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APPLICATION FOR FINANCIAL ASSISTANCE

MATRIX NEWBURGH I, LLC
(Applicant Name)

Robert T. Armistead
Chairman

Orange County Business Accelerator
4 Crotty Lane, Suite 100
New Windsor, NY 12553

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Updated July 2014

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR FINANCIAL ASSISTANCE

I. APPLICANT INFORMATION

Company Name: Matrix Newburgh I, LLC, c/o Matrix Development Group
Mailing Address: 3 Centre Drive, Monroe Township, NJ 08831
Phone No.: 732-521-2900
Fax No.: 609-395-8289
Fed Id. No.: 26-0851458
Contact Person: Donald M. Epstein

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

100% owned by Matrix Development Group, LLC (FIT# 22-3574637)"Matrix"

Matrix principal owners: Joseph S. Taylor-35% and Donald M. Epstein-25%("TEIF")

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

Form of Entity

☐ Corporation

Date of Incorporation: _____

State of Incorporation: _____

☐ Partnership

General: _____ or Limited: _____

Number of general partners: _____

If applicable, number of limited partners: _____

Date of formation: _____

Jurisdiction of Formation: _____

☒ Limited Liability Company/Partnership (number of members 1)

Date of Incorporation: 9-6-2007

State of Incorporation: NJ

☐ Sole Proprietorship

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

☒ Yes ☐ No

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APPLICANT'S COUNSEL

Name: David R. Everett, Esq.

Address: One Commerce Plaza, Albany, New York 12260

Phone No.: (518)487-7743

Fax No.: (518)487-7777

II. PROJECT INFORMATION

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

Construction of a new modern 565,000 sq. ft. distribution center with an aggregate cost of approximately \$48.50 million

- 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.

To be provided.

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.

Matrix and TEIF own many other real estate entities situated in New Jersey and Pennsylvania. Other entity owned that does business in New York State is 260 Ballord Road, LLC

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

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Project Data

1. Project site (land)
 - (a) Indicate approximate size (in acres or square feet) of project site.
69 acres
 - (b) Are there buildings now on the project site?
☐ Yes_ ☒ No
 - (c) Indicate the present use of the project site.
Vacant Land
 - (d) Indicate relationship to present user of project.
N/A
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:
Yes, one new building of approximately 565,000 sq. ft.
4. Does the project consist of additions and/or renovations to existing buildings? If yes, indicate nature of expansion and/or renovation:
No
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. . .
Modern Distribution Center with highly automated pharma distribution equipment

.. *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.)*
20,000 sq. ft to support day-to-day operations.

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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.

317,000 sf leased to pharmaceutical DC; remainder available for lease

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

In addition to typical distribution center equipment such as racking and conveyors, the pharmaceutical tenant will have a variety of specialized coolers, vaults, etc.

8. Has construction work on this project begun?

Complete the following

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

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

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

COST BENEFIT ANALYSIS:

<u>Costs =</u> <u>Financial Assistance</u>		<u>Benefits =</u> <u>Economic Development</u>	
Estimated Sales Tax Exemption	\$ <u>3,868,000.00</u>	New Jobs Created	<u>121</u>
		Existing Jobs Retained	<u>0</u>
Estimated Mortgage Tax Exemption	\$ <u>387,000.00</u>	Private Funds invested	<u>\$72,036,976.00</u>
Estimated Property Tax Abatement	\$ <u>10,800,000.00</u>	Other Benefits	<u>\$</u>
		Expected Yearly Payroll	<u>\$ 4,537,000</u>
Estimated Interest Savings IRB Issue	\$ <u>0.00</u>	Expected Gross Receipts	<u>\$ open</u>

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(Section/Block/Lot)Located in City of: N/A
Located in Village of: N/A
Located in Town of: Newburgh
School District of: Newburgh

C) Are utilities on site?

