Industrial Development Agency
ORANGE COUNTY | NEW YORK

Empowering Businesses. Inspiring Growth.

APPLICATION FOR FINANCIAL ASSISTANCE

AIRPORT PROPERTIES VIII, LLC

(Applicant Name)

12/13/2018

(Date of Application)

Mary Ellen Rogulski
Chairman
Orange County Business Accelerator
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New Windsor, NY 12553
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business@ocnyida.com

Updated June 1, 2018

ORANGE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR FINANCIAL ASSISTANCE

I. APPLICANT INFORMATION

Company Name: AIRPORT PROPERTIES VIII, LLC

Mailing Address: 1010 D STREET- NEW WINDSOR- NY- 12553

Phone No.: 631 275 7128

Fax No.:

Fed Id. No.: 20-3461772

Contact Person: LEE BROWNING JR

Title: MEMBER

Contact Phone No.: 631 275 7128

Contact Email: BROWNINGWORK@OUTLOOK.COM

IDA Management must be able to reach the Applicant's Contact throughout the duration of the Agreement. Should this information change at any time IDA Management should be notified Immediately. Please initial stating you understand and consent to the above KD

APPLICANT'S COUNSEL

Name: PAUL REICHEL- BOND SCHOENECK & KING PLLC

Address: ONE LINCOLN CENTER- SYRACUSE- NY - 13202

Phone No.: 315 218 8135

Fax No.: 315 218 8100

Counsel Email: REICHEP@BSK.COM

IDA Management must be able to reach the Applicant's Counsel throughout the duration of the Agreement. Should this information change at any time IDA Management should be notified Immediately. Please initial stating you understand and consent to the above KD

APPLICANT'S AUDIT CONTACT

Name: STEVEN HOWELL- RBT CPA LLC

Address: 11 RACQUET ROAD- NEWBURGH- NY- 12550

Phone No.: 845 567 9000

Fax No.: 845 567 9228

Contact Email: SHOWELL@RBTCPAS.COM

SPRING 2020

The IDA submits a mandatory annual PARIS report to the state that requires information from each project. Applicant participation is not optional, and all information must be submitted in a complete and timely manner. Please initial stating you understand and consent to the above

RU

APPLICANT'S GENERAL CONTRACTOR/CONSTRUCTION MANAGER

Name/Contact: COMMERCIAL INDUSTRIAL CONSTRUCTION CORP.

Address: 9 WEYANTS LANE- NEWBURGH- NY- 12550

Phone No.: 845 564 8800

Fax No.: 845 564 8801

Email: _____

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

CHARLES TALLARDY III- 60.38%
ROBERT T. ARMISTEAD- 30.49%

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 3)

Date of organization: AUGUST 19, 2005
State of Organization: NYS

☐ Sole Proprietorship

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

_____

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 such persons having more than a 50% interest in such organizations.

Charles Tallardy III- Perreca Electric Inc. 100%, Woods Electric Co. LLC 50%, Airport Properties I, LLC 60%, Airport Properties II,LLC 60%

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.

AIRPORT PROPERTIES I, LLC AND AIRPORT PROPERTIES II, LLC

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

II. PROJECT INFORMATION

A) Project Address: 1010 D STREET- NEW WINDSOR- NY- 12553

Tax Map Number PART OF SECTION 3- BLOCK 63
(Section/Block/Lot)
Located in City of _____
Located in Town of NEW WINDSOR
Located in Village of _____
School District of NEWBURGH ENLARGED SCHOOL DISTRICT

B) Are utilities on site?

Water YES Electric YES
Gas YES Sanitary/Storm Sewer YES

C) Present legal owner of the site NYS DOT
If other than from applicant, by what means will the site be acquired for this project? LEASE

D) Zoning of Project Site: Current: AIRPORT & RELATED USES Proposed: NO CHANGE

E) Are any variances needed? NO

F) 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.

