robert Armistead, Chairman  
Mary Ellen Rogulski, Vice Chairman  
Stephen Brescia, Secretary  
John Steinberg, Jr., Assistant Secretary  
Henry VanLeeuwen  
Robert J. Schreibeis, Sr.  
Russell O. Vernon

James O'Donnell, Executive Director  
Joel Kleiman, Chief Financial Officer  
Kevin Dowd, Attorney  
Laurie Villasuso, Administrative Assistant

**PROJECT EXPENDITURE APPLICATION FORM**

**ORGANIZATION**

Name of Organization: Minisink Chapter, National Society Daughters of the American Revolution

DATE: April 25, 2013

Project Title: "Installation of New Floor at the Old Stone Schoolhouse"

Address: 177 Benedict Road

City/Zip Code: Montgomery, NY 12549

Telephone: (845) 457-4895 E-mail Address: vsmoore1@earthlink.net

Name of Contact: Virginia S. Moore

Title: Regent, Minisink Chapter

Specific amount requested from Orange County IDA: \$4,000.00

Have you received any Project Expenditures or other forms of assistance from the Orange County Industrial Development Agency in the past? Yes Date and amount: 27 Feb., 2013 - \$2,000.00

Have you received any other assistance from other agencies or organizations? Yes

If yes, please indicate from whom and the type or amount: \$750 grant from Orange County through the County Historian's Office in 2012. \$1,500.00 has been awarded from Orange and Rockland Utilities but has not been received.

(Please remember that your request will receive the same consideration whether or not you have had previous requests in the past with the Orange County IDA.)

## **ORGANIZATION BACKGROUND**

See prior application.

## **DESCRIPTION OF PROJECT**

The goals of our organization and economic benefit to the county relating to tourism have been described in our prior application.

Update: Good news! Minisink Chapter has received a gift of additional land from Mr. Albert Fini to give us a buffer from the new homes that will be built around the schoolhouse.

We have installed an old fashioned gutter along the rear roof line to improve drainage. On April 29th we will begin the demolition of three layers of old flooring. We will then pour a concrete slab to serve as a foundation for new pine flooring. E. Tetz and Son will oversee this work. While all of the antique desks, chairs, and pot bellied stove are out of the building and securely housed in a trailer loaned to us by business owner Paul Congelosi, we would like to complete the restoration of the floor. When this is done we can open the building to the public which will further promote interest and tourism. It may also encourage donations from visitors so that we may continue interior improvements to the walls next year. We are so grateful for the generosity of Orange County businessmen and local citizens!

We would like to install new 3/4" tongue-and-groove yellow pine flooring in random widths: 6", 8", and 10." The boards will be randomly installed and face-nailed by hand with steel cut, square-headed nails for that rustic look. The floor will receive one coat of stain followed by two coats of polyurethane. Please see the attached estimate from Robert Waltke and Son Co., LLC. These contractors did masterful work last fall sealing the eaves and installing soffits at the schoolhouse.

## **BUDGET**

Specific amount requested from the Orange County Industrial Development Agency: \$4,000.00.

Estimate is attached. Our detailed financial information was included in our prior application.

## **TARGET POPULATIONS AND PERFORMANCE SITE(S)**

See former application.

## **EVALUATION**

An appraisal of the physical improvements should suffice.

## **PLEASE RETURN THIS APPLICATION TO:**

Orange County Industrial Development Agency  
Orange County Government Center  
255 Main Street  
Goshen, NY 10924

**Subject:** Schoolhouse proposal

**From:** Timothy Waltke <robertwaltkeandson@hotmail.com>

**Date:** Tue, 19 Feb 2013 17:24:30 -0500

**To:** Ginger Moore <vsmoore1@earthlink.net>

Ginger:

I have included a price for new tongue and groove flooring in random widths 6", 8" and 10". They will be installed randomly and face nailed by hand with steel cut, square headed nails for that rustic look. I will stain 1 coat; and polyurethane 2 coats.

