

St. Lawrence County Industrial Development Agency
Ernest J. LaBaff Industrial Building ~ 19 Commerce Lane, Suite 1 ~ Canton, New York 13617
Phone: (315) 379-9806 ~ Fax: (315) 386-2573

Patrick J. Kelly
Chief Executive Officer

PROJECT ACTIVITY REPORT

Project: Lawrence Avenue Community Partners, L.P. Potsdam Apartments
Project Address: 3 Debra Drive
Potsdam, New York 13676
Application Date: March 18, 2019
Board Approval Date: August 9, 2019
Assistance Date: August 22, 2019

Project Overview:

The proposed project is the acquisition and rehabilitation of Lawrence Avenue Apartments in Potsdam. This acquisition will preserve and extend the affordability restrictions at the property, likely for 25-plus years to those families making no more than 60% of Area Median Income.

Originally built in 1978, the property consists of 137 affordable multifamily units in 6 residential buildings all situated on a 10.483-acre site. The property is subject to a 20-year HAP contract (Project-Based Section 8) that expires on 9/30/2037 which provides subsidy to 136 of the 137 units.

The anticipated rehabilitation costs are over \$45,000 per unit. The rehabilitation will consist of unit upgrades (new kitchens, bathrooms, flooring, etc.), common area upgrades, building system upgrades, new roofing, siding and windows, as well as site work. No tenants are expected to be permanently displaced as a result of the rehabilitation activities (for the most part the work will be "tenant-in-place").

Actions Taken:

Approved Financial Assistance:
SLCIDA Tax Exempt Bond\$15,143,000

Economic Indicators:

- Jobs Maintained and/or Generated: The Company agrees to retain 3 full-time equivalent jobs. This project will help generate approximately 75 construction jobs.
- Capital Investment: In January 2019, the property experienced an insurance loss event (fire) that resulted in substantial damage to one of the residential buildings at Lawrence Avenue Apartments which left 8 apartment units non-occupiable. The anticipated rehabilitation costs are \$45,000 per unit.
- Tax Base /Revitalized Properties: The acquisition and rehabilitation of an existing multifamily rental property. This involves modernizing apartments and rebuilding a building that burned.
- Community and Regional Benefit: This acquisition will preserve and extend the affordability restrictions at the property, likely for 25 plus years to those families making no more than 60% of Area Median Income. Originally built in 1978, the property consists of 137 affordable multifamily units in 6 residential buildings all situated on a 10.483-acre site. The property is subject to a 20-year HAP contract (Project-Based Section 8) that expires on 9/30/2037 which provides subsidy to 136 of the 137 units.

PROJECT AGREEMENT

Project # 4001-1902

THIS PROJECT AGREEMENT (hereinafter, the "Agreement"), made as of Aug 22, 2019, by and between the **ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a New York public benefit corporation, with offices at 19 Commerce Lane, Suite 1, Canton, New York 13617 (the "Agency"), and **LAWRENCE AVENUE COMMUNITY PARTNERS, L.P.**, a New York limited partnership with offices at 17782 Sky Park Circle, Irvine, California, 92614 (the "Company").

WITNESSETH:

WHEREAS, the Agency was created by Chapter 132 of the Laws of 1971 of the State of New York (the "State"), as amended, codified as Section 914 of the General Municipal Law of the State ("GML"), pursuant to Title 1 of Article 18-A of the GML, as amended (collectively, the "Act"); and

WHEREAS, the Company has submitted an application (the "Application") to the Agency requesting the Agency's assistance with respect to a certain project (the "Project"), and

WHEREAS, by Resolution #IDA 19-03-12, adopted on March 26, 2019 (the "Resolution"), the Agency has conferred on the Company in connection with the Project certain benefits, exemptions and other financial assistance (collectively, as applicable, based upon the Resolution, which may include a sales and use tax exemption benefit, mortgage recording tax benefit, and partial abatement from real property taxes benefit, are hereinafter collectively referred to as the "Financial Assistance"); and

WHEREAS, the Agency requires, as a condition and as an inducement for it to enter into the transactions contemplated by the Resolution and as more particularly described in the project documents (collectively, as applicable, the Company Lease Agreement, the Leaseback Agreement and PILOT Agreement, the Agency Compliance Agreement and related documents (collectively, the "Project Documents")) that the Company provide assurances with respect to the terms and conditions herein set forth; and

WHEREAS, this Agreement sets forth the terms and conditions under which Financial Assistance shall be provided to the Company; and

WHEREAS, no Financial Assistance shall be provided to the Company prior to the effective date of this Agreement.

NOW THEREFORE, in consideration of the covenants herein contained and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed by the parties hereof as follows:

ARTICLE I – REPRESENTATIONS AND WARRANTIES

Section 1.1 Agency. The Agency does hereby restate and incorporate herein by reference its representations, warranties and covenants contained in the Project Documents as if the same were fully set forth herein.

Section 1.2 Company. The Company does hereby restate and incorporate herein by reference its representations, warranties and covenants contained in the Project Documents as if the same were fully set forth herein.

ARTICLE II – FINANCIAL ASSISTANCE COVENANTS

Section 2.1 Financial Assistance. The Resolutions approved by the SLCIDA authorized the Financial Assistance to the Company and determined employment retention and/or creation minimum levels based, in part, on the Company-certified information regarding employment and general operations of the Company that the Company provided in the Application. In reliance on the certifications provided by the Company in the Application, the SLCIDA agrees to provide the Company with the following Financial Assistance related to the Project:

(1) Sales and Use Tax Exemptions:	\$0.00
(2) Mortgage Recording Tax Exemption:	\$225,579.00
(3) Real Property Tax Exemption:	\$0.00
(4) Bond Issuance	Not to exceed \$18,000,000

Section 2.2 Purpose of Project. It is understood and agreed by the parties hereto that the purpose of the Agency’s provision of Financial Assistance with respect to the Project is to, and that the Agency is entering into the Project Documents in order to, promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of the Project facility to advance job opportunities, health, general prosperity and economic welfare of the people of St. Lawrence County and to otherwise accomplish the public purpose of the Act.

Section 2.3 Application. The Company represents and warrants that the information contained in the Application regarding (a) the number of Full Time Equivalent jobs (“FTEs”), by category, to be retained and created as a result of the Financial Assistance authorized in the **PROJECT AUTHORIZING RESOLUTION** and (b) the salary and fringe benefit averages and/or ranges for the categories of FTEs to be retained and created is accurate.

Section 2.4 Certification and Documentation. The Company shall provide to the Agency the following certified statements and documentations:

- (a) on an annual basis (i) enumerating the FTEs retained and created as a result of the Financial Assistance, by category, including full time equivalent independent contractors or employees of independent contractors that work at the Project location, and (ii) indicating that the salary and fringe benefit averages or ranges for categories of jobs retained and created that was provided in the Application or Financial Assistance is still accurate and if it is not still accurate, providing a revised list of salary and fringe benefit averages or ranges for categories of jobs retained and jobs created. Exhibit A contains the form of annual certification as so required as discussed above as well as additional Project assessment information that the Agency requires, on an annual basis no later than January 31 of each year, to be submitted to the Agency by the Company; and

- (b) on a quarterly basis, a form NYS-45 as of the last payroll for each fiscal quarter, and, for all contract employees, a report containing the number of contract employees delivered at the same time as the form NYS-45.

Section 2.5 Recapture Agreement. The parties hereto understand and agree that Exhibit B to this Agreement contains a copy of the Recapture Agreement entered into, by and between the Company and the Agency, which provides for the suspension or discontinuance of Financial Assistance, or for the modification of the PILOT Agreement, if any, to require increased payments, in accordance with policies developed by the Agency. Additionally, the Recapture Agreement provides for the return of all or part of the Financial Assistance provided for the Project, including all or part of the amount of any tax exemptions, which shall be redistributed to the appropriate affected tax jurisdiction, as provided for in policies developed by the Agency, unless agreed to otherwise by any local taxing jurisdiction or jurisdictions.