G) Statement describing project (i.e. land acquisition, construction of manufacturing facility, etc.):

CONSTRUCTION OF HOTEL/ DEMOLITION OF EXISTING BUILDINGS

**Please attach narrative if space provided is not sufficient.

H) Anticipated Date of Operation: SPRING 2020

I) Principal use of project upon completion:

- ☐ manufacturing
- ☐ industrial
- ☐ training
- ☐ warehousing
- ☐ recreation
- ☐ data process
- ☐ research
- ☐ retail
- ☐ other
- ☐ offices
- ☐ residential

If other, explain: HOTEL

J) Estimated Project Costs, including:

Value of property to be acquired: $ N/A

Value of improvements: $ 7,279,607

Value of equipment to be purchased: $ 1,583,715

Estimated cost of engineering/architectural services: $ 341,026

Other: $ 2,086,915

Total Capital Costs: $ 11,291,263

Project refinancing; estimated amount (for refinancing of existing debt only) $ N/A

Sources of Funds for Project Costs:

Bank Financing: ESTIMATED $ 7,339,321

Equity (excluding equity that is attributed to grants/tax credits) $ 3,951,942

Tax Exempt Bond Issuance (if applicable) $ _____

Taxable Bond Issuance (if applicable) $ _____

Public Sources (Include sum total of all state and federal grants and tax credits) $ _____

Identify each state and federal grant/credit:

_____ $ _____

_____ $ _____

_____ $ _____

_____ $ _____

Total Sources of Funds for Project Costs: $ 11,291,263

K) Inter-Municipal Move Determination SPRING 2020

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 or** ☑ **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?

☐ **Yes or** ☑ **No**

Will the project result in the abandonment of one or more plants or facilities located in the State of New York?

☐ **Yes or** ☑ **No**

If Yes to any of the questions above, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

_____

_____

_____

_____

Project Data

1. Project site (land)

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

3.5 ACRES

(b) Are there buildings now on the project site? X Yes _____ No

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

VACANT BUILDINGS/ NO USE

(d) Indicate relationship to present user of project.

NO PRESENT USER

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 BUILDING- +-43,000

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

NO

5. Estimated Start Date of Construction: SPRING 2019

6. Estimated End Date of Construction: SPRING 2020

7. 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. . .

HOTEL

. . .*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.)

0%

8. 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.

N/A

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

FURNITURE, FIXTURES, HVAC EQUIPMENT, TELEVISIONS, GENERAL HOTEL EQUIPMENT

COMPUTER SYSTEMS, PBX SYSTEM, FIRE ALARM SYSTEM

10. Has construction work on this project begun? NO

Complete the following

(a) site clearance	_____ Yes	X No	0 % complete
(b) foundation	_____ Yes	X No	0 % complete
(c) footings	_____ Yes	X No	0 % complete
(d) steel	_____ Yes	X No	0 % complete
(e) masonry work	_____ Yes	X No	0 % complete
(f) other (describe below)	_____ Yes	X No	_____ % complete

III. FINANCIAL ASSISTANCE REQUESTED

A) Benefits Requested:

☑ Sales Tax Exemption ☐ Industrial Revenue Bond

☑ Mortgage Recording Tax Exemption ☑ Real Property Tax Agreement

B.) Value of Incentives:

IDA PILOT Benefit: Agency staff will indicate the amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit year and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted under the heading "Real Property Tax Benefit (Detailed)" of the Application.

Estimated duration of Property Tax exemption: 10 YEARS

Sales and Use Tax:

Estimated value of Sales Tax exemption for facility construction: $295,734

Estimated Sales Tax exemption for fixtures and equipment: $128,677

Estimated duration of Sales Tax exemption: 2 YEARS

Mortgage Recording Tax Exemption Benefit:

Estimated value of Mortgage: $7,339,321

Estimated value of Mortgage Recording Tax exemption: $73,063

Industrial Revenue Bond Benefit:

☐ IRB inducement amount, if requested: $_____

Is a purchaser for the Bonds in place?

☐ **Yes or** ☐ **No**

Percentage of Project Costs financed from Public Sector sources:

Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon Sources of Funds for Project Costs as depicted above under the heading "Estimated Project Costs" (Section II(I)) of the Application.

C.) Likelihood of Undertaking Project without Receiving Financial Assistance

Please confirm by checking the box below, if there is a likelihood that the Project will still be undertaken if Financial Assistance is not provided by the Agency?

☐ Yes or ☑ No

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

_____

_____

_____

IV. EMPLOYMENT PLAN

	Current # of jobs at proposed project location or to be relocated to project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be CREATED upon THREE Years after Project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PTE jobs to be created upon THREE Years after Project Completion **
Full time (FTE)	0	N/A	19	19
Part Time (PTE)	0	N/A	4	4
Total	0	N/A	23	23

** For purposes of this question, please estimate the number of FTE and PTE jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column. The Labor Market Area includes Orange County and the surrounding region (or six other contiguous counties, including Orange County, chosen at the Agency's discretion).