*Timothy Waltke, Partner*

*Robert Waltke and Son Company LLC*

*(845) 702-1149*

**Goshen schoolhouse floor install 2013.doc**

**Content-Type:** application/msword

**Content-Encoding:** base64

**Robert Waltke and Son Company LLC**  
 Interior and Exterior Renovations  
*A family owned and operated business serving the Hudson Valley since 1958.*  
 (845) 339-0356 or (845) 702-1149  
 robertwaltkeandson@hotmail.com

**Proposal for:**

Minisink Chapter NSDAR  
 Virginia S. Moore: Regent  
 177 Benedict Rd.  
 Montgomery, NY 12549

**Date:** February 19, 2012

**Job Location:**

2275 State Route 17A  
 Goshen, NY 10924

**We hereby submit specifications and estimates for:**

Description	Materials		Labor
Demo the existing floor and support interior walls.	Dumpster, demo saw rental & fuel	\$ 750.00	\$ 920.00
Grade existing dirt floor			\$ 115.00
Install item four and compact	Item four, Loader and plate compactor rental & fuel	\$ 800.00	\$ 920.00
Install 6 mil plastic on floor	6 mil plastic sheeting	\$ 150.00	\$ 115.00
Install 6" x 6" x #10 WWM (wire)	Remesh wire & chairs	\$ 300.00	\$ 345.00
Install two cables to stabilize the walls	Cable & supports	\$ 60.00	\$ 345.00
Pour concrete 4" thick to cover entire area	Concrete	\$1,500.00	\$1,240.00
Trowel to make a semi-smooth surface	Power trowel rental & fuel	\$ 320.00	\$ 600.00
Install new ¾" T&G yellow pine flooring, random widths	Treated 2" x 4"s T&G yellow pine, 2 gal stain, 2 gal polyurethane	\$2261.00	\$3000.00
Install gutter and leader	Gutter, leader and accessories	\$ 400.00	\$ 600.00
Clean up	Trash bags	\$ 19.00	\$ 85.00
Truck Fuel Charge		\$ 220.00	
<b>Total</b>		<b>\$6,780.00</b>	<b>\$8,285.00</b>

**We propose hereby to furnish material and labor – complete in accordance with above specifications, for the sum of: \$15,065.00\*\* fifteen thousand sixty five dollars.**

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate.

Contractor's Signature \_\_\_\_\_ Date \_\_\_\_\_

\* Note: This proposal may be withdrawn by us if not accepted within 90 days.

**Acceptance of Proposal** – The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work specified.

Signature \_\_\_\_\_ Date of Acceptance \_\_\_\_\_



**ORANGE COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY**  
County Government Center  
Goshen, New York 10924

Robert Armistead, Chairman  
Mary Ellen Rogulski, Vice Chairman  
Stephen Brescia, Secretary  
John Steinberg, Jr., Assistant Secretary  
Henry VanLeeuwen  
Robert J. Schreibeis, Sr.  
Russell O. Vernon

James O'Donnell, Executive Director  
Joel Kleiman, Chief Financial Officer  
Kevin Dowd, Attorney  
Laurie Villasuso, Administrative Assistant

**PROJECT EXPENDITURE APPLICATION FORM**

**ORGANIZATION**

Name of Organization: Hoboken International Film Festival DATE: April 25, 2013

Project Title: Hoboken International Film Festival

Address: 886 Belmont Ave. Suite 7.

City/Zip Code: North Haledon, NJ 07508

Telephone: 973-304-1993 E-mail Address: HobokenFilmFest@optonline.net

Name of Contact: Kenneth Del Vecchio

Title: Chairman

Specific amount requested from Orange County IDA: \$ 5,000

Have you received any Project Expenditures or other forms of assistance from the Orange County Industrial Development Agency in the past?  Yes  No Dates and amounts \_\_\_\_\_

Have you received any other assistance from other agencies or organizations?  Yes  No  
If yes, please indicate from whom and the type or amount. We have had numerous sponsors of all types during the several years of HIFF's existence. The wide range of sponsors, who have provided products, services, and/or cash have included: Fox, MY, WCBS-FM, NYPost, The Jersey Journal, CBS, Coca-Cola, Anheuser Busch, News 12, TD Bank, Middletown, NY, NY Waterway, Crown Plaza, City of Hoboken, The Sheridan, Comfort Inn, Mid Hudson News, Stoli Vodka, Cedar Lane Cinema, Actor's Connection, Breakdown Services, CD 101.9, The Marriot, and many others.

(Please remember that your request will receive the same consideration whether or not you have had previous requests in the past with the Orange County IDA.)

## **ORGANIZATION BACKGROUND**

(Include a brief history of your organization.)

Now in its eighth year, the 2013 Hoboken International Film Festival (“HIFF”) is being held May 31 to June 6, 2013 at the breathtaking Paramount Theater in Middletown, New York. With the Gala Awards Ceremony hosted by Gilbert Gottfried, HIFF will showcase numerous film and TV stars, and the world’s most cutting edge films. HIFF continues to grow – in 2012 HIFF had over 1,500 film submissions from all over the world, and accepted just over 90 films (the competition is fierce). Festival attendance has eclipsed 15,000 people in each of the past few years. A star-filled event, HIFF has had several Academy Award and Emmy winners and nominees, and numerous other fan-favorite celebrities at screenings, award ceremonies and special events.