Section 2.6 PILOT Agreement. If applicable, the parties hereto understand and agree that Exhibit C to this Agreement contains a copy of the PILOT Agreement entered into by and between the Company and the Agency.

Section 2.7 Employment Listing. To list new employment opportunities created as a result of the Project with the following entities (hereinafter, the "OET Entities"): (1) the New York State Department of Labor Community Services Division and (2) the St. Lawrence County One Stop Career Center, the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (P.L. No. 97-300) in which the Project is located (while currently cited in Section 858-b of the Act, the Federal Job Training Partnership Act was repealed effective June 1, 2000, and has been supplanted by the Workplace Investment Act of 1998 (P.L. No. 105-220)).

Section 2.8 Employment Consideration. Except as otherwise provided by collective bargaining agreement, the Company agrees, where practicable, to first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the OET Entities.

Section 2.9 Contingent Nature. Notwithstanding the provisions of this Agreement, the Agency and the Company agree that the amount of Financial Assistance to be received by the Company with respect to the Project shall be contingent upon, and shall bear a direct relationship to, the success or lack of success of the Project in delivering the promised public benefits, as outlined in the Application.

Section 2.10 Compliance. Under penalty of perjury, the Company certifies that it is in substantial compliance with all local, state, and federal tax, worker protection and environmental laws, rules and regulations.

ARTICLE III – MISCELLANEOUS

Section 3.1 Term. This Agreement shall become effective and the obligations of the Company shall arise absolutely and unconditionally upon the execution and delivery of this Agreement by the Company and the Agency. Unless otherwise provided by amendment hereof, this Agreement shall continue to remain in effect until the termination or expiration of all Financial Assistance, as provided for in the Project Documents.

Section 3.2 Survival. All warranties, representations, and covenants made by the Company herein shall be deemed to have been relied upon by the Agency and shall survive the delivery of this Agreement to the Agency regardless of any investigation made by the Agency.

Section 3.3 Notices. All notices, certificates and other communications under this Agreement shall be in writing and shall be deemed given when delivered pursuant to the terms of the Project Documents.

Section 3.4 Amendments. No amendment, change, modification, alteration or termination of this Agreement shall be made except in writing upon the written consent of the Company and the Agency.

Section 3.4 Severability. The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections in this Agreement or the application thereof shall not affect the validity or enforceability of the remaining portions of this Agreement or any part thereof.

Section 3.5 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State, without regard or reference to its conflict of laws principles.

Section 3.6 Section Headings. The headings of the several Sections in this Agreement have been prepared for convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Agreement.

[Signature Page to follow]

[Signature Page to Project Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Project Agreement as of the day and year first above written.

August 22, 2019

Dated

**ST. LAWRENCE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____

Name: Patrick J. Kelly
Title: Chief Executive Officer

August 22, 2019

Dated

**LAWRENCE AVENUE COMMUNITY
PARTNERS, L.P.**

By: Lawrence Avenue Community Partners GP, LLC
its General Partner

By: WNC- Lawrence Avenue Community Partners,
LLC,
its Managing Member

By: WNCY Development Partners, LLC,
its sole Member

By: _____

Anand Kannan, President

EXHIBIT A

FORM OF: ANNUAL EMPLOYMENT AND SALARY AND FRINGE BENEFITS AND RELATED
PROJECT INFORMATION CERTIFICATION LETTER

January __, 2020

Re: New Project Verification

Dear:

The St. Lawrence County Industrial Development Agency (the "Agency") is currently providing assistance in connection with your project in St. Lawrence County.

The Agency is required to file an annual report with the New York State Comptroller providing information on its activities, and the activities of projects that are assisted by the Agency. In order for the Agency to compile that report, it is necessary that we obtain information relating to assistance provided and benefits derived from all entities that receive such assistance. Failure by the Agency to file the report information required by New York State could result in the Agency losing its ability to provide future assistance or the entity suffering claw-back provisions and forfeiting benefits previously received. Therefore, it is important that this information be provided in an accurate and timely manner.

Attached please find a questionnaire to be completed and returned to the Agency by January 15, 2020. If you have any questions regarding the required information, please do not hesitate to call our office.

We appreciate your assistance in this matter. Please scan and email to [REDACTED] or Fax to [REDACTED]
[REDACTED]

Very truly yours,

Patrick Kelly
Chief Executive Officer
St. Lawrence County
Industrial Development Agency

ANNUAL CERTIFIED STATEMENT AND REPORT

Insert Company Name
PROJECT NAME:
Name & Brief Description of project
COMPANY CONTACT INFORMATION:
Name
Phone
Email
<i>Please correct any of the above-listed information.</i>

Financing Information

Has the St. Lawrence County Industrial Development Agency provided project financing assistance through issuance of a bond or note?

If financing assistance was provided, please provide the following:

	Yes	No	N/A
Original principal balance of bond or note issued:			
Outstanding principal balance of such bond or note, as of December 31, 20__			
Principal paid during 20__			
Outstanding principal balance of such bond or note, at December 31, 20__			
Interest Rate on bond or note as of December 31, 20__			
Final Maturity Date of the bond or note			
Is the Company a Not-For-Profit?			

Sales Tax Abatement Information

	Yes	No	N/A
Has the St. Lawrence County Industrial Development Agency provided project financing assistance through the conveyance of a Sales and Use Tax Exemption on your project during 20__?			
If yes, please provide the amount of sales tax savings received on your project during 20__.	\$		

(A copy of the ST-340 sales tax report submitted to New York State for the reporting period is required to be attached with this report)

Mortgage Recording Tax Abatement Information

Has the St. Lawrence County Industrial Development Agency provided project financing assistance through the conveyance of a Mortgage Recording Tax Abatement on your project during 20__?	Yes	No	N/A
If yes, please provide the amount of mortgage recording tax savings received on your project during 20__.	\$		

(Mortgage Recording Tax Abatement Information should only be reported in the year that the mortgage was placed upon the project.)

Jobs Information

Please complete the following chart for the permanent jobs created by the Project. Enter data as follows:

- For purposes of this application, we are providing the following guidelines to help you calculate employment levels:
- Full Time: Any permanent employee who works 30 or more hours each week and does so on a regularly-scheduled basis.
 - Part Time Temporary/Seasonal: Any employee who works fewer than 30 hours each week, and does so on an occasional, temporary or as-needed basis.

A: Insert the number of full time jobs that currently exist within your company at the time of application.
 B: Insert the number of part time jobs that currently exist within your company at the time of application.

Jobs	(A)	(B)	
	Current Jobs	Current Jobs	
Full Time		Part Time	
Management		Management	
Professional		Professional	
Administrative		Administrative	
Production		Production	
Independent Contractor		Independent Contractor	
Other:		Other:	
Total		Total	

A copy of Form NYS-45 for the project location is required to be submitted with this report. If the Form NYS-45 is not available for the specific project location or the form does not accurately reflect the full-time equivalent jobs created, then an internal report verifying the total jobs by employment category as outlined above at the location is required with this submission.

Salary and Fringe Benefits

Are the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created described in the Application still complete, true, and accurate: Yes No

If not, please provide the revised amounts:		
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Number of FTE construction jobs during reporting year: _____

20__ Capital Investment

Real Estate	
Construction	
Machinery and Equipment	
Other Taxable Expenses	
Other Non-Taxable Expenses	
Total Capital Investment	

Officer's Certification

I certify that to the best of my knowledge and belief all of the information with this form is correct. I also understand that failure to report completely and accurately may result in enforcement of provisions of the Project Agreement, including but not limited to voidance of the agreement and potential claw back of benefits.