Salary and Fringe Benefits for Jobs to be Created:

Category of Jobs to be Retained and Created	Estimated Number of Jobs Per Category	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Management	4	$51,250	$10,250
Professional			
Administrative			
Production			
Independent Contractor			
Other	15	$25,480	$5,096

Salary and Fringe Benefits for Jobs to be Retained:

Category of Jobs to be Retained and Created	Estimated Number of Jobs Per Category	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Management			
Professional			
Administrative			
Production			
Independent Contractor			
Other			

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. The applicant will receive a request for information in the fourth quarter of each year that Financial Assistance is utilized and agrees to return the information by the end of January the following year.

F. Compliance with N.Y. GML Sec. 862(1): Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:

§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

G. Compliance with Applicable Laws: The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

H. False and Misleading Information: The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.

I. Recapture: Should the Applicant not expend or hire as presented, the Agency may view such information/status as failing to meet the established standards of economic

performance. In such events, some or all of the benefits taken by the Applicant will be subject to recapture.

J. Rescission of Benefits Conferred: Applicant understands and agrees that in the event that (a) the Applicant does not proceed to final Agency approval within six (6) months of the date the Agency adopts its initial approval resolution and/or (b) close with the Agency on the requested financial assistance within twelve (12) months of the date the Agency adopts its initial resolution, the Agency reserves its right to rescind and cancel all prior approvals. In the event the Agency rescinds its approvals and the Applicant re-applies to the Agency, the Applicant understands and agrees that its re-application will be subject to any and all changes in law, Agency policies or fees imposed by the Agency that are in effect as of the date of re-application.

K. 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.

STATE OF NEW YORK)
COUNTY OF ORANGE) ss.:

Lee Browning Jr, being first duly sworn, deposes and says:

1. That I am the A MEMBER (Corporate Office) of AIRPORT PROPERTIES VIII LLC (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.

2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.

(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury
this 4 day of December, 2018.

(Notary Public)

JULIE FORMAN
Notary Public, State of New York
Qualified in Dutchess County
Registration No. 01FO6175736
Commission Expires October 15, 2019

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: AIRPORT PROPERTIES VIII LLC

Name: LEE BROWNING JR

Title: MEMBER

(Notary Public)

Sworn to before me this 4 day

of December, 2018

JULIE FORMAN
Notary Public, State of New York
Qualified in Dutchess County
Registration No. 01F06175736
Commission Expires October 15, 2019

Real Property Tax Benefits (Detailed):

** This section of this Application will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.

PILOT Estimate Table Worksheet

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
TOTAL							

*Estimates provided are based on current property tax rates and assessment values

Cost Benefit Analysis:

To be completed/calculated by AGENCY

	Costs = Financial Assistance	Benefits = Economic Development
*Estimated Sales Tax Exemption	$_____	New Jobs Created Permanent ____ Temporary ____ Existing Jobs Retained Permanent ____ Temporary ____
Estimated Mortgage Tax Exemption	$_____	Expected Yearly Payroll $_____
Estimated Property Tax Abatement	$_____	Expected Gross Receipts $_____ Additional Revenues to School Districts _____ _____ _____ Additional Revenues to Municipalities _____ _____ _____ Other Benefits _____
Estimated Interest Savings IRB Issue	$_____	Private Funds invested $_____ Likelihood of accomplishing proposed project within three (3) years ☐ Likely or ☐ Unlikely

* Estimated Value of Goods and Services to be exempt from sales and use tax as a result of the Agency's involvement in the Project. PLEASE NOTE: These amounts will be verified and there is a potential for a recapture of sales tax exemptions (see "Recapture" on page 10).

$_____ (to be used on the NYS ST-60)

FEE SCHEDULE FOR THE
ORANGE COUNTY IDA IS AS FOLLOWS:

Application Fee:

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

IDA Administrative Fee: $2,500

IDA Transaction Counsel Fee: $2,500

Labor Policy Monitoring Fee, based on project cost, due before Final Resolution.
This fee will be deposited into a non-interest bearing escrow account and will fund the ongoing audit of Labor Policy compliance throughout construction. Any unused funds on deposit with the IDA will be returned to the company upon project completion.

