

**ESSEX COUNTY INDUSTRIAL DEVELOPMENT
AGENCY & ESSEX COUNTY CAPITAL RESOURCE CORPORATION**

Joint Application for Financial Assistance

The County of Essex Industrial Development Agency (the “Agency”) is a body corporate and politic of the State of New York (the “State”), established in 1974 under section 914-a of the State General Municipal Law, and operating pursuant to the provisions of Article 18-A of the State General Municipal Law. The Essex County Capital Resource Corporation (“ECCRC”) is a not for profit corporation, established in 2010 under section 1411 of the State Not-for-Profit Corporation Law. The Agency provides several forms of financial assistance under State law and pursuant to the Agency’s “uniform tax exemption policy”, including tax-exempt revenue bond financing, PILOT agreements, and “straight lease” agreements. ECCRC provides tax-exempt financing for economic development projects which fulfill public purpose and reduce the burden of government.

In order to be considered for the financial assistance the Agency may provide, the applicant should complete the Application in duplicate, sign and date the Application, and return the completed Application to the Agency together with a processing fee of \$1,000, or \$1,500, as appropriate.

Please answer all the questions in Parts A through D either by filling in the blanks, completing the answer in the space provided in the Application, or by attachment. Please refer to section IV of Part D of the Application for a statement of costs and fees applicable to providing financial assistance. All information submitted in the Application will be kept confidential. No Application will be considered until a fully completed and executed Application, in duplicate, is received by the Agency, together with applicable processing fees.

PART A
Applicant and Project Information

Applicant Name	The Northwood School
Address	92 Northwood Road, Lake Placid NY 12946
Telephone	(518) 523-3357
Fax	N/A
Email	bradyt@northwoodshool.org
Contact Name	Teresa Brady, CFO

<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Corporation
<input type="checkbox"/> Partnership	<input checked="" type="checkbox"/> Not-For-Profit Corporation (see Part C)
<input type="checkbox"/> Limited Partnership	<input type="checkbox"/> Other

Federal ID #	14-1401103
If corporation, what is State of incorporation?	New York
Is the corporation authorized to do business in New York state? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	

If a not-for-profit corporation, is the corporation qualified under IRS code section 501(c) 3? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
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<p>List names and addresses of principal shareholders or board members in case of not-for-profit:</p> <p>Bradley A. Olch '69, Chair Hans L. Carstensen, III, Treasurer G. F. Robert Hanke '56 Michael Ritchie (GP '17, '21) Katrina Lussi Kroes '87 (P '18, '21) John Taylor (P '04) Jennifer Holderied Webb '94 Matthew Bette (P '16, '22) John D. Reynolds '83 (P '19) Michael Maher, Head of School Karen Miller, Vice Chair James Brooks (P '86, '89, '95) Shawn George '73, Secretary William Leach III '69 Dennis Hepworth (P '19) Gregg Heineman '80 Paul L. (Lance) Hillman '68 Brian Lilly '85 Lew Allyn '57 (P '86) Erik V. Berg '92 Keith Bergelt (P '06, '09) Daniel Cotuno '98 Gary Green '55 Vanderlyn R. Pine '55 (P '81, '82)</p>
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List at least 3 financial references including address and telephone # and contact:
1.ORDA 2634 Main Street, Lake Placid, NY 518-302-5321
2.Noonan Leasing, LLC 703 County Highway 107 Johnstown, NY 12095 518-762-2666
3.Sodexo Pittsburgh, PA 15251 301-987-4000

Attorney Firm	Cuddy Feder
Address	445 Hamilton Ave, White Plains NY 10601
Telephone	914-761-1300
Fax	N/A
Email	jcarlucci@cuddyfeder.com
Contact Name	Joseph Carlucci, Esq.