Signed: _____
(Authorized Company Representative)

Date: _____

EXHIBIT B

Recapture Agreement

EXHIBIT C

PILOT Agreement

RECAPTURE AGREEMENT

THIS RECAPTURE AGREEMENT, made and entered into as of Aug 22, 2019 (this "Recapture Agreement"), is from LAWRENCE AVENUE COMMUNITY PARTNERS, L.P., a New York limited partnership with offices at 1778 Sky Park Circle, Irvine, California, 92614 (the "Company"), to ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a New York public benefit corporation having its principal office at 19 Commerce Lane, Suite 1, Canton, New York 13617 (the "Agency").

WITNESSETH:

WHEREAS, the Agency was created by Chapter 132 of the Laws of 1971 of the State of New York (the "State"), as amended, codified as Section 914 of the General Municipal Law of the State ("GML"), pursuant to Title 1 of Article 18-A of the GML, as amended (collectively, the "Act"); and

WHEREAS, the Company has submitted an application (the "Application") to the Agency requesting the Agency's assistance with respect to a certain project (the "Project") as described in the Project Documents (as hereinafter defined); and

WHEREAS, by Resolution No. IDA-19-03-12, adopted on March 26, 2019 (the "Resolution"), the Agency has conferred on the Company in connection with the Project certain benefits, exemptions and other financial assistance, which may include a sales and use tax exemption benefit, mortgage recording tax benefit, and partial abatement from real property taxes benefit, (collectively, as applicable, hereinafter referred to as the "Financial Assistance"); and

WHEREAS, the Agency requires, as a condition and as an inducement for it to enter into the transactions contemplated by the Resolution and as more particularly described in the project documents (collectively, as applicable, the Company Lease Agreement, the Leaseback Agreement and PILOT Agreement, the Agency Compliance Agreement and related documents (collectively, the "Project Documents")), that the Company provide assurances with respect to the recapture of certain benefits granted under the Project Documents on the terms herein set forth.

ARTICLE I – RECAPTURE EVENTS

Section 1.1 Recapture Events. The term "Recapture Event" shall mean any of the following events:

(a) A default by the Company under the Project Documents (other than as described in Section 1.2), which remains uncured beyond any applicable notice and/or grace period, if any, provided thereunder; or

(b) The Facility shall cease to be a "project" within the meaning of the Act, as in effect on the Closing Date through the intentional act or omission of the Company; or

(c) The sale of the Facility (excluding any sale provided for in Project Documents) or closure of the Facility and/or departure of the Company from St. Lawrence County, except as due to casualty, condemnation or force majeure as provided below, as otherwise consented to in writing by the Agency, or due to the circumstances described in Section 1.2 (d) (i) below; or

(d) Failure of the Company to create or cause to be maintained the number of full time equivalent (“FTE”) jobs at the Facility as provided for in the Resolution (other than as described in Section 1.2 below); or

(e) Any significant deviations from the information and data provided by the Company or its affiliates to the Agency in the Application which would result in a significant diminution of the Company’s activities in, or commitment to, St. Lawrence County, New York; or

(f) The Company receives Sales Tax Savings in connection with the acquisition, construction and equipping of the Facility in excess of the Maximum Sales Tax Savings Amount; provided, however, that the foregoing shall constitute a Recapture Event with respect to the Sales Tax Savings in excess of the Maximum Sales Tax Savings Amount only. It is further provided that failure to repay the Sales Tax Savings within sixty (60) days after a final, non-appealable determination of such excess of the Maximum Sales Tax Savings Amount shall constitute a Recapture Event with respect to all Recapture Benefits.

Section 1.2 Events Not Constituting Recapture Events. The following events shall not be deemed Recapture Events hereunder:

(a) a “force majeure” event (as more particularly defined in the Project Documents);

(b) a taking or condemnation by governmental authority or other entity with condemnation powers, of all or part of the Facility; or

(c) the inability or failure of the Company after the Facility shall have been destroyed or damaged in whole or in part (such occurrence a “Loss Event”) to rebuild, repair, restore or replace the Facility to substantially its condition prior to such Loss Event, which inability or failure shall have arisen in good faith on the part of the Company or any of its affiliates so long as the Company or any of its affiliates have diligently and in good faith using commercially reasonable efforts pursued the rebuilding, repair, restoration or replacement of the Facility or part thereof;

(d) at the sole discretion of the Agency, the failure of the Company to maintain the number of FTE jobs as provided for in the Resolution, which failure is the result of:

(i) loss of major sales, revenues, distribution or other adverse business developments resulting from local, national or international economic conditions, trade issues or industry wide conditions, or such similar events, excluding events relating to management of the Company or the subtenants of the Company; or

(ii) subleasing of the Facility, wherein the Company may not actually provide the FTEs at the Facility, but rather shall sublease the Facility to various tenants, and that the Company’s obligation with regard to creating or causing to be maintained FTEs includes (a) using all reasonable efforts to lease up the Facility, and (b) including provisions in all subleases requiring any tenants to comply with the provisions of the Project Documents applicable to them; or

(iii) expiration or termination of a sublease agreement and the Company is able to find a new tenant for the Facility (a “Replacement Tenant”) that provides the FTE jobs at the Facility before the expiration of the next full Tax Year after the termination of the Sublease Agreement;

provided, however, any Replacement Tenant shall be required to comply with the terms of the Project Documents.

Section 1.3 Limited Recapture Event with Limited Recapture. If a Recapture Event has occurred due solely to the failure of the Company to create or cause to be maintained the number of FTEs at the Facility as provided in the Resolution in any Tax Year but the Company has created or caused to be maintained at least 90% of FTEs for such Tax Year, then, in such event, in lieu of recovering the Recaptured Benefits provided herein, the Agency may, in its sole discretion, adjust the payments due under the PILOT Agreement, if any, on a pro rata basis so that the amount payable under the PILOT Agreement, if any, will be adjusted upward retroactively for such Tax Year by the same percentage as the percentage of FTEs that are below the required FTE level for such Tax Year. Such adjustments to the payments due under the PILOT Agreement may be made each Tax Year until such time as the Company has complied with the required number of FTEs pursuant to the Resolution.

Section 1.4 Notice Periods. The Company covenants and agrees to furnish the Agency with written notification (i) within sixty (60) days of the end of each Tax Year of the number of FTEs located at the Facility for such Tax Year, and (ii) within thirty (30) days of actual notice of any facts or circumstances which would likely lead to a Recapture Event or constitute a Recapture Event hereunder. The Agency shall notify the Company of the occurrence of a Recapture Event hereunder, which notification shall set forth the terms of such Recapture Event.

ARTICLE II –RECAPTURE OF AGENCY BENEFITS

Section 2.1 Recaptured Benefits. The term “Recaptured Benefits” shall mean all direct monetary benefits, tax exemptions and abatements and other financial assistance, if any, derived solely from the Agency’s participation in the transaction contemplated by the Project Documents including, but not limited to, the amount equal to:

- (a) the amount of any exemption from any applicable mortgage recording tax with respect to the Facility on mortgages granted by the Agency on the Facility at the request of the Company (the “Mortgage Recording Tax Exemption”); and
- (b) Sales Tax Exemption savings realized by or for the benefit of the Company, including savings realized by any Agent pursuant to the Project Documents and each Sales Tax Agent Authorization Letter issued in connection with the Facility (the “Sales Tax Savings”); and
- (c) The savings realized by the real property tax abatements granted under the Project Documents (the “Real Property Tax Abatements”).

Section 2.2 Receipt of Recaptured Benefits. Upon the occurrence of a Recapture Event hereunder and the declaration of a Recapture Event by notice from the Agency to the Company, then the Recaptured Benefits shall be payable directly to the Agency or the State of New York if so directed by the Agency; provided, however that, for purposes of clarity, the amount of the Recaptured Benefits payable upon a Recapture Event shall be as set forth in Section 2.3 below. Upon the receipt by the Agency of any amount of Recaptured Benefits due to a Recapture Event, the Agency shall redistribute such amount within thirty (30) days of such receipt to the Taxing Entity that would have received such amount but for the granting by the Agency of the Financial Assistance.