With a celebrity jury comprised of Academy Award and Emmy winners, and powerhouse partners that include The New York Post, WCBS FM, ShopRite, News 12, The Comfort Inn, Anheuser-Busch, RealBeanz, Breakdown Services, Mid-Hudson News, Zombie Apocalypse Vodka, SDL, Middletown Press, Healey Brothers, Charity Kases Cosmetics, the Paramount Theater, and many more, HIFF is a worldwide renowned film festival.

Academy Award nominee ERIC ROBERTS (The Pope of Greenwich Village; The Expendables; The Specialist; Star 80) will personally accept the 2013 HIFF Lifetime Achievement Award at the HIFF Gala Awards Ceremony on June 6, 2013...Past recipients of the HIFF Lifetime Achievement award include Robert Loggia (Academy Award & Emmy Nominee; Independence Day; Scarface; Jagged Edge; Big); Cloris Leachman (Academy Award, 4-Time Golden Globe, 19-Time Emmy Winner & Nominee); Paul Sorvino (Goodfellas; Romeo + Juliet; The Cooler; Nixon); Billy Dee Williams (Empire Strikes Back; Return of the Jedi; Batman; Lady Sings the Blues; Emmy nominee), Carroll Baker (Academy Award Nominee & Golden Globe Winner; How the West Was Won, Baby Doll, Kidergarten Cop); and Charles Durning (2-Time Academy Award, 4-Time Golden Globe, 8-Time Emmy winner & nominee; Tootsie; The Sting; O’ Brother Where Art Thou).

HIFF awards the winning filmmakers with cash prizes in several categories. There are also awards given in several other categories, and there are numerous top distribution companies in attendance of the festival and monitoring the Official Selections...And then there is the very special New York Post Feature Film Trailer Competition held on NYPost.com!

## **DESCRIPTION OF PROJECT**

(Please indicate the amount of the project, capital investment, job creation and economic benefit to Orange County and its residents. Please provide a concise description of the need or problem to be addressed. Include the overall goals and purposes of your organization or specific department concerned, the specific purpose of the funds, and how the objective will be accomplished. Moreover, what is unique about your program? Include photos, drafts, charts, drawings, supporting documentation and any phasing, if more than one. Indicate what years funding represents and a breakdown. Please attach additional pages if more space is needed.)

See above in Organization Background. Also, HIFF has just moved from NJ to Orange County, NY (Middletown, NY). The festival will be held at the historic Paramount Theater in Middletown, NY and hopes to not only attract numerous festival goers from Middletown and Orange County, but from people all throughout the tri-state area, the United States and internationally, as officially selected films and their filmmakers come from all around the world. The festival has numerous means of advertising and publicity through its sponsors (TV, radio, newspaper, internet) to attract festival goers and attention to the festival, which hopefully benefits Orange County and its residents and businesses. Funds are intended to be used for and replenish costs already expended for advertising, marketing and promotion of the festival, as well as other festival operating expenses.

## **BUDGET**

Specific amount requested from the Orange County Industrial Development Agency: \$ 5,000  
(Please include an itemized budget for this project and total program, your current sources of income and expenses, a balance sheet for the past year and contributions from other institutions or organizations, if any.)

The budget is comprised of numerous line items including for persons working at the festival, advertising/marketing/promotion, equipment, services rendered to the festival, and other matters relating to the operation of the festival.

## **TARGET POPULATIONS AND PERFORMANCE SITE(S)**

(This project must show its benefits to all of Orange County and the residents or describe the unique benefit to a specific segment of Orange County that may not happen if the Orange County IDA were to reject this Project Expenditure.)

Please see the above description of the festival. We are targeting for attendance and awareness of the festival all the types of peoples as described above. We believe that this event is wholly and totally unique to Orange County, and it will attract all kinds of persons and attention to the county which ordinarily would not occur.

The festival will be held at the historic Paramount Theater in Middletown, NY. All the festival's screenings will be held there, as well as its key signature events, such as the Filmmaker's Reception & Opening Night Celebrations, and the Gala Award Ceremony (red carpet events).

The festival website – [www.HobokenInternationalFilmFestival.com](http://www.HobokenInternationalFilmFestival.com) – will provide further information.

## **EVALUATION**

(How will you determine the impact of this project if funded? [For example, a survey, appraisal of physical improvements or attendance figures.] Please be specific.)

Attendance figures and publicity.