Projects less than $5M:	**$5,000.00**
Projects greater than $5M but less than $15M:	**$10,000.00**
Projects greater than $15M but less than $25M:	**$20,000.00**
Projects greater than $25M but less than $50M:	**$30,000.00**
Projects greater than $50M but less than $100M:	**$45,000.00**
Projects greater than $100M but less than $500M:	**$55,000.00**
Projects greater than $500M:	**To be determined**

Closing Fee:

IDA Fee
One-percent of the first $2,000,000 of the project cost (as identified on page 5 of this application), plus one-half percent of amount above that, due at closing (total project cost includes land acquisition costs).*

IDA Transaction Counsel Fee
One-third (1/3) of IDA fee (minimum of $30,000 – to be reduced for smaller projects on case by case basis - plus out of pocket expenditures).

Local Labor Policy Monitoring
The IDA will use a third-party firm or firms to monitor compliance with the Local Labor Policy (attached hereto). All costs incurred by the IDA in connection with such monitoring, should they exceed the amount collected at application, shall be the responsibility of the Company.

NOTE: IDA reserves the right to seek additional IDA and Transaction 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 4 of this application).

The OCIDA Fee Schedule is the standard used when calculating all project fees. These fees are not open for negotiation. Please initial stating you understand and consent to the above _____

Closing Fee:

Please be advised should the Orange County IDA act to adopt the Final Resolution for your project a fee will be due at closing.

Per the Capital Cost provided on the Applicants Pre-Application, the current estimated Closing Fee owed to the OCIDA will be: $ 66,456.32, in addition to legal fees due and payable to Harris Beach.

If at any time the project costs change prior to the Final Resolution, please inform management immediately for closing fee recalculation purposes.

Please initial stating you understand the foregoing, have provided accurate project costs, and consent to the estimated closing fee provided above _____

LABOR POLICY
ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Adopted 01-12-17

The Orange County Industrial Development Agency (IDA) was established for the purpose of creating employment opportunities for, and to promote the general prosperity and economic welfare of the residents of Orange County. The IDA offers economic incentives and benefits to qualified applicants who wish to locate or expand their businesses or facilities in Orange County. When the IDA approves a project, it enters into agreements to extend these incentives and benefits to the applicant.

Construction jobs, though limited in time duration, are vital to the overall employment opportunities and economic growth in Orange County. The IDA believes that companies benefiting from its incentive programs should employ local laborers, mechanics, craft persons, journey workers, equipment operators, truck drivers and apprentices (hereinafter "construction workers"), including those who have returned from military service, during the construction phase of projects. In this way, the IDA can generate significant benefits to advance the County's general prosperity. It is, therefore, the policy of the IDA that firms benefiting from its programs shall employ workers from Orange County and the "local labor" market during all project phases, including the construction phase.

For the purpose of this policy, the "local labor" market for construction workers shall be defined as those individuals living in Orange, Ulster, Sullivan, Dutchess, Putnam, Rockland and Westchester Counties. Applicants receiving IDA benefits shall ensure the contractor/developer hire at least 85% from the "local labor" market for their approved projects. The 85% shall be by contractor and in total at the time of completion of the project. The contractor/developer is mandated to keep daily log sheets of all field workers, commencing on the date of application. Any work performed after application shall be included in the determination of overall compliance with the 85% hiring requirements of this policy. A third-party auditing firm will be engaged to monitor construction work commencing on the date benefits are granted by resolution of the IDA Board.

However, the IDA recognizes that the use of local labor may not be possible for the following reasons and the applicant may request an exemption on a particular contract or trade scope for the following reasons:

1. Warranty issues related to installation of specialized equipment whereby the manufacturer requires installation by only approved installers;

2. Specialized construction is required and no local contractors or local construction workers have the required skills, certifications or training to perform the work;

3. Cost Differentials:
   a. For projects whose project cost exceeds $15M, significant cost differentials in bid prices whereby the use of local labor and materials significantly increases the sub contract or contract of a particular trade or work scope by at least 20%. Every reasonable effort should be made by the applicant and or the applicant's contractor to get below the 20% cost differential including, but not limited to, communicating and meeting with local construction trade organizations, such as the Hudson Valley Building and Construction Trades Council and other local Contractor Associations;

b. For projects whose project cost is less than $15M, significant cost differentials in bid prices whereby the use of local labor and materials significantly increases the sub contract or contract of a particular trade or work scope by 10% or more. Every reasonable effort should be made by the applicant and or the applicant's contractor to get below the 10% cost differential including, but not limited to, communicating and meeting with local construction trade organizations, such as the Hudson Valley Building and Construction Trades Council and other local Contractor Associations;

4. No labor is available for the project; and

5. The contractor requires key or core persons such as supervisors, foreman or "construction workers" having special skills that are not available in the "local labor" market.

