

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR FINANCIAL ASSISTANCE

Satin Fine Foods, Inc.

(Applicant Name)

James O'Donnell
Acting Executive Director
Office of Business Assistance
Orange County Government Center
255 Main Street
Goshen, NY 10924
Tel: 845-291-2700
www.orangecountygov.com
business@orangecountygov.com

Updated May 2009

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR FINANCIAL ASSISTANCE

I. APPLICANT INFORMATION

Company Name: Satin Fine Foods, Inc
Mailing Address: 37 ElKay Drive, Chester, NY 10918
Phone No.: 845 469 1034
Fax No.: 845 469 8345
Fed Id. No.: 134163874
Contact Person: Kevin O' Reilly

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

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

Form of Entity



Corporation

Date of Incorporation: MAY 2001
State of Incorporation: NEW YORK



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 _____)

Date of organization: _____
State of Organization: _____



Sole Proprietorship

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

APPLICANT'S COUNSEL

Name: Ben Cohen, Cohen, Estis, + Associates
Address: 40 Matthews Street #101 Goshen, NY 10924
Phone No.: 845 291 1900
Fax No.: _____

II. PROJECT INFORMATION

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

THE Project involves the purchase and Renovation of a
92,400 sq.ft. building for future food production.
PURCHASE PRICE: \$2,861,000.
Renovation \$3,328,063

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.

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.

August Thompson Corp. 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.

August Thompson Corp 60% shareholder

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.

92,400 sq. ft.

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

✓ Yes No

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

None, vacant

- (d) Indicate relationship to present user of project.

None

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

Yes. One building, 92,400 sq. ft. 49 years

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

No

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

Yes. Renovation of space for food production

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. . .

Office space, sales, bookkeeping, manufacturing
including bakery related food products

. . . 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.)

9,000 sq. ft. office space

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.

None to be leased

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

Mixing, extruding, packaging equipment
Also covers, depositors, cake assembly line.

8. Has construction work on this project begun? NO

Complete the following

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

COST BENEFIT ANALYSIS:

	<u>Costs =</u> <u>Financial Assistance</u>	<u>Benefits =</u> <u>Economic Development</u>
Estimated Sales Tax Exemption	\$ _____	New Jobs Created <u>85</u>
		Existing Jobs Retained <u>23</u>
Estimated Mortgage Tax Exemption	\$ _____	Private Funds invested \$ _____
Estimated Property Tax Abatement	\$ _____	Other Benefits _____
Estimated Interest Savings IRB Issue	\$ _____	Expected Yearly Payroll <u>\$1,060,800 2011</u>
		Expected Gross Receipts <u>\$7.2 million sales</u>

B) Project Address: 32 Leone Lane, Chester, NY 10918

Tax Map Number _____
(Section/Block/Lot)

Located in City of _____
Located in Town of Chester
Located in Village of Chester
School District of Chester

C) Are utilities on site?

Water Yes Electric Yes
Gas Yes Sanitary/Storm Sewer Yes

D) Present legal owner of the site MR. Victor Cole
If other than from applicant, by what means will the site be acquired for this project? _____

E) Zoning of Project Site: Current: Industrial Proposed: Industrial

F) Are any variances needed? No

G) Principal use of project upon completion: Manufacturing

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? Yes

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:

	<u>Number of jobs created</u>	<u>Estimated Annual Salary Range</u>
Construction:	<u>25</u>	\$ <u>55,000</u> to \$ <u>70,000</u>
Permanent:	<u>85</u>	\$ <u>25,000</u> to \$ <u>33,000</u>
Retained:	<u>25</u>	\$ <u>30,000</u> to \$ <u>35,000</u>

J) Financial Assistance being applied for:

	<u>Estimated Value</u>
_____ Real Property Tax Abatement	\$ <u>138,000 per year</u>
_____ Mortgage Tax Exemption	\$ <u>76,880</u>
_____ Sales and Use Tax Exemption	\$ <u>121,875</u>
_____ Issuance by the Agency of Tax Exempt Bonds	\$ <u>—</u>

K) Project Costs (Estimates)

Land	_____
Building	<u>2,861,000</u>
Equipment	<u>1,198,000</u>
Soft costs	<u>115,000</u>
Other	<u>3,328,063 construction</u>
Total	<u>7,502,063</u>

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.

Kevin O'Reilly
(Applicant Signature)
Kevin O'Reilly
(Name of Officer)
President
(Title)

This Application should be submitted to the Orange County Industrial Development Agency, c/o James O'Donnell, Acting 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.
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).
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.

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 attorney's fees, if any.

Kevin O'Reilly
(Applicant Signature)
By: Satin Fine Foods, Inc.
Name: Kevin O'Reilly
Title: President

Melanie Tanner
(Notary Public)

Sworn to before me this 4th day
of September, 2010

MELANIE TANNER
Notary Public, State of New York
No. 4957059
Qualified in Orange County
Commission Expires October 10, 2013

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

IDA

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

Application Fee

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

IDA Administrative Fee: \$2,500

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

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

Please make all Checks payable to:

Orange County Industrial Development Agency

Mail to:

*255-275 Main Street
Goshen, New York 10924*

*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 IDA financing benefits provided to the project cost.

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.