## **PLEASE RETURN THIS APPLICATION TO:**

Orange County Industrial Development Agency  
Orange County Government Center  
255 Main Street  
Goshen, NY 10924

**RONALD S. KOSSAR**

ATTORNEY AT LAW

402 EAST MAIN STREET  
POST OFFICE BOX 548  
MIDDLETOWN, NEW YORK 10940

TELEPHONE (845) 343-5111  
TELECOPIER (845) 343-5222  
E-MAIL rsklaw@frontiernet.net

April 30, 2013

James O'Donnell, Executive Director  
Office of Economic Development  
Orange County Government Center  
255-275 Main Street  
Goshen, NY 10924

Re: Fairbanks Mfg LLC with Orange County  
Industrial Development Agency  
Premises located at 79 Industrial Place  
in Town of Wallkill and the City of  
Middletown, Orange County, New York  
Section 36, Block 2, Lot 37.11 (Wallkill)  
Section 3, Block 1, Lot 5 (Middletown)  
Application for Financial Assistance  
Under PILOT Program

Dear Jim:

Please be advised that this office represents Fairbanks Mfg LLC, a wholly-owned subsidiary of Medora Snacks, LLC ("Fairbanks") in reference to the above-captioned matter.

Accordingly, as a supplement to my previous letters addressed to your office dated March 14, 2013 and March 26, 2013, respectively, enclosed herein please find the Medora Snacks LLC/Fairbanks Mfg LLC Combined Payroll Schedule for the Week ending April 12, 2013 in further support of my client's Application for Financial Assistance Under the PILOT Program of the Orange County Industrial Development Agency.

Please be advised that Paragraphs 10 and 10(i) on Page 6 of my client's Application for Financial Assistance Under PILOT Program are hereby amended to provide that (i) existing jobs retained are 99 rather than 84 as my client has created an additional 15 jobs since January 1, 2013; (ii) that the new jobs to be created are 20 rather than 35; (iii) that the permanent number of jobs remains at 119 as set forth therein; and (iv) that the expected Yearly Payroll is \$3,703,893.38 rather than \$2,450,000.00.

As set forth in the enclosed Medora Snacks LLC/Fairbanks Mfg LLC Combined Payroll Schedule, based upon the 99 existing employees (i) the Average Gross Pay is \$700.56 per week (\$36,429.12 per year); (ii) the Median Gross Pay is \$490.00 per week (\$25,480.00 per year) with a projected Annual Payroll for Year 2014 of \$3,703,893.38.

James O'Donnell, Executive Director  
Office of Economic Development

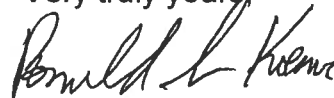
April 30, 2013  
Page 2

This is to confirm that this matter has been placed on the Orange County Industrial Development Agency Agenda at its next regularly scheduled meeting on May 15, 2013 at 3:00 p.m. to be held at the Newburgh Armory located at 321 South William Street, Newburgh, New York.

Thank you for your assistance and courtesies extended in this matter.

If you have any questions or wish to discuss this matter further, please do not hesitate to contact my office.

Very truly yours,



RONALD S. KOSSAR

RSK/jaz

Enclosures

cc: Fairbanks Mfg LLC (w/encls.)  
(sent via email)  
Russell E. Gaenzle, Esq. (w/encls.)  
Harris Beach PLLC  
(sent via email)

HAND DELIVERED

**PRELIMINARY RESOLUTION**  
*(Fairbanks MFG LLC Project)*

A regular meeting of the Orange County Industrial Development Agency held on May 15, 2013, at 3:00 p.m. (local time) at the Newburgh Armory Unity Center, 321 South William St., Newburgh, New York 12550.

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a proposed project for the benefit of Fairbanks MFG LLC.

RESOLUTION (i) ACCEPTING THE APPLICATION OF FAIRBANKS MFG LLC WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW) TO BE LOCATED ON APPROXIMATELY 5.70-ACRES IN THE TOWN OF WALLKILL, ORANGE COUNTY, NEW YORK, (ii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT TO SUCH PROJECT, (iii) MAKING A DETERMINATION WITH RESPECT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT ("SEQR"), AND (iv) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO SUCH PROJECT.