Accounting Firm	Martindale, Keyser & Co.
Address	24 Margaret St, Plattsburgh NY 12901
Telephone	518-563-7717
Fax	518-563-7929
Email	
Contact Name	

Type of Assistance Requested:

Tax-Exempt Revenue Bond Financing*	<input checked="" type="checkbox"/>
Taxable Bond Financing	<input checked="" type="checkbox"/>
Not-For-Profit Financing (see Part C)	<input checked="" type="checkbox"/>
Pollution Control Bond Financing	<input type="checkbox"/>
Straight Lease Back Transaction	<input type="checkbox"/> PILOT Agreement <input type="checkbox"/> Sales Tax Exemption <input checked="" type="checkbox"/> Mortgage Recording Tax Exemption

*Please note that for any proposed project for which tax-exempt financing is requested, the applicant will be required to complete a detailed "tax questionnaire" to determine eligibility under the Internal Revenue Code for tax-exempt financing.

<p>Identify and describe any other real property tax exemption other than that requested from the Agency the project will utilize:</p> <p>NONE REQUESTED – NORTHWOOD IS A NOT-FOR-PROFIT</p>
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Agency staff will calculate the amount of savings from the proposed PILOT Agreement based on the anticipated tax rates and assessed value of property at time of application and based on proposed expansion (if applicable) for each year of PILOT and for the term of the PILOT.
Tax Map #: NONE REQUESTED – NORTHWOOD IS A NOT-FOR-PROFIT
Assessment of property (now):
Assessment of property (at completion):

If applicant is seeking usage of the Essex County IDA sales tax exemption as part of the assistance for this project, please provide an estimate of the total sales tax to be saved (i.e. equipment purchase, construction, etc.)	\$
Items to be purchased using IDA sales tax exemption: NONE REQUESTED – NORTHWOOD IS A NOT-FOR-PROFIT	

If applicant is seeking usage of the Essex County IDA mortgage recording tax exemption as part of the assistance for this project, please provide an estimate of the total to be saved	~\$130,000
Amount of mortgage to be filed at Essex County Clerk’s Office	\$13,000,000

Provide a general description of the proposed project, indicating (1) location, (2) dimensions of the building or facility, (3) type of construction of the building or facility, (4) intended use of the building or facility and (5) describe any and all tenants and any/all end users:

SEE ATTACHED IN **APPENDIX A**

Attach photograph of site or existing facility

Attach copy of preliminary plans for proposed project

If the proposed project is a manufacturing facility, briefly describe the proposed manufacturing process:

NOT APPLICABLE

Will the completion of the project 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 applicant located within the state? YES NO

If the proposed project is a commercial facility, briefly describe the proposed retail sales operation contemplated:

NOT APPLICABLE – NORTHWOOD IS A NOT-FOR-PROFIT

If proposed project has economic activities that would be deemed retail, please indicate if customers personally visit the project site for either of the following:

Retail Sale YES NO

Services YES NO

If the proposed project is a dormitory, healthcare, senior housing or education which a non-for-profit corporation must engage in, briefly describe the proposed project:

SEE ATTACHED IN **APPENDIX A**

If the proposed project is a pollution control facility, briefly describe the type of pollution to be abated, and existing orders of environmental agencies to abate pollution:

NOT APPLICABLE

On-Site Utilities:

Water	Municipal: X YES <input type="checkbox"/> NO	Municipal: <input type="checkbox"/> YES <input type="checkbox"/> NO
Sewer	Other:	Other:
Electric	Supplier: Village of Lake Placid	
Natural Gas	Supplier: N/A	

Indicate the current legal owner of the building or site or the proposed project:
Northwood School

Indicate any existing or proposed leases for the proposed project and provide a copy of such lease:

Not Applicable

Indicate any purchase option agreement relating to the proposed project and provide a copy of the purchase option agreement:

Not Applicable

Indicate any litigation or controversy regarding (1) title to the site or building to be acquired, constructed or improved, (2) conditions on or under the site including environmental or hazardous waste conditions, (3) the financial condition of the Applicant or any entity controlling the Applicant or any entity which the Applicant control, and (4) the general operations of the Applicant.