Section 2.3 Calculation of Recaptured Benefits. It is understood and agreed by the parties hereto that the Agency is entering into the Project Documents in order to provide Financial Assistance to the Company for the Facility and to accomplish the public purposes of the Act. In consideration therefor, the Company hereby agrees as follows:

<u>Occurrence of Recapture Event</u>	<u>Percentage of the Recaptured Benefits</u>
Year 1 to Year 2	100%
Year 3 to Year 5	75%
Year 6 to Year 7	50%
Year 8 to Year 10	25%
Year 11 and thereafter	0%

Section 2.4 Late Payments. In the event any payment owing by the Company under this Section shall not be paid within the applicable time periods provided for in the Project Documents to the Agency, such payment shall bear interest from the date of such demand at a rate equal to one percent (1%) plus the Prime Rate, but in no event at a rate higher than the maximum lawful prevailing rate, until the Company shall have made such payment in full, together with such accrued interest to the date of payment, to the Agency (except as otherwise specified above).

Section 2.5 Expenses. The Agency shall be entitled to deduct all reasonable out of pocket expenses of the Agency, including without limitation, reasonable legal fees, incurred with the recovery of all amounts due under this Recapture Agreement, from amounts received by the Agency pursuant to this Recapture Agreement.

ARTICLE III – MISCELLANEOUS

Section 3.1 Obligations Unconditional. The obligations and liabilities of the Company under this Recapture Agreement shall be absolute and unconditional obligations and liabilities of the Company, and shall remain in full force and effect until the Project Documents have expired or been terminated, except the obligations under Article II hereof shall survive the conveyance of the Facility to the Company and the termination of the Project Documents. Additionally, such obligations shall not be affected, modified or impaired by any state of facts or the happening from time to time of any event, whether or not with notice to or the consent of the Company.

Section 3.2 Condition to Reconveyance of Facility. The parties hereto agree that the Agency shall have no obligation to surrender its leasehold interest in the Facility to the Company pursuant to the Project Documents until all payments to the Agency and St. Lawrence County under the Project Documents and hereunder have been paid in full. If such payments are not paid in full by the Company within sixty (60) days of the date when due and owing, then the Agency shall offer its interest in the Facility for sale pursuant to the Agency's Real Property Disposition Policy adopted pursuant to the Public Authorities Accountability Act, as amended.

Section 3.3 Reserved.

Section 3.4 Terms Defined. All of the capitalized terms used in this Recapture Agreement and not otherwise defined herein shall have the meanings assigned thereto in the Project Documents.

Section 3.5 Directly or Indirectly. Where any provision in this Recapture Agreement refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

Section 3.6 Survival. All warranties, representations, and covenants made by the Company herein shall be deemed to have been relied upon by the Agency and shall survive the delivery of this Recapture Agreement to the Agency regardless of any investigation made by the Agency.

Section 3.7 Binding Effect. This Recapture Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties.

Section 3.8 Notices. All notices, certificates and other communications under this Agreement shall be in writing and shall be deemed given when delivered pursuant to terms of the Project Documents.

Section 3.9 Entire Understanding; Counterparts. This Recapture Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof and may be executed simultaneously in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 3.10 Amendments. No amendment, change, modification, alteration or termination of this Recapture Agreement shall be made except in writing upon the written consent of the Company and the Agency.

Section 3.11 Severability. The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections in this Recapture Agreement or the application thereof shall not affect the validity or enforceability of the remaining portions of this Recapture Agreement or any part thereof.

Section 3.12 Governing Law. This Recapture Agreement shall be governed by, and construed in accordance with, the laws of the State, without regard or reference to its conflict of laws principles.

Section 3.13 Section Headings. The headings of the several Sections in this Recapture Agreement have been prepared for convenience of reference only and shall not control, or affect the meaning of or be taken as an interpretation of any provision of this Recapture Agreement.

Section 3.14 Waiver of Trial by Jury. The parties do hereby expressly waive all rights to trial by jury on any cause of action directly or indirectly involving the terms, covenants or conditions of the Recapture Agreement or any matters whatsoever arising out of or in any way connected with the Recapture Agreement.

IN WITNESS WHEREOF, the Company has caused this Recapture Agreement to be duly executed and delivered as of the day and year first above written.

August 22, 2019

Dated

**ST. LAWRENCE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: 

Name: Patrick J. Kelly
Title: Chief Executive Officer


August 22, 2019

Dated

**LAWRENCE AVENUE COMMUNITY
PARTNERS, L.P.**

By: Lawrence Avenue Community Partners GP,
LLC
its General Partner

By: WNC- Lawrence Avenue Community Partners,
LLC,
its Managing Member

By: WNC Development Partners, LLC,
its sole Member 

By: 
Anand Kannan, President

The St. Lawrence County Industrial Development Agency has provided funding to Lawrence Avenue Partners, L.P. by issuing Multifamily Housing Revenue Bonds, Series 2019, in an aggregate amount of up to \$14,960,000.



St. Lawrence County Industrial Development Agency

Application for Assistance (revised 12/2018)

This is an Equal Opportunity Program. Discrimination is prohibited by Federal Law. Complaints of discrimination may be filed with the USDA, Director, Office of Civil Rights, Washington, D.C. 20250.

INSTRUCTIONS

1. The Agency will not take action on any application unless, in the judgment of the Agency, said application contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.
2. Please answer all questions using "None" or "Not Applicable" where the question is not appropriate to the project which is the subject of this application ("the Project"). If more space is needed to answer a question, please attach a separate sheet.
3. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant's competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of Public Officers Law.
4. The applicant will be required to pay the Agency all actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the Agency's bonds issued to finance the project). The applicant will also be expected to pay all costs incurred by general counsel and bond counsel to the Agency. If applicable, the costs incurred by the Agency, including the Agency's general counsel and bond counsel, may be considered a part of the project and included as a part of the resultant bond issue.
5. The Agency has established a project fee for each type of project in which the Agency participates. Unless the Agency agrees in writing to the contrary, this project fee is required to be paid by the applicant at or prior to the granting of any financing assistance by the Agency.

FEE SCHEDULE

The forms of assistance listed below have a fee of 1% of the total bond series or project cost benefited by the Agency assistance, as applicable. A non-refundable fee of \$2,000 is payable to the SLCIDA at the time the application is submitted which will be credited toward the total fee at closing. If you are applying for multiple types of assistance only one fee of \$2,000 is due.

- Tax Exempt Industrial Revenue Bonds – Complete Appendix A & B
- Payment in Lieu of Taxes (PILOT) – Complete Appendix B
- Mortgage Recording Tax Exemption – Complete Appendix B
- Sales and Use Tax Exemption – Complete Appendix B

Applicant/Company Information

Applicant Name:	<u>Community Preservation</u>	Federal ID#:	<u>Single purpose owner entities TBD</u>
Address:	<u>Partners</u>	Contact Name:	<u>John Fraser</u>
	<u>11951 Freedom Drive</u>	Contact Title:	<u>Senior Project Manager</u>
City/State/Zip:	<u>Reston, VA 20190</u>	Contact Email:	<u>[REDACTED]</u>
Telephone:	<u>[REDACTED]</u>	Cell:	<u>[REDACTED]</u>
Alternate Phone:	<u>[REDACTED]</u>	Fax:	<u>[REDACTED]</u>

Will the proposed project be located within the municipality of the applicant's current operations? Yes No N/A

FORM OF ENTITY:

- Privately Held Corporation
- Public Corporation (Listed as _____ on _____ Exchange)
- Limited Liability Company
- Partnership: General Limited Number of Partners: _____ General _____ Limited
- Other: _____