WHEREAS, by Title I of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 390 of the Laws of 1972 of the State of New York, (hereinafter collectively called the "Act"), the **ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called the "Agency") was created with the authority and power and for the purpose of, among other things, acquiring, constructing, reconstructing and equipping manufacturing, warehousing, research, commercial, or industrial facilities as authorized by the Act; and

WHEREAS, **FAIRBANKS MFG LLC**, a limited liability company formed and validly existing under the Laws of the State of New York, for itself or on behalf of an entity to be designated by it (the "Company") has submitted an application (the "Application"), a copy of which is on file with the Agency, requesting the Agency's assistance with respect to a certain project (the "Project") consisting of: (i) the acquisition by the Agency of a leasehold or other interest in an approximately 5.7-acre parcel of land located at 79 Industrial Place Ext. in the Town of Wallkill, Orange County, New York (the "Land") and the existing improvements located thereon consisting principally of an approximately 51,408 square-foot building, parking and related improvements (the "Existing Improvements"), (ii) the construction on the Land of an approximately 16,860 square-foot addition to the Existing Improvements to accommodate the Company's expanding food manufacturing and distribution business (the "Improvements"); and (iii) the acquisition and installation in and around the Existing Improvements and the Improvements of certain items of equipment, machinery and other tangible personal property (the "Equipment" and, collectively with the Land, the Existing Improvements and the

Improvements, the "Facility"); all to be used by the Company in its business of manufacturing and distributing snack foods; and

WHEREAS, the Company has submitted to the Agency a Short Environmental Assessment Form ("EAF") with respect to the Project, a copy of which is attached hereto as Exhibit A; 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 an agent agreement (the "Agent Agreement"), pursuant to which the Agency will appoint the Company as its agent for the purpose of acquiring, constructing and equipping the Facility, (ii) negotiate and enter into a lease agreement (the "Lease Agreement"), a leaseback agreement (the "Leaseback Agreement") and a payment-in-lieu-of-tax agreement (the "PILOT Agreement"), (iii) take title to, or a leasehold interest in, the Land, the Existing Improvements, the Improvements, the Equipment and personal property constituting the Facility (once the Lease Agreement, Leaseback Agreement and PILOT Agreement have been negotiated), and (iv) provide financial assistance to the Company in the form of (a) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Facility, (b) a partial real property tax abatement structured within the PILOT Agreement, and (c) a mortgage recording tax exemption for financing or re-financing related to the Project (collectively the "Financial Assistance").

NOW, THEREFORE, BE IT RESOLVED by the Orange 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) 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 Orange County, New York, 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; and

(E) The Project involves an "Unlisted Action" as said term is defined under SEQR. The review is "Uncoordinated", as defined under SEQR. Based upon the review by the Agency of 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 such quoted terms are defined in SEQR; and (iii) no "environmental impact statement" as such quoted term is defined in SEQR, need be prepared for this action. This determination constitutes a negative declaration for purposes of SEQR. The Agency's findings are incorporated in Part II of the EAF.

Section 2. The Chairman, Vice Chairman 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 the terms of (A) an Agent Agreement, pursuant to which the Agency appoints the Company as its agent to undertake the Project, (B) a Lease Agreement, pursuant to which the Company leases the Facility to the Agency, (C) a related Leaseback Agreement, pursuant to which the Agency conveys its interest in the Facility back to the Company, (D) a PILOT Agreement and (E) related documents; *provided*, the provisions of the Agent Agreement and 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.

Section 3. The Agency is hereby authorized to conduct a public hearing in compliance with the Act.

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.



The question of the adoption of the foregoing Resolution was duly put to vote on roll call, which resulted as follows:

	<u><i>Yea</i></u>	<u><i>Nay</i></u>	<u><i>Absent</i></u>	<u><i>Abstain</i></u>
Robert Armistead				
Mary Ellen Rogulski				
Stephen Brescia				
John Steinberg, Jr.				
Henry VanLeeuwen				
Robert Schreibeis, Sr.				
Russell O. Vernon				

The Resolution was thereupon declared duly adopted.

STATE OF NEW YORK )  
COUNTY OF ORANGE ) ss:

I, the undersigned Secretary of the Orange County Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the foregoing extract of the minutes of the meeting of the Orange County Industrial Development Agency (the "Agency") including the resolution contained therein, held on the 15<sup>th</sup> day of May, 2013, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with Article 7.

I FURTHER CERTIFY that there was a quorum of the members of the Agency 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 modified.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of said Agency this 15<sup>th</sup> day of May, 2013.

---

Stephen Brescia, Secretary

[SEAL]

EXHIBIT A

Short Form EAF

(See Attached)

**ORANGE COUNTY**  
INDUSTRIAL DEVELOPMENT AGENCY  
Orange County Office of Economic Development  
Orange County Government Center, 255 Main Street, Goshen, NY 10924

**PRELIMINARY APPLICATION**

APPLICANT NAME / COMPANY Pharmline, Inc.

MAILING ADDRESS MUNICIPALITY & SCHOOL

41 Bridge Street, Florida, NY 10921  
Florida School District

CONTACT (NAME, ADDRESS, PHONE NO.)