NONE

If the applicant is or is controlled by a corporation or by a person or entity which is a majority shareholder in a corporation listed on a national stock exchange, please provide a copy of the annual report (including certified financial statements) of such corporation for its two (2) most recent fiscal years.

Annual Report (including financials) attached

Employment:

CURRENT	YEAR 1	YEAR 2
full-time employees:64	projected FT additional:66	projected FT additional:66
part-time employees:0	projected PT additional:0	projected PT additional:0
seasonal employees:2	projected S additional:1	projected S additional:1
TOTAL: 66	TOTAL: 67	TOTAL: 67

Current Annual Payroll	\$3,480,000
Estimated Payroll for Year 1	\$4,010,000
Estimated Payroll for Year 2	\$4,130,000

Of New Jobs Per Month:

MONTH	YEAR 1	YEAR 2
January		
February		
March		
April	N/A	
May	Not-for-Profit	
June		
July		
August		
September		
October		
November		
December		

CATEGORY OF JOBS TO BE RETAINED	AVERAGE SALARY	AVERAGE FRINGE BENEFITS
Management	\$	\$
Professional	\$	\$
Administrative	N/A	\$
Production	Not-for-Profit	\$
Independent Contractor	\$	\$
Other:	\$	\$
CATEGORY OF JOBS TO BE CREATED	AVERAGE SALARY	AVERAGE FRINGE BENEFITS
Management	\$	\$
Professional	\$	\$
Administrative	\$	\$
Production	\$	\$
Independent Contractor	\$	\$
Other:	\$	\$

Indicate labor market area in which the project is located and where employees may reside and commute to work (county or town):
 Lake Placid, NY

Will any construction jobs to be created or retained as a result of this project? If so, how many?	Yes, TBD
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Project Costs:

Land	\$0
Improvements to Land (other than site work)	\$0
Site Work: Materials Labor	\$
Building Construction: Materials Labor	\$10,000,000
Machinery & Building Fixtures	\$0
Equipment	\$0
Legal Fees (excluding financing costs)	\$0
Architect & Engineering Fees	\$0
Financing Costs (including transaction legal counsel)	\$500,000
Working Capital	\$
Other: Refinancing of Debt	\$2,500,000
TOTAL	\$

Project Financing:

Total Amount to be Financed	\$13,000,000
Term of Financing	Bank Financing –
	10 year hold / 25 year amortization
<p>Indicate the name, address, telephone, fax, email and contact person of the financial institution where the applicant is seeking financing: Investors Bank See Term Sheet Attached.</p>	
<p>Has the applicant received a written commitment from the financial institution to finance the proposed project? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO X Commitment Letter attached</p>	
<p>Would the applicant like the Agency's assistance in obtaining a financial institution to assist in the financing of the proposed project? <input type="checkbox"/> YES* <input checked="" type="checkbox"/> NO</p>	
<p>*If so, an additional \$500 processing fee is payable to the Agency</p>	

Source of Funds:

Bank Financing	YES
Equity	\$
Tax Exempt Bond Issuance	\$ 12,600,000
Taxable Bond Issuance	\$ 400,000
State or Federal Grants	\$
Tax Credits	\$
Other:	\$
TOTAL	\$ 13,000,000

Indicate source of owner equity in project:

NONE

Indicate any contribution of funds from an equity offering or venture capital funding for the proposed project:

NONE

For a manufacturing facility only, please indicate the dollar value of “capital expenditures” (as determined in accordance with the provisions of the Internal Revenue Code) that the applicant or entity related to or controlled by the applicant, has expended within the County of Essex during the past three (3) calendar years?

