

**ORANGE COUNTY
INDUSTRIAL
DEVELOPMENT
AGENCY**

**APPLICATION FOR
FINANCIAL ASSISTANCE**

CPV Valley, LLC

For CIVIC AND NOT-FOR-PROFIT

William Trimble
Director
Office of Business Assistance
Orange County Government Center
255 Main Street
Goshen, NY 10924
845-291-2700
www.orangecountygov.com
business@orangecountygov.com

For COMMERCIAL DEVELOPMENT

Maureen Halahan
President/CEO
Orange County Partnership
40 Matthews Street
Suite 108
Goshen, NY 10924
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www.ocpartnership.org
info@ocpartnership.org

**APPLICATION
TO
ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
FOR
FINANCIAL ASSISTANCE**

I. APPLICANT INFORMATION

Company Name: CPV Valley, LLC

Mailing Address: 8403 Colesville Road, Suite 915 Silver Spring, MD 20910

Phone No.: 240-723-2300

Fax No.: 240-723-2339

Fed Id. No.: 26-0368379

Contact Person: Steve Remillard

Principal Owners/Officers/Directors (list owners with 15% or more in equity holdings with percentage ownership): CPV Power Development Inc. 100%

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

Form of Entity

☐ Corporations

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 organization: June 13, 2007

State of Organization: Delaware

☐ Sole Proprietorship

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

APPLICANT'S COUNSEL

Name: John B. Hood, Nixon Peabody, LLP

Address: 1100 Clinton Square Rochester, NY 14604

Phone No.: 585-263-1344

Fax No.: 585-263-1600

II. PROJECT INFORMATION

A) Describe the proposed acquisitions, construction or reconstruction and a description of the costs and expenditures expected. The project consists of the development and construction of a nominal 580 megawatt combined-cycle electrical generating facility and associated interconnection facilities with an expected cost of approximately \$700 million.

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

Previously submitted.

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.

NA

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.

122 acres for the project site. (There will be other related facilities for water supply/discharge fuel supply and electric transmission facilities which will be located on other properties other than the project site.)

- (b) Are there buildings now on the Project site?

_____ Yes X No

- (c) Indicate the present use of the Project site.

The site is presently vacant, and partially used for agricultural purposes.

- (d) Indicate relationship to present user of Project site.

None

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. The Project will involve the construction of six (6) buildings. The buildings and their approximate size include:

1. Combustion Turbine Building – 80,000 sqf
2. Steam Turbine Building – 40,000 sqf
3. Warehouse – 9,000 sqf
4. Water Treatment Building – 7,000 sqf
5. Administration Building – 5,000 sqf
6. Fire Water Pump Building – 300 sqf

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 *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.)

The buildings will be principally used to house equipment and machinery for the production of electricity.

1. Combustion Turbine Building - This building will house two combustion turbine generators that will produce electricity. Office Space (0%) Unrelated functions (0%)
2. Steam Turbine Building - This building will house a single steam turbine generator that will produce electricity. Office Space (0%) Unrelated functions (0%)
3. Warehouse - This building will be used to store spare parts. Office Space (0%) Unrelated functions (0%)
4. Water Treatment Building - This building will house equipment used to filter and treat water to be used by the Project. Office Space (0%) Unrelated functions (0%)
5. Administration Building - This building will be used by plant staff for Project management. Office Space (75%) Unrelated functions (0%)
6. Fire Water Pump Building - This building will house fire water pumps for the Project's fire safety system. Office Space (0%) Unrelated functions (0%)

-
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 space will be leased.

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

The principal categories of equipment that will be acquired as part of the Project include:

1. Power Generation Equipment including:
 - a. two (2) combustion turbine generators
 - b. one steam turbine generator
 - c. two (2) heat recovery steam generators

d. three generator step-up transformers

2. Balance of Plant Equipment

a. Air cooled condenser

b. Water treatment and process water pumps

c. Tanks

3. Power Transmission Equipment

a. Electrical switchyard

b. Transmission cable and pole structures

4. Water Supply & Discharge System

a. System Piping and pumps

b. Water treatment equipment

c. Water discharge equipment

5. Fuel Supply System

a. System Piping, pumps, compressors and meters.

8. Has construction work on this Project begun?

Complete the following

| | | | |
|----------------------------|-----------|-------------|------------------|
| (a) site clearance | _____ Yes | <u>X</u> No | _____ % complete |
| (b) foundation | _____ Yes | <u>X</u> No | _____ % complete |
| (c) footings | _____ Yes | <u>X</u> No | _____ % complete |
| (d) steel | _____ Yes | <u>X</u> No | _____ % complete |
| (e) masonry work | _____ Yes | <u>X</u> No | _____ % complete |
| (f) other (describe below) | _____ Yes | <u>X</u> 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?

At the present time it is not anticipated that bonds will be issued.