Steve Graham, CFO  
4120 N. Palm St., Fullerton, CA 92815  
714-441-3663

ATTORNEY

DLA Piper  
Mr. Joseph Alexander, 1201 W. Peachtree St., Atlanta, GA 30309

PROPERTY LOCATION 41-45 Bridge Street, Florida, NY 10921

TOTAL PLANNED EXPENDITURE \$2,500,000 - \$4,500,000

EXPECTED EMPLOYEES Retain current workforce of 75 employees and anticipate an additional 5-7 employees within 24 mths. post construction as sales volume increases

AMOUNT OF PROPOSED BOND ISSUE N/A

BOND PURCHASER N/A

COMMITMENT STATUS

DESCRIPTION OF PROJECT

\$2.5 million upgrade of existing production facilities to comply with cGMPs for nutraceutical and dietary supplement industry. Install new HVAC system, humidity and dust control systems, new floors, drains, ceilings and walls, upgrades to electrical and plumbing. Potential \$2.0 million construction of new warehouse on existing property, feasibility study underway.

FINANCIAL INFORMATION

PROJECTED IDA FEE \$

DATE:

---

*For More Information Contact:*  
**James O'Donnell**  
**Executive Director**  
*Orange County Government Center*  
*255 Main Street*  
*Goshen, NY 10924*  
*Tel: 845-291-2700, Fax: 845-291-2724*  
*[business@orangecountygov.com](mailto:business@orangecountygov.com)*

Updated 08/2012

ORANGE COUNTY  
INDUSTRIAL  
DEVELOPMENT  
AGENCY

APPLICATION FOR  
FINANCIAL ASSISTANCE

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Pharmline, Inc.  
(Applicant Name)

**James O'Donnell**  
**Executive Director**

Office of Economic Development  
Orange County Government Center  
255 Main Street  
Goshen, NY 10924  
Tel: 845-291-2700  
[ww.orangecountygov.com](http://ww.orangecountygov.com)  
[jodonnell@orangecountygov.com](mailto:jodonnell@orangecountygov.com)

Updated August 2012

# ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

## APPLICATION FOR FINANCIAL ASSISTANCE

### I. APPLICANT INFORMATION

Company Name: \_\_\_\_\_ Pharmline, Inc. \_\_\_\_\_  
Mailing Address: \_\_\_\_\_ 41 Bridge Street Florida, NY 10921 \_\_\_\_\_  
Phone No.: \_\_\_\_\_ 845-651-4443 \_\_\_\_\_  
Fax No.: \_\_\_\_\_ 845-651-6900 \_\_\_\_\_  
Fed Id. No.: \_\_\_\_\_ 13-4052557 \_\_\_\_\_  
Contact Person: \_\_\_\_\_ Steve Graham, CFO \_\_\_\_\_

Principal Owners/Officers/Directors (list owners with 15% or more in equity holdings with percentage ownership):

ICV Partners II, L.P.  
ICP Partners  
1201 W. Peachtree St., Suite 2800, Atlanta, GA 30309

Corporate Structure (*attach schematic if applicant is a subsidiary or otherwise affiliated with another entity*) **See Attached**

#### Form of Entity

D Corporation SPH Holdings, Inc. (90-0831119)

Date of incorporation: 11/1/2010

State of incorporation: Delaware

D Partnership

General or Limited \_\_\_\_\_

Number of general partners \_\_\_\_\_

If applicable, number of limited partners \_\_\_\_\_

Date of formation \_\_\_\_\_

Jurisdiction of Formation \_\_\_\_\_

D Limited Liability Company/Partnership (number of members \_\_\_\_\_)

Date of organization \_\_\_\_\_

State of organization \_\_\_\_\_

D Sole Proprietorship

If a foreign organization, is the applicant authorized to do business in the State of New York? N/A

**APPLICANT'S COUNSEL** DLA Piper

**Name:** Mr. Joseph Alexander

**Address:** 1201 W. Peachtree St., Suite 2800, Atlanta, GA 30309

**Phone:** 212-335-4774

**Fax No.:** \_\_\_\_\_

**II. PROJECT INFORMATION**

**A) Describe the proposed acquisitions, construction or reconstruction and a description of the costs and expenditures expected.**

Upgrade existing plant infrastructure to meet cGMP requirements for dietary supplement facilities, installation of drains, new floors, water-proof ceiling tiles, Marlite walls, new HVAC, humidity and dust collection systems, food grade impact doors, electrical and plumbing upgrades – approx. cost \$2.5 M for materials and labor.