For assistance please contact St. Lawrence County Industrial Development Agency at (315) 379-9806/TDD Number: 711

If the entity is a Corporation, Limited Liability Company or Partnership:

Date Established: TBD Place of Organization: _____ SIC Code: _____

If the entity is currently located outside New York State, is it authorized to do business in New York State? Yes No
 N/A

Principal Officers:

Name	Title
_____	_____
_____	_____
_____	_____

Principal Owners with 10% or more in equity holdings with a percentage ownership:

Name	Percentage
_____	_____
_____	_____
_____	_____

Is the Company, or are the owners of the Company, involved in any lawsuits which could have a financial impact on the Company? Yes No

Has the Company, or any of its owners, ever been involved in bankruptcy? Yes No

Are the owners of the Company citizens of the United States? Yes No

Has the Applicant (or any related company) been involved in any prior financing, whether by this Agency, or by a financial institution, in the county in which this project is located? Yes No

If yes, please explain:

Bank References:

Major Trade References:

_____	_____
_____	_____
_____	_____

Legal Counsel:	Nixon Peabody LLP	Underberg Kessler LLP
Contact:	Ed Campbell	Edmund Russell III
Address:	300 Grand Avenue, Suite 4100	300 Bausch & Lomb Place
City/State/Zip:	Los Angeles, CA 90071-3151	Rochester, NY 14604
Telephone:	_____	_____
Contact Email:	_____	_____

Are there any concerns that may be regarded as parent companies, subsidiaries, or affiliates of the Company, including concerns in which the Company or any of its principals holds an interest greater than 5%? Yes No

If yes, please provide a list of names and addresses of all concerns. Attach additional pages as needed.

Name:	_____
Address:	_____
City/State/Zip:	_____
Nature of Relationship:	_____ % Ownership

Business History

Provide a brief history of the Company including changes in ownership operations, overview of operating performance, location and size of current operations, products and/or services, major accounts, principal competitors, and major events affecting sales and/or expenses:

As the proposed project is the acquisition and rehabilitation of an existing affordable multifamily housing complex, Lawrence Avenue Apartments (the "Project"), single purpose entities are being newly formed for the purpose of acquiring, owning and operating the Project. The entities will likely be a Limited Partner with a General Partner. The organizational structure of the General Partner is currently being defined as well.

Community Preservation Partners ("CPP"), which will control the managing member of the General Partner, is a family owned and operated company that develops, preserves and operates quality affordable housing properties across the country. The history of Community Preservation Partners (CPP) begins with our parent company, WNC & Associates. Founded in 1971, WNC is a national investor in affordable housing and community renewal initiatives. It has acquired more than 1,200 properties valued at greater than \$8 billion in 45 states, Washington D.C., and the Virgin Islands.

CPP was established in 2004 to promote the preservation of low-income housing and to assist existing owners and/or general partners with recapitalizing and revitalizing their affordable housing portfolios. Since then, it has successfully acquired, developed and rehabilitated more than 7,500 affordable multi-family and senior housing units across the nation.

CPP is more than a consultant or an investor. We are a true partner in every sense. CPP helps enrich the local community by joining forces with leading nonprofits and strategically partnering to provide essential social services to residents.

Site Information

<p>Project Address: <u>3 Debra Drive</u></p> <p>City/State/Zip: <u>Potsdam, NY 13676</u></p> <p>Town: <u>Potsdam</u></p> <p>Village/City: <u>Village of Potsdam</u></p> <p>School District: <u>Potsdam Central School District</u></p> <p>Tax Map Parcel: <u>64.044-1-1.2</u></p>	<p>Note utilities currently on site:</p> <table border="0" style="width: 100%;"> <tr> <td><input checked="" type="checkbox"/> Municipal Water</td> <td><input checked="" type="checkbox"/> Municipal Sewer</td> </tr> <tr> <td><input checked="" type="checkbox"/> Electric</td> <td><input checked="" type="checkbox"/> Telecom</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gas</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Municipal Water	<input checked="" type="checkbox"/> Municipal Sewer	<input checked="" type="checkbox"/> Electric	<input checked="" type="checkbox"/> Telecom	<input checked="" type="checkbox"/> Gas		<input type="checkbox"/> Other:		<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Municipal Water	<input checked="" type="checkbox"/> Municipal Sewer										
<input checked="" type="checkbox"/> Electric	<input checked="" type="checkbox"/> Telecom										
<input checked="" type="checkbox"/> Gas											
<input type="checkbox"/> Other:											
<input type="checkbox"/> Other:											

Who is the current legal owner of the proposed site?	North Country Housing Limited Partnership
What is the size of the existing facility and site, if applicable?	Building: 9 1,540 net rentable sqft; Site: 1 0.84 acres
What is the size of the proposed facility and site?	N/A – no change to building footprint or site
What is the current zoning of the project site?	R-1 Residential
Does the project require local planning or permitting approvals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please explain:	No approvals/permitting required other than building permits
Will the project meet zoning regulations after completion?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If no, explain what zoning changes will be needed:	
Identify any Federal, State or local regulatory agencies or boards that will need to approve your project, or will oversee your operations:	New York State Housing Finance Agency – approval of "as-of right", 4% Low Income Housing Tax Credits and on-going compliance monitoring; HUD – approval of the 20 year renewal, rent increase and assignment/assumption to new owner of the Housing Assistance Payment (Section 8) contract
Will a site plan application need to be filed? If yes, please include a copy, if prepared.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has the company completed the required SEQR application?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

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If yes, what is the date of the application? 3/7/2019

SEQR application is being submitted concurrent with this application

Project Description

Description of the project: (check all that apply)

- | | |
|--|--|
| <input type="checkbox"/> New construction | <input type="checkbox"/> Purchase of new machinery and equipment |
| <input type="checkbox"/> Addition to an existing facility | <input type="checkbox"/> Refinancing of an existing project |
| <input checked="" type="checkbox"/> Renovation and modernization of an existing facility | <input type="checkbox"/> Other: |
| <input checked="" type="checkbox"/> Acquisition of an existing facility | <input type="checkbox"/> Other: |

Project Type for all end users at project site: (check all that apply)

- | | |
|--|--|
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Facility For Aging |
| <input type="checkbox"/> Back Office | <input type="checkbox"/> Multi-Tenant |
| <input type="checkbox"/> Retail | <input type="checkbox"/> Equipment Purchase |
| <input type="checkbox"/> Acquisition of an existing facility | <input type="checkbox"/> Civic Facility (not for profit) |
| <input type="checkbox"/> Mixed Use | <input type="checkbox"/> Commercial |
| <input checked="" type="checkbox"/> Housing | <input type="checkbox"/> Other: |

What is the proposed commencement date of construction or acquisition of the project? **July 2019**

What is the timetable for the project including when the project will be in full use? **Project will be substantially in full use upon acquisition. Project will remain in use during rehabilitation with tenants remaining in place.**

Provide a brief description of the Project. Please identify specific uses and activities occurring within the project location. List proposed products to be manufactured and/or services to be rendered and the markets for those goods and services. Include impact on Company in terms of its operations, profitability, marketing, and other significant operating financial factors. Attach additional pages as needed.

The proposed project is the acquisition and rehabilitation of Lawrence Avenue Apartments in Potsdam, NY. This acquisition will preserve and extend the affordability restrictions at the property, likely for 25 plus years to those families making no more than 60% of Area Median Income. Originally built in 1978, the property consists of 137 affordable multifamily units in 6 residential buildings all situated on a 10.483-acre site. The property is subject to a 20-year HAP contract (Project-Based Section 8) that expires on 9/30/2037 which provides subsidy to 136 of the 137 units. A 20 year Mark-Up-to Market renewal will be requested from HUD for the HAP contract. The property is currently subject to a HUD Regulatory Agreement per its existing Section 223(f) HUD insured mortgage. The mortgage and the obligations under the HUD Regulatory Agreement will terminate upon prepayment of the mortgage and transfer of title. The purchase price for the property is \$7.3m.