NOT APPLICABLE

Indicate the proposed date for commencement of construction or acquisition of the proposed project, assuming financing of the proposed project is available to meet the	
Applicant's schedule	At Closing
Indicate a schedule for the application of proceeds of financing and other moneys to acquire, construct, and equip the proposed project to completion	From closing, construction to commence for 18-24 months
Indicate the date on which the completed project is expected to be first placed in service	Multiple projects, first will be ready within 6 months

Indicate whether or not the Project would be likely to occur without the assistance of the Agency, and, if it could, please provide a statement indicating why the Project should be undertaken by the Agency.

With Northwood being a not for profit, they would not be able to afford debt service without the tax-exempt rate and added cost with a mortgage recording tax

Environmental Compliance Review

Has the applicant retained an environmental engineer to assist with the environmental review compliance procedures relating to the proposed project?
 YES NO

If so, please provide the name, address, telephone, fax, email and contact person of the firm:

To be finalized with Bank.

If not, would the applicant like the Agency's assistance in obtaining the services of an environmental engineer? YES* NO
 *If so, an additional \$500 processing fee is payable to the Agency

If an environmental assessment form or a draft environmental impact statement has been prepared by the applicant, please attach a copy of the completed form to the Application.

Attached

To the knowledge of the applicant, has there ever been any toxic or hazardous waste materials located or stored on the site of the proposed project site, or has any activity ever been conducted on the site of the proposed project which could be expected to generate toxic or hazardous waste material? YES NO

For a proposed project located in the Adirondack Park, has the applicant received the permission of the Adirondack Park Agency to acquire and construct the proposed project? YES NO

If not, when does the applicant expect to receive such permission?

Attach copy of APA permit if applicable

PART C

Is the company a not-for-profit corporation qualified under Section, 501(c) 3 of the Internal Revenue Code? YES NO

X If yes, attach copy of IRS designation letter

Does the project fulfill a public purpose for Essex County or a municipality within Essex County?

Public purpose is educating children throughout the North Country and other areas

What are the economic development aspects of the project?

Updating the current campus of the School to keep current staff employed and employ construction for the projects

Are there serious policy or potential issues which may preclude the project being financed by a municipality or Essex county?

No

- As recommended by the Office of the State Comptroller, the Agency will require the inclusion of recapture provisions in project agreements to allow the Agency to recoup, in coordination with the NYS Department of Finance and Taxation and pursuant to Agency policies, some or all of previously granted benefits if job creation/retention goals or other terms of the agreements are not met. By signing this application, the applicant acknowledges that:
- the submission of any knowingly false or misleading information may lead to immediate termination or recapture of tax benefits;
- the applicant is in compliance with the anti-pirating provisions of Section 862 (1) of the General Municipal Law.
- the owner, occupant or operator to receive financial assistance is in substantial compliance with state, local and federal tax, worker protection and environmental laws.
- the Agency will conduct a cost/benefit analysis to determine whether the project will (i) create or retain employment, (ii) stimulate private sector investment, (iii) be completed in a timely fashion, and (iv) provide additional revenues for municipalities and school districts.
- upon completion, the Agency a least annually will assess the progress of the project in achieving job retention and/or expansion and investment in Essex County.

PART D **Certification**

Michael Maher (name of chief executive officer of company) deposes and says that he/she is the Head of School (title) of Northwood School (name of Applicant); that he/she has read the foregoing Application and knows the contents thereof, that the same is true to his/her knowledge.

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

As an officer of the applicant deponent acknowledges and agrees that the applicant shall be and is responsible for all costs incurred by the County of Essex Industrial Development Agency (the "Agency") and legal counsel for the Agency, whether or not the application, the proposed project it describes, the attendant negotiations, or the issue of bonds or other transaction or agreement are ultimately ever carried to successful conclusion.