Potential construction a new 23,000 sq. ft. warehouse on existing premises, estimated cost \$2.0 M. Feasibility study in process

**B) Furnish a copy of any environmental application presently in process of completion concerning this project, providing name and address of the agency, and copy all pending or completed documentation and determinations.**

N/A

If any of the above persons, or a group of them, owns more than a 50% interest in the company, list all other organizations which are related to the company by virtue of such persons having more than a 50% interest in such organizations.

N/A

Is the company related to any other organization by reason of more than 50% common ownership? If so, indicate name of related organization and relationship.

No

Has the company (or any related corporation or person) made a public offering or private placement of its stock within the last year? If so, please provide offering statement used.

No

**Project Data**

1. Project site (land)

(a) Indicate approximate size (in acres or square feet) of project site.

60,000 sq. ft. existing plant upgrade, potential 23,000 sq. ft. new warehouse  
\_\_\_\_\_

(b) Are there buildings now on the project site?

Yes     No

(c) Indicate the present use of the project site.

Nutraceutical and dietary supplement manufacturer and distributor  
\_\_\_\_\_

(d) Indicate relationship to present user of project.

Same  
\_\_\_\_\_

2. Does the project involve acquisition of an existing building or buildings? If yes, indicate number, size and approximate age of buildings:

No  
\_\_\_\_\_

3. Does the project consist of the construction of a new building or buildings? If yes, indicate number and size of new buildings:

Potentially new 23,000 sq. ft. warehouse (1)  
\_\_\_\_\_

4. Does the project consist of additions and/or renovations to existing buildings? If yes, indicate nature of expansion and/or renovation:

New HVAC, humidity control and dust collection systems, food grade impact doors, floor drains, DI water system, lower ceiling height and install water-proof ceiling tiles, cover existing walls with Marlite, refinish floors with epoxy-type surface coating. General electrical and plumbing upgrades.  
\_\_\_\_\_

5. What will the building or buildings to be acquired, constructed or expanded be used for by the company? (Include description of products to be manufactured, assembled or processed, and services to be rendered. . .

No change, nutraceutical and dietary supplement processor and distributor  
\_\_\_\_\_

. . . *including* the percentage of building(s) to be used for office space and an estimate of the percentage of the functions to be performed at such office not related to the day-to-day operations of the facilities being financed.)

No upgrades to office space, current office space < 15% of total bldg. sq. footage, which is approx. 90,000 sq. ft.  
\_\_\_\_\_



6. If any space in the project is to be leased to third parties, indicate total square footage of the project amount to be leased to each tenant and proposed use by each tenant.

No

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7. List principal items or categories of equipment to be acquired as part of the project.

HVAC, humidity, DI water systems, food grade Impact doors, electrical and plumbing upgrades

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8. Has construction work on this project begun?

Complete the following

(a) site clearance	Yes	<input type="checkbox"/> No	%complete
(b) foundation	Yes	<input type="checkbox"/> No	%complete
(c) footings	Yes	<input type="checkbox"/> No	%complete
(d) steel	Yes	<input type="checkbox"/> No	%complete
(e) masonry work	Yes	<input type="checkbox"/> No	%complete
(f) other (describe below)	Yes	<input type="checkbox"/> No	%complete

9. Will any of the funds borrowed through the Agency be used for refinancing?

NO

---

10. Is a purchaser for the bonds in place? N/A

**COST BENEFIT ANALYSIS: (excludes potential new warehouse)**

	<u>Costs=</u> <u>Financial Assistance</u>	<u>Benefits=</u> <u>Economic Development</u>
Estimated Sales Tax Exemption	\$ <u>115,000</u>	New Jobs Created 5-7 post construction
		Existing Jobs Retained 75
Estimated Mortgage Tax Exemption	\$ <u>N/A</u>	Private Funds invested \$2.5 M - \$3.0 M
		Other Benefits _____
Estimated Property Tax Abatement	\$ <u>TBD</u>	Expected Yearly Payroll \$4.0 M
Estimated Interest Savings IRB Issue	\$ <u>N/A</u>	Expected Gross Receipts \$45.0 M

B) Project Address: 41-45 Bridge St, Florida, NY 10921

Tax Map Number 335401 107-1-4.2  
(Section/Block/Lot)

Located in City of \_\_\_\_\_

Located in Town of Florida

Located in Village of \_\_\_\_\_

School District of Florida

C) Are utilities on site?

Water Y Electric Y

Gas Y Sanitary/Storm Sewer Y

D) Present legal owner of the site SPH Holdings, Inc.