COST BENEFIT ANALYSIS

| | <u>Costs =</u> <u>Financial Assistance</u> | <u>Benefits =</u> <u>Economic Development</u> |
|--|---|---|
| Estimated Sales Tax Exemption: | <u>\$1.0MM – 1.5MM*</u> | New Jobs Created: <u>25 Full Time.</u> <u>200 to 400 construction jobs.</u> |
| Estimated Mortgage Tax | <u>\$3.675MM**</u> | Existing Jobs: <u>NA</u> |
| | | Private Funds invested: <u>Approximately \$700MM</u> |
| Exemption: Estimated Property Tax Abatement: | <u>TBD</u> | Other Benefits <u>\$750K/yr annual</u> <u>goods and services</u> Expected Yearly Payroll: <u>\$2MM+</u> |
| Estimated Interest Savings IRB Issue: | <u>None</u> | Expected Gross Receipts: <u>TBD</u> |

Notes:

* The estimated benefit of the Agency's sales tax exemption is based on the Applicant's accountants' current estimates of other sales tax exemptions which appear to be applicable to the proposed project (e.g., a sales tax exemption for production equipment)

** 1.05% (Mortgage recording tax rate) x \$350MM (50% of project cost is assumed to be financed by debt)

B) Project Address: Route 6, Wawayanda, NY (for the plant site only)

Tax Map Number 4-1-38.33, 4-1-38.32, 4-1-40.22
(Section/Block/Lot)

Located in City of _____

Located in Town of Wawayanda

Located in Village of _____

School District of Minisink Valley _____

C) Are Utilities on Site?

Water No

Electric No

Gas No

Sanitary/Storm Sewer No

D) Present legal owner of the site Barmann & Dean, LLC and I.E.S. Wawayanda Family, LP
If other than from Applicant, by what means will the site be acquired for this Project:
Applicant has an option to purchase with the present owner.

E) Zoning of Project Site: Current:MI_____ Proposed: MI _____

F) Are any variances needed: Yes_____

G) Principal Use of Project upon completion: Electrical power generation_____

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:

Construction: 200-400

Permanent: 25

Retained: NA

J) Financial Assistance being applied for:

Estimated Value

X Real Property Tax Abatement TBD

X Mortgage Tax Exemption \$3.675MM

X Sales and Use Tax Exemption \$1.0MM to \$1.5MM

_____ Issuance by the Agency of Tax
Exempt Bonds NA

K) Project Costs (Estimates)

| | |
|------------|---------------|
| Land | \$6MM |
| Building | \$10MM |
| Equipment | \$612MM |
| Soft costs | \$72MM |
| Other | <u>\$ 0MM</u> |

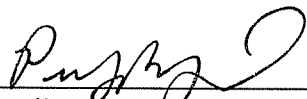
Total **\$700MM**

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. ~~Applicant on closing of Project will contribute a pro-rata share to Agency insurance policy of the premiums paid for the Agency Master Policy covering all projects.~~
- E. Annual Sales Tax Filings. 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.
- F. 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.
- G. 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)

PETER J. PODURBIEL
(Name of Officer)

SENIOR VICE PRESIDENT
(Title)

This Application should be submitted to the Orange County Industrial Development Agency c/o William Trimble, Administrative Director, Orange County Government Center, 255-275 Main Street, Goshen, NY 10924 - Tel (845) 291-2700.

The Agency will collect an administrative fee at the time of closing. **To be negotiated.**

SEE ATTACHED FEE SCHEDULE (page 10)

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

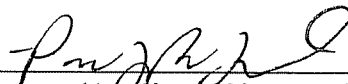
Attach copies of preliminary plans or sketches of proposed construction or rehabilitation or both.

Attach the following Financial Information of the Company -

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

HOLD HARMLESS AGREEMENT

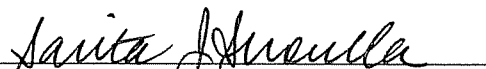
Applicant hereby releases the ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY and the members, officers, servants, agents and employees thereof (the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability 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: CPV VALLEY, LLC

Name: PETER J. PODURGIEL

Title: SENIOR VICE PRESIDENT


(Notary Public)

Sworn to before me this 7th day

of July, 2008



SARITA J. SHOULLA
Notary Public
Commonwealth of Massachusetts
My Commission Expires
June 21, 2013

***FEE SCHEDULE FOR THE
ORANGE COUNTY ISA IS AS FOLLOWS:***

IDA

One-percent of the first \$2,000,000 plus one-half percent of amount above that, due at closing.

TO BE NEGOTIATED.

Administrative Fee

\$2,500 due at application, non-refundable.

IDA Bond Counsel

\$12-15,000 for straight lease transactions; fee for Tax-exempt transactions to be quoted depending on complexity of deal; **\$2,500 due at application** and non-refundable, balance due at closing for all deals.

NOTE

IDA reserves the right to seek additional IDA and Bond Counsel fees for exceptionally complex transactions. **TO BE NEGOTIATED.**

Please make all Checks payable to:

Orange County Industrial Development Agency

Mail to:

255-275 Main Street
Goshen, New York 10924

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.