Community Preservation Partners and the project's co-general partner, Rochester's Cornerstone Group, propose to recapitalize and refinance the property using 4% LIHTC and Tax-Exempt Bonds. It is anticipated that the tax-exempt bonds will be issued by the St. Lawrence Industrial Development Authority, as evidenced by this application, purchased and loaned to the Project via a conduit structure which will generate "as-of-right" 4% LIHTCs. Rochester's Cornerstone Group will act as co-developer, for which, in exchange for 25% of developer fee and cash flow, they will act as Guarantor for all required guarantees required by the tax credit investor and lender. Due to their proximity, the project will also benefit from the Cornerstone Group's local and regional relationships and knowledge.

An LOI to enter into a PSA was executed on October 15, 2018. The PSA is expected to be executed on March 8th.

To realize the most efficient process possible, Kattera Affordable and Ebersoldt & Associates Architecture (E&A) will be the contractor and architect as they have an existing working relationship with both CPP and Cornerstone. Project and HUD counsel will be Nixon Peabody. At this time, the scope of work is being defined by Kattera, their sub-contractors and E&A. Anticipated rehabilitation costs will be of an order of magnitude of approximately \$45,000 per unit. The rehabilitation will consist of unit upgrades (new kitchens, bathrooms, flooring, etc.), common area upgrades, building system upgrades, new roofing, siding and windows, as well as site work. No tenants are expected to be permanently displaced as a result of the rehabilitation activities. For the most part, rehabilitation will be "tenant-in-place."

In January 2019, the property experienced an insurance loss event (fire) that resulted in substantial damage to one of the residential buildings at Lawrence Avenue Apartments. Thankfully, no one was injured, however 8 apartment units are currently non-occupiable. The restoration work associated with this loss event will likely occur concurrent with the above referenced rehabilitation scope of work. Insurance proceeds of approximately \$780,000 will likely be assigned and assumed from the Selling entity to cover the costs of the restoration work.

Upon closing, Winn Management will take over management from the current property manager, Affinity Property Management. Winn is already in discussions to retain current staff upon acquisition.

Does the Applicant intend to lease or sublease more than 10% (by area or fair market value) of the Project?

Yes No

*No, other than normal residential leases of apartment units.

Does the Project include facilities or property that is primarily used in making retail sales of goods or services to customers who personally visit such facilities? Yes (*complete shaded box below*) No

If the answer to the previous question is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? _____

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If more than 33.33%, indicate whether any of the following apply to the Project:

Will the Project be operated by a not-for-profit corporation? Yes No

Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes No

If yes, please explain: _____

Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the Project and related jobs outside of New York State? Yes No

Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the City, Town or Village within which the Project will be located because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes No

If yes, please explain: _____

Is the proposed project a Franchise? Yes No

If Yes, please provide a Franchise Agreement.

Will the Project be located in a census tract or block numbering area (or census tract or block number area contiguous thereto) which, according to the most recent census data, has 1) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of household receiving public assistance, and 2) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year in which the data relates? Yes No

If yes, please explain: _____

Does the applicant have other facilities or related companies located in New York State, outside of the jurisdiction in which the project will take place? Yes No

If yes, will this other facility or company be closed or have operations reduced as a result of this proposed project?

Yes No

If yes, please explain: _____

Are there any current occupants of this proposed site that will have their operations affected (including reduced or discontinued) as a result of this proposed project? Yes No

If yes, please explain: _____

If the answer to either of the previous two questions is yes, indicate whether any of the following apply to the Project:

Is the Project reasonably necessary to preserve the competitive position of the Company or such Project Occupant in its industry? Yes No

If yes, please explain: _____

Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes No

If yes, please explain: _____

Has the applicant actively sought sites and/or facilities in another state? Yes No

If yes, please explain: _____

Does the project involve pollution control or processing primarily for solid waste disposal? Yes No

If yes, please describe the type of pollution to be abated, existing methods of abatement, or the proposed method of abatement, construction and equipment to be financed: _____

Is there a likelihood that the Project would not be undertaken but for the financial assistance provided by the Agency?

Yes No

If the Project could be undertaken without financial assistance provided by the agency, then provide a statement below indicating why the Project should be undertaken by the Agency: _____

ADDITIONAL REQUIREMENTS: Include the following items as attachments as necessary.

COMPANY INFORMATION: (Prior to Closing)		
<input type="checkbox"/>	<input type="checkbox"/> N/A	Entity formation documents as appropriate (DBA Certificate, Articles of Incorporation, Bylaws, Certificate of Formation, Operating Agreement, Partnership Agreement)
<input checked="" type="checkbox"/>	<input type="checkbox"/> N/A	Copy of Environmental Assessment Forms (Agency will provide assistance as needed)
FINANCIAL INFORMATION:		
<input type="checkbox"/>	<input type="checkbox"/> N/A	Company profit and loss statements, balance sheets, and capital statements for the last 2 years. If the business is a sole proprietorship, provide copies of the IRS 1040 and Schedule C. If accountant prepared financial statements are available, they should also be provided.
<input type="checkbox"/>	<input type="checkbox"/> N/A	Company Annual Reports (form 10-k) for the two most recent fiscal years
<input type="checkbox"/>	<input type="checkbox"/> N/A	Quarterly reports and current reports since most recent Annual Report, if any

Project Costs, Sources and Uses of Funding

Estimate the costs necessary for the construction, acquisition, rehabilitation, improvements and equipping of the project.

Project Costs:

Item/Use of Funds	Amount		
Land Acquisition	66,433	10.84	Acres
Building Purchase	7,233,567	91,540	Square Feet
Construction or Renovation (Materials)	4,867,131	See attached Construction and Permanent Sources & Uses	
Construction or Renovation (Labor)	3,244,754		
Site Work	250,000		
Machinery & Equipment			
Furniture & Fixtures	100,000		
Working Capital/Inventory			
Other: Design, DD, Capitalized Loan Interest, Dev Fee, etc	6,651,653		
Subtotal Project	\$22,413,538		
Legal Fees (Other than Company's Attorney)	100,000		
Agency's Fee (1% of Bond or Benefited Project Amount)	163,572		
Subtotal Project	\$22,677,110		

Sources of Funding:

Source	Amount	Rate	Term	Percentage
Company Equity – LIHTC Equity	6,600,529	N/A	N/A	N/A
Bank Loan	13,720,000 (ST bonds of 16,357,201 are being requested)	5%	35 years	
SLCIDA-LDC Loan				
Other: Capitalized Loan Interest	2,356,581	N/A	N/A	
Other:				
Other:				
Other:				
Total	\$22,677,110	%		100%

Please provide a list of all New York State incentives that have been approved, or are pending approval, as part of this project (example: Grants, Tax Credits, etc...)

As of right, 4% Federal LIHTC - NYSHFA

Please identify participating lenders:

Lender: TBD – either Citibank or Keybank
 Contact Name: _____
 Contact Title: _____
 Contact Email: _____
 Telephone: _____

Lender: _____
 Contact Name: _____
 Contact Title: _____
 Contact Email: _____
 Telephone: _____

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Job Creation

Please complete the following chart for the permanent jobs created by the Project. Enter data as follows:

For purposes of this application, we are providing the following guidelines to help you calculate employment levels:

- Full Time: Any permanent employee who works 30 or more hours each week, and does so on a regularly-scheduled basis.
- Part Time Temporary/Seasonal: Any employee who works fewer than 30 hours each week, and does so on an occasional, temporary or as-needed basis.