If other than from applicant, by what means will the site be acquired for this project? N/A

E) Zoning of Project Site: Current: Y Proposed: potentially new whse

F) Are any variances needed? No

G) Principal use of project upon completion: Manufacturing and distribution

H) Will the project result in the removal of a plant or facility of the applicant from one area of the State of New York to another? No

Will the project result in the removal of a plant or facility of another proposed occupant of the project from one area of the State of New York to another area of the State of New York? No

Will the project result in the abandonment of one or more plants or facilities located in the State of New York? No

I) Estimate how many construction/permanent jobs will be created or retained as a result of this project and the estimated annual salary range:

Number of jobs created	Estimated Annual Salary Range	
Construction: 10	\$ 100,000	to \$ 125,000
Permanent: 5 - 7	\$ 125,000	to \$ 210,000
Retained: 75	\$ 3,700,000	to \$ 4,100,000

J) Financial Assistance being applied for:

	Estimated Value
<u>X</u> Real Property Tax Abatement	\$ TBD
<u>      </u> Mortgage Tax Exemption	\$
<u>X</u> Sales and Use Tax Exemption	\$ 115,000
<u>      </u> Issuance by the Agency of Tax Exempt Bonds	\$

K)	Project Costs (Estimates) (Excludes potential new warehouse)	
	Land	N/A
	Building Improvements	\$1,750,000
	Equipment	\$ 800,000
	Soft costs	\$ 250,000
	Other	
	Total	\$2,750,000

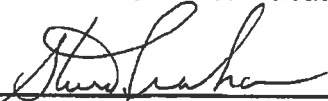
### III. REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Agency as follows:

- A. Job Listings In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the proposed project must be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entitle") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JPTA") in which the project is located.
- B. First Consideration for Employment In accordance with Section 858-b(2) of the General Municipal Law, the applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant must first consider persons eligible to participate in JTPA programs who shall be referred by the JPTA Entities for new employment opportunities created as a result of the proposed project.
- C. A liability and contract liability policy for a minimum of three million dollars will be furnished by the Applicant insuring the Agency.
- D. Annual Sales Tax Fillings In accordance with Section 874(8) of the General Municipal Law, the Applicant understands and agrees that, if the proposed project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the Applicant.
- E. Annual Employment Reports The applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.

- F. Absence of Conflicts of Interest The applicant has received from the Agency a list of the members, officers, and employees of the Agency. No member, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

The Applicant and the individual executing this Application on behalf of applicant acknowledge that the Agency and its counsel will rely on the representations made in this Application when acting hereon and hereby represents that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

  
\_\_\_\_\_  
(Applicant Signature)

*Steve Graham*  
\_\_\_\_\_  
(Name of Officer)

*CFO*  
\_\_\_\_\_  
(Title)

This Application should be submitted to the Orange County Industrial Development Agency, c/o James O'Donnell, Executive Director, Orange County Government Center, 255 Main Street, Goshen, NY 10924 Tel: (845) 291-2700.

The Agency will collect an administrative fee at the time of closing.  
**SEE ATTACHED FEE SCHEDULE** (page 10)

Bond Counsel  
CHARLES SCHACHTER, ESQ./  
RUSSELL GAENZLE, ESQ.  
Harris Beach PLLC  
99 Garnsey Road  
Pittsford, New York 14534  
Tel: (585) 419-8633  
Fax: (585) 419-8817

Attach copies of preliminary plans or sketches of proposed construction or rehabilitation or both.

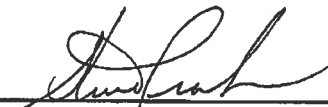
Attach the following Financial Information of the Company

1. ✓ Financial statements for last two fiscal years (unless included in company's Annual Reports).
2. Company's annual reports (or Form 10-K's) for the two most recent fiscal years. *N/A*
3. Quarterly reports (Form 10Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any. *N/A*

4. In addition, please attach the financial information described above in items 1, 2 and 3 of any expected Guarantor of the proposed bond issue, if different from the company.

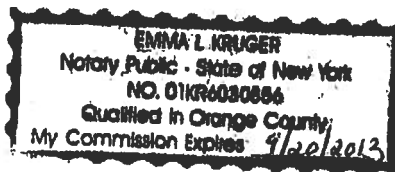
**HOLD HARMLESS AGREEMENT**

Applicant hereby releases the ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY and the members, officers, servants, agents and employees thereof (the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to reach final agreement with respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in processing of the Application, including attorneys' fees, if any.

  
(Applicant Signature)  
By: Steve Graham  
Name: \_\_\_\_\_  
Title: CFO

  
(Notary Public)

Sworn to before me this 1 day  
of May, 2013



## Labor Policy

Adopted May 18, 2006, it is the Labor Policy of the Orange County Industrial Development Agency to *encourage* all companies availing themselves of IDA benefits to use local workforce and pay prevailing wages on their project where possible.