The request to secure an exemption for the use of non-local labor must be received from the applicant on the exemption form provided by the IDA or the 3rd party monitor and received in advance of work commencing. The request will be reviewed by the 3rd party monitor and forwarded to the IDA, at which time the IDA's Audit Committee shall have the authority to approve or disapprove the exemption. The 3rd party monitor shall report each authorized exemption to the Board of Directors at its monthly meeting.

In addition, applicants receiving IDA benefits and Contractors on the project shall make every reasonable effort to utilize vendors, material suppliers, subcontractors and professional services from Orange County and the surrounding counties. Applicants and contractors shall be required to keep records of those local vendors, material suppliers, contractors and professional services whom they have solicited and with whom they have contracted with or awarded. This shall be stored in a binder on site and shall be easily available for review by an authorized representative of the IDA, such as the IDA's 3rd party monitor. It shall include any documents for solicitation and contracts. It is the goal of the County of Orange and the IDA to promote the use of local veterans on projects receiving IDA benefits. By partnering with local contractors, local contractor groups, local trade unions and contractors awarded work on IDA projects, there are opportunities for veterans to gain both short-term and long-term careers in the construction industry.

Once approved for IDA benefits, all applicants will be required to provide to IDA staff the following information:

1. Contact information for the applicant's representative who will be responsible and accountable for providing information about the bidding and awarding of construction contracts relative to the applicant's project;
2. Description of the nature of construction jobs created by the project, including in as much detail as possible, the number, type and duration of construction positions;
3. The names, contact information, certificate of authorization to do business in the State of New York and copies of current Certificates of NYS Workers' Compensation Insurance, NYS Disability Insurance, General Liability Insurance and proof of current OSHA training certification from all contractors' employees performing work on the site; and
4. A Construction Completion Report listing the names and business locations of prime contractors, subcontractors and vendors who have been engaged in the construction phase of the project.

All Orange County IDA projects are subject to local monitoring by the IDA and any 3rd party monitor. The applicant and/or the Construction Manager or General Contractor acting as agent

for the applicant on the project, shall keep a log book on site detailing the number of workers, hours worked and counties and states in which they reside. Proof of residency or copy of drivers' license shall be included in the log book, along with evidence of necessary OSHA certifications. Reports will be on forms provided by the IDA or weekly payroll reports which contain the same information as required on the IDA issued form. The applicant and contractors are subject to periodic inspection or monitoring by the IDA or 3rd party monitor.

The 3rd party monitor shall issue a report to the IDA staff immediately when an applicant or applicant's contractor is not in compliance with this labor policy. IDA staff shall advise the Audit Committee and/or IDA Board of non-compliance by email or at the next scheduled meeting. If a violation of policy has occurred, IDA staff shall notify the applicant and contractor in writing of non-compliance and give applicant a warning of violation and 72 hours in which to correct such violation. Upon evidence of continued non-compliance or additional violations, the IDA and/or its 3rd party monitor shall notify the applicant that the project is in violation of the Orange County IDA Labor Policy and is subject to IDA Board action which may result in the revocation, termination and/or recapture of any or all benefits conferred by the IDA.

The IDA will use a third party firm or firms to monitor and audit compliance with this local labor policy, the cost of which shall be paid for by the Company in advance of the audits and held in a non-interest bearing escrow account until audits are complete.

The applicant of an IDA approved project shall be required to maintain a 4' X 8' bulletin board on the project site containing the following information:

1. Contact information of the applicant;
2. Summary of the IDA benefits received;
3. Contractors names and contact information on IDA provided form;
4. Copies of proof of exemption from labor policy;
5. Copies of any warnings or violations of policy;
6. Copy of the Executed Labor Policy.

The bulletin board shall be located in an area that is accessible to onsite workers and visitors, which should be clear and legible at least 10 feet from said board.

The applicant has read the OCIDA Labor Policy and agrees to adhere to it without changes and shall require its construction manager, general contractor and sub-contractors who are not exempt to acknowledge the same. The Applicant understands and agrees that it is responsible for all third-party auditing and monitoring costs.

Applicant Signature	Signature of CM, GC or SC
AIRPORT PROPERTIES VIII, LLC	COMMERCIAL INDUSTRIAL CONSTRUCTION CORP
Company Name	Company Name
LEE BROWNING JR	CHRIS CARFORA
Print Name of above signer	Print Name of above signer
631 275 7128	845 564 8800
Email/phone of Applicant	Email/phone of CM/GC/SC
12/4/2018	12/4/18
Date	Date