- A:** Insert the number of full time and part time jobs that currently exist within your company at the time of application.
B: Indicate the average annual wage for each job type listed in A (full time, part time, or other).
C: Indicate the average annual Benefit for each job type listed in A (full time, part time, or other).
D: Insert the number of jobs to be created during year 1 of the project for each job type (full time, part time, or other).
E: Insert the number of jobs to be created during year 2 of the project for each job type (full time, part time, or other).
F: Insert the number of jobs to be created during year 3 of the project for each job type (full time, part time, or other).
G: The total number of jobs to be created for each job type (full time, part time, or other) will automatically calculate.

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Jobs	Current Jobs	Average Annual Wage	Average Annual Benefit Cost	Number of Jobs Created Year 1	Number of Jobs Created Year 2	Number of Jobs Created Year 3	Total New Jobs Created
Full Time							
Management	1	█	█				
Professional		\$	\$				
Administrative		\$	\$				
Production		\$	\$				
Independent Contractor		\$	\$				
Other: Maintenance Super	1	█	█				
Total		\$	\$				
Part Time							
Management	1	\$	\$				
Professional		\$	\$				
Administrative		\$	\$				
Production		\$	\$				
Independent Contractor		\$	\$				
Other: Maintenance Tech	1	█	█				
Total							0

If you classified any of the above jobs as "Other", please clarify job type, benefits offered, etc.: **1 FT Maintenance Superintendent, 1 PT Maintenance Tech**

Of the new jobs to be created, how many of those vacancies do you expect to fill with St. Lawrence County residents? _____

Please list any benefits currently provided to your full/part time employees (e.g. medical, dental, vision or life insurance; retirement program; etc.) **The Employer will be the contracted Management Agent. Medial insurance, retirement**

Indicate the number of construction jobs that will be created as a direct result of this project: **75-100**

RECAPTURE POLICY

APPROVED JUNE 29, 2016

Policy:

It is the policy of the St. Lawrence County Industrial Development Agency (the "SLCIDA") to ensure responsible provision of public benefits to companies for job creation/retention projects. In furtherance of this, SLCIDA wishes to set forth criteria which will assist the SLCIDA in evaluating project performance and determine the appropriateness of recapturing, limiting or terminating a contract with a recipient of IDA benefits.

Applicability:

This policy shall apply to all projects which the SLCIDA has authorized.

Procedure:

All SLCIDA project applicants are required to submit, on a quarterly basis, a copy of the form NYS-45. The NYS-45 will act as a general indicator of the status of the project's employment performance.

All SLCIDA project applicants are required to submit, on an annual basis and no more than 45 days after the end of the calendar year, a "St. Lawrence County IDA Project Report" documenting the position of the project at the end of the calendar year. The report shall include such information as: jobs projected to be created/retained; estimated salary of jobs to be created/retained; current number of Full Time and Part Time and/or Seasonal) jobs; number of construction jobs created through the year; exemptions from taxes and Payment in Lieu of Tax made; and status of bond financing related to the project.

SLCIDA will utilize both of the aforementioned reports, in addition to information compiled throughout the project (site visits; follow-ups; phone/email and general correspondence) to gauge the status of the project in relation to the original commitment of the company as stated in the project application. The project will undergo further review should significant deficiencies be found in any area. SLCIDA will request from project applicants justification for deficiencies/shortfalls, and will compare justifications against industry standards, current market conditions and current economic conditions. Said information will be used by SLCIDA to determine whether the project applicant/project operator did all that it could to meet the obligations outlined in the application and project agreements.

SLCIDA, in its sole discretion and on a case-by-case basis, may determine with respect to a particular project to require the project applicant to agree to the recapture by SLCIDA of the value of any or all exemptions from taxation granted with respect to the project by virtue of the SLCIDA's involvement. Events that SLCIDA may determine will trigger recapture may include, but shall not be limited to, the following:

1. sale or closure of a facility;
2. significant reduction in employment levels;
3. significant change in use of facility;
4. significant change in business activities or project applicant or operator, including a shift of production activity or relocation of operations to a facility outside of SLCIDA's jurisdiction;
5. material non-compliance with or breach of terms of the SLCIDA transaction documents, or of zoning or land use laws or regulations or federal, state, or local environmental laws or regulations;
6. failure to respond to SLCIDA inquiries and/or requests regarding non-compliance with provision of quarterly and/or annual follow-up reporting documents; or
7. failure to respond to SLCIDA inquiries and/or requests concerning any information regarding the project or the project applicant or any project operator.

Upon the occurrence of any of the event triggers listed above, the SLCIDA will send written notice to the project applicant, demanding provision of, or requesting an explanation for failure to provide, information requested by SLCIDA.

Should SLCIDA find that (a) significant deficiencies in the achievement of the economic benefits promised as described in the application and the project agreements have occurred and (2) there appears to be no justification satisfactory to the SLCIDA to explain the deficiencies, the SLCIDA may determine to undertake any enforcement action available to the SLCIDA under the SLCIDA's agreements to seek redress for the deficiencies.

Enforcement action taken by SLCIDA may include, but shall not be limited to:

1. Requesting cure of the deficiency by a final notice letter.
2. Forwarding an event of default notice as described in the project agreements.
3. Notifying the appropriate New York State agencies of the project operator's failure to comply.
4. Terminating any or all of the project agreements.
5. Reducing the value of financial assistance moving forward.
6. Terminating any future financial assistance.
7. Requiring that the value of the all of the financial assistance utilized to date to be repaid in full or in part, with interest.

All recaptured amounts of Financial Assistance shall be redistributed to the appropriate affected taxing jurisdictions, unless agreed to otherwise by such affected taxing jurisdictions.

APPENDIX A – Bond Financing

Please complete this section if you are applying for Bond Financing.

Bond Counsel: Edmund J. Russell, III
Name of Firm: Underberg & Kessler LLP
Address: 300 Bausch and Lomb Place
Rochester, NY 14604
Telephone: _____
Bond Counsel Contact: Edmund J. Russell, III
Bond Counsel Contact Email: _____

If the Company is asking the Agency to issue its qualified small issue private activity bonds (colloquially known as “small issue IDBs”), what is the dollar value of “capital expenditures” (as determined in accordance with the provisions of the Internal Revenue Code) that the Company or any related company or person, has expended/will expend within this County?

Over the last three years	<u>\$0</u>
During the present year (2019)	<u>\$8,111,885 (anticipated rehabilitation cost)</u>
First year after project completion	<u>\$921,246 (anticipated Year 1 operating expenses)</u>
Second year after project completion	<u>\$943,014 (anticipated Year 2 operating expenses)</u>
Third year after project completion	<u>\$965,522 (anticipated Year 3 operating expenses)</u>

Has the company made any arrangements for the marketing or purchasing of the bonds? Yes No

If yes, please provide information: **We have discussed private placement with multiple lenders, including Citibank and Keybank.**

What is your total estimated interest expense (assuming taxable interest)? \$3,299,213 (ST int – 24 months), \$18,180,943 (LT int – 35 years) (what if scenario)

What is your total estimated interest expense (assuming tax exempt interest rate)? \$2,356,581 (ST int – 24 months), \$15,304,955 (LT int – 35 years)

APPENDIX B

Please complete this section if you are applying for any of the following:
 Lease Transaction, Bond Financing ▪ Payment in Lieu of Taxes
 Mortgage Recording Tax Exemption ▪ or ▪ Sales and Use Tax Exemption.

MORTGAGE RECORDING TAX EXEMPTION BENEFIT: Amount of mortgage that would be subject to mortgage recording tax:

Mortgage Amount (Include sum total of construction/permanent/bridge financing): **\$16,357,201 (\$13,720,000 perm)**

Estimated Mortgage Recording Tax Exemption benefit
 (product of mortgage amount as indicated above multiplied by .0075%): **\$122,679**

SALES AND USE TAX: Gross amount of costs for goods and services that are subject to the 8% State and Local Sales and Use Tax in St. Lawrence County – said amount to benefit from the Agency’s Sales and Use Tax exemption benefit.