Water ☒ Yes ☐ No Electric ☒ Yes ☐ No
Gas ☒ Yes ☐ No Sanitary/Storm Sewer ☒ Yes ☐ No

D) Present legal owner of the site: _____

If other than from applicant, by what means will the site be acquired for this project?
Cannot type into legal owner section. Owner is applicantE) Zoning of Project Site: Current: IB Proposed: IBF) Are any variances needed? NoG) Principal use of project upon completion: Distribution centerH) 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? ☐ Yes ☒ NoWill the project result in the abandonment of one or more plants or facilities located in the State of New York? ☐ Yes ☒ 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:

	<u>Number of jobs created</u>	<u>Estimated Annual Salary Range</u>
Construction:	<u>316</u>	\$ <u>37,960</u> to \$ <u>67,080</u>
Permanent	<u>121</u>	\$ <u>37,500</u> to \$ <u>115,000</u>
Retained	<u>0</u>	\$ <u>0</u> to \$ <u>0</u>

J) Financial Assistance being applied for:

	<u>Estimated Value</u>
<input checked="" type="checkbox"/> Real Property Tax Abatement Please Indicate the term of the PILOT: <u>10</u> Years	\$ <u>10,800,000.00</u>
<input checked="" type="checkbox"/> Mortgage Tax Exemption Please Provide the Mortgage Amount: <u>\$36,800,000</u>	\$ <u>387,000.00</u>
<input checked="" type="checkbox"/> Sales and Use Tax Exemption Amount of Goods & Services to be purchased: <u>\$46,880,000</u>	\$ <u>3,868,000.00</u>
<input type="checkbox"/> Issuance by the Agency of Tax Exempt Bonds	\$ <u>0.00</u>

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K) Project Costs (Estimates)

Land	0 (owned)
Building	\$31,640,000.00
Equipment	\$26,826,976.00
Soft costs	\$8,475,000.00
Other	\$5,095,000.00
Total	\$72,036,976.00

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) ("JTPA") 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 JTPA 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:

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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.

BY: TAYLOR EPSTEIN INVESTMENT FUND, LLC,
MANAGER

(Applicant Signature)

DONALD M. EPSTEIN
(Name of Officer)

MANAGER
(Title)

This Application should be submitted to the Orange County Industrial Development Agency, c/o Robert T. Armistead, Chairman, Orange County Business Accelerator, 4 Crotty Lane, Suite 100, New Windsor, NY 12553.

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.
3. Quarterly reports (Form 10Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any.
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.

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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)

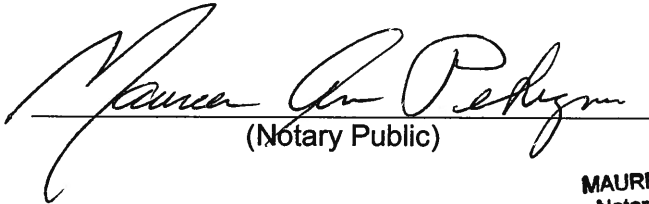
By:

Name:

Taylor/Epstein Investment Fund, LLC,
Manager

Title:

Donald M. Epstein, Manager


(Notary Public)

MAUREEN ANN PETRIGNANI
Notary Public of New Jersey
ID # 2045907
My Commission Expires June 8, 2018

Sworn to before me this 5th day

of JUNE, 2015

[stamp]

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Application Fee:

\$5,000 non-refundable, due at application, broken down as follows:

IDA Administrative Fee: \$2,500

IDA Transaction/Bond Counsel Fee: \$2,500

Closing Fee:

IDA Fee

One-percent of the first \$2,000,000 of the project cost (as identified on page 7 of this application), plus one-half percent of amount above that, due at closing.*

IDA Bond Counsel Fee

Balance due to be determined based on Project and overall structure (typically \$25,000 to \$35,000 plus out of pocket expenditures).

NOTE: IDA reserves the right to seek additional IDA and Bond Counsel fees for exceptionally complex/large transactions.

Please make all Checks payable to:

Orange County Industrial Development Agency

Mail to:

*4 Crotty Lane
New Windsor, NY 12553*

*In the event that an applicant does not seek or does not qualify for the IDA's enhanced PILOT or the equivalent of the State's 485-b program, the fee will be a straight one-half percent (0.5%) of the project cost (as identified on page 7 of this application).