ESTIMATED COSTS ELIGIBLE FOR SALES TAX EXEMPTION BENEFIT:

Construction/Renovation: Materials	
Site Work	
Non-Manufacturing Equipment	
Furniture & Fixtures	
Machinery & Equipment	
Construction/Renovation: Labor	
Other:	
Other:	
Total	

Estimated State and Local Sales and Use Tax Benefit (product of .08 multiplied by the total figure above):

INFORMATION FOR ESTIMATED REAL PROPERTY TAX EXEMPTION BENEFIT:

What is the pre-project assessment of the property? _____
 What is the estimated post-project assessment? _____
 What is the property tax ID# _____

ESTIMATED OTHER BENEFITS:

Sales Tax Revenue

If the project will result in the manufacturing or selling of a new product, estimate the amount of annual sales taxes that will be generated on retail sales of the new product. Otherwise, enter “N/A” **N/A**

If the project will result in increased production or sales of an existing product, estimate the amount of annual sales tax that will be generated on the retail sales of the increased production. Otherwise, enter “N/A”. **N/A**

Real Property Taxes

Estimate the amount of annual real property taxes that will be payable on the Project (at the end of the PILOT Agreement, if any). Otherwise, enter “N/A”. **N/A**

REAL PROPERTY TAX BENEFIT: Identify and describe if the Project will utilize a real property tax exemption benefit OTHER THAN the Agency’s PILOT benefit: _____

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 depicted on **Cost/Benefit Analysis** attached.

What other benefits will the Project bring to the community and region?

- This project will result in the building of a new plant or the expansion of an existing facility.
- This project will result in the reoccupation of a formerly-vacant building.
- This project directly contributes to “green” or “environmentally friendly” technology.
- This project will result in bringing new inventions, licenses or products to market.

This project will result in expansion of infrastructure capacity.

Other: _____

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 project receives any financial assistance from the Agency, except as otherwise provided by collective bargaining agreement, new employment opportunities created as a result of the project will be listed with the NYS Department of Labor, Department of Employment Services and with the administrative entity of the local workforce investment area created by the Federal Workforce Investment and Opportunity Act (WIOA) in which the project is located.
- B. First Consideration for Employment. In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the project receives any financial assistance from the Agency, except as otherwise provided by collective bargaining agreement, where practicable, the Applicant will first consider persons eligible to participate in WIOA programs who shall be referred by those WIA entities for new employment opportunities created as a result of said project.
- C. Annual Sales Tax Filings. In accordance with Section 874(8) of New York General Municipal Law, the Applicant understands and agrees that, if the project receives any 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, and to provide a copy of such filing to the Agency.
- D. Quarterly Employment Reports. The Applicant understands and agrees that, if the project receives any financial assistance from the Agency, the Applicant agrees to file, or cause to be filed with the Agency on a quarterly basis, reports regarding the number of people employed at the project site.
- E. Absence of Conflicts of Interest. The Applicant has received from the Agency a list of all members, officers and employees of the Agency. No member, officer or employer of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this application, except as hereinafter described:
- F. Hold Harmless. The Applicant hereby releases the Agency and its members, directors, officers, servants, agents and employees thereof 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 limitation 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.
- G. Recapture. The Applicant understands and agrees that the Agency can impose on the Company penalties or sanctions for projects that do not meet performance standards or project goals as outlined on the Agency's Recapture Policy on Page 9 of this Application. Said penalties/sanctions may include the return by the Company of all or part of the benefits received.
- H. Affirmation. The Applicant understands and agrees that the provisions of Section 862(1) of the New York State 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.

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.

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 with the Project.

The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge, are investigations which deponent has caused to be made concerning the subject matter of this application as well as the information acquired by deponent in the course of his duties as an officer of and from the books and papers of said corporation.

As an officer of said Corporation (hereinafter referred to as the "applicant") deponent acknowledges and agrees that the applicant shall be and is responsible for all costs incurred by the St. Lawrence County Industrial Development Agency (hereinafter referred to as the "Agency") acting on behalf of the attached whether or not the application, the project it describes, the attendant negotiations and ultimately the necessary issue of bonds are ever carried to a successful conclusion. If, for any reason whatsoever, the applicant fails to conclude or consummate necessary negotiations or fails to act 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 Applicant are unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, Applicant shall pay to the Agency, its agents, or assigns all actual costs involved in conduct of the application, up to that date and time, including but not necessarily limited to fees of bond counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion and sale of the required bond issue, the Applicant shall pay to the Agency an administrative fee set by the Agency and not to exceed an amount equal to **1% of the total project cost benefited by the Agency's assistance**. The cost incurred by the Agency and paid by the applicant, including bond counsel and Agency general counsel fees, and the administrative fee, may be considered as a cost of the project and included as part of the resultant bond issue. The \$2,000.00 application fee shall be credited toward this amount.

CERTIFICATION:

STATE OF NEW YORK)

COUNTY OF) ss.:

_____, being first duly sworn, deposes and says:

1. That I am the _____ (Corporate Officer Title) of _____ (Officer of Company Submitting Application) and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the attached Application, I _____ of, 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 ____ day of _____, 20__.

(Notary Public)

See attached - app

CALIFORNIA JURAT WITH AFFIANT STATEMENT

GOVERNMENT CODE § 8202

- See Attached Document (Notary to cross out lines 1-6 below)
- See Statement Below (Lines 1-6 to be completed only by document signer[s], *not* Notary)

1 _____

2 _____

3 _____

4 _____

5 _____

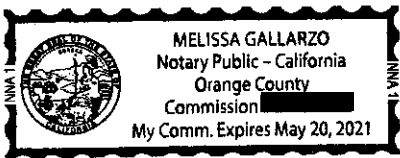
6 _____

Signature of Document Signer No. 1 Signature of Document Signer No. 2 (if any)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
 County of Orange

Subscribed and sworn to (or affirmed) before me
 on this 7th day of March, 2019,
 by _____
 (1) _____
 (and (2) _____),
Name(s) of Signer(s)



Place Notary Seal Above

proved to me on the basis of satisfactory evidence
 to be the person(s) who appeared before me.
 Signature _____

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Application Document Date: 3/7/19
 Number of Pages: 14 Signer(s) Other Than Named Above: N/A

Lawrence Avenue Apartments

3/7/2019

Proposed Sources and Uses of Funds

	Construction	Perm
	Financing	S&U
Debt:		
Permanent Loan (LT TE Bonds)	\$ -	\$ 13,720,000
Construction Loan (ST TE Bonds)	\$ 16,357,201	\$ -
Deferred Developer Fee	\$ 2,280,194	\$ 0
Project:		
Capitalized Interest (Interim & Construction)	\$ 2,356,581	\$ 2,356,581
Equity:		
Tax Credit Equity @ \$0.86	\$ 1,683,135	\$ 6,600,529
TOTAL SOURCES	\$ 22,677,110	\$ 22,677,110

Property Acquisition	\$ 7,300,000	\$ 7,300,000
Renovation Costs	\$ 8,111,885	\$ 8,111,885
Indirect Costs:		
Third Party Reports	\$ 477,043	\$ 477,043
Financing Placement	\$ 980,823	\$ 980,823
Capitalized Interest (Interim & Construction)	\$ 2,356,581	\$ 2,356,581
Accounting	\$ 15,000	\$ 15,000
Legal & Organizational	\$ 200,000	\$ 200,000
Relocation Allowance	\$ 205,500	\$ 205,500
Initial Deposits to Reserves	\$ 479,100	\$ 479,100
Tax Credit Reservation Fees	\$ 65,846	\$ 65,846
Other Fees and Costs	\$ 205,140	\$ 205,140
Developer Fee	\$ 2,280,194	\$ 2,280,194
TOTAL USES	\$ 22,677,110	\$ 22,677,110