By executing and submitting this application, the applicant covenants and agrees to pay the following fees to the Agency, the same to be paid at the times indicated:

- (a) The sum of \$1,000 as a non-refundable processing fee, plus the sum of \$500 if Agency assistance in retaining professionals if requested, to be paid upon submission of the Application;
- (b) The sum of:
 - 0.75% on the first \$10 million of project financing
 - 0.50% on the next \$11 million to \$20 million
 - 0.25% on the next \$21 million to \$30 million
 - 0.125% on the next \$31 millionfor which the Essex County IDA provides financial assistance, to be paid at transaction closing;
- (c) An amount equal to \$2,500 payable to the Agency's bond/transaction counsel for the preparation and review of the inducement resolution, the environmental compliance resolution, TEFRA hearing proceedings and the "tax questionnaire" assuming no further activity occurs after completion of inducement proceedings, to be paid within ten (10) business days of the receipt of bond/transaction counsel's invoice;
- (d) All fees, costs and expenses incurred by the Agency for (1) legal services, including but not limited to those provided by the Agency's general counsel (Briggs Norfolk) and bond/transaction counsel (Squires Sanders), and (2) other consultants retained by the Agency in connection with the proposed project; with all such charges to be paid by the applicant at the closing or, if the closing does not occur, within ten (10) business days of receipt of the Agency's invoices therefore (Please note that the applicant is entitled to

receive a written estimate of fees and costs of the Agency's general counsel and bond/transaction counsel prior to inducement);

- (e) The cost incurred by the Agency and paid by the applicant, including bond/transaction counsel and the Agency's general counsel's fees and the processing fees, may be considered as a costs of the project and included in the financing of costs of the proposed project.

The applicant further covenants and agrees that the applicant is liable for payment to the Agency of all charges referred to in section above, as well as all other actual costs and expenses incurred by the Agency in handling the application and pursuing the proposed project notwithstanding the occurrence of any of the following:

- (a) The applicant's withdrawal, abandonment, cancellation or failure to pursue the Application;
- (b) The inability of the Agency or the applicant to procure the services of one or more financial institutions to provide financing for the proposed project;
- (c) The applicant's failure, for whatever reason, to undertake and/or successfully complete the proposed project; or
- (d) The Agency's failure, for whatever reason, to issue tax-exempt revenue bonds in lieu of conventional financing.

(name of corporation or entity)

(name of officer)

(title)

NOTARY

Sworn to before me this ____ day of _____, 20 ____

(Signature)

PART E

As a condition to issuing financial assistance for the proposed project, the County of Essex Industrial Development Agency (the “Agency”) is required by the Office of the New York State Comptroller (“OSC”) to obtain the following supplementary information on an annual basis from the applicant during the term of project:

1. Outstanding balance at beginning and end of the year and principal payments made during the year for tax-exempt and taxable bond financing (if applicable)
2. Current interest rate (for adjustable rate bonds, the interest rate at year end)
3. PILOT payments including real estate tax exemptions for county, local (city, town, village, fire district) and school district taxes.
4. Annual Sales Tax Filings: In accordance with Section 874(8) of the NY General Municipal Law, the applicant understands and agrees, that if project receives any sales tax exemptions as part of the financial assistance from the Agency, in accordance the applicant agrees to file with the NYS Department of Taxation and Finance, the annual form (ST-340) describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant. Copy of the report will be sent to the Agency.
5. Employment Reporting: The applicant understands and agrees that if the project receives any financial assistance from the Agency, at least annually or otherwise requested by the Agency, reports regarding the number of people employed at the project site, salary, fringe benefits, etc. will be sent to the Agency within 30 days of request. Report will include copies of latest NYS-45 report.

The information requested above is required by February 15th of each succeeding year and should be submitted in writing to the Agency at its office at PO Box 217, 7566 Court Street, Elizabethtown, New York 12932. Failure to provide requested reports shall be an event of default of the terms and conditions of the agreement.

The applicant, through its signing officer, certifies that it has reviewed, understands and will comply with the above, as required by OCS.

(Company)

By: _____
(Name and Title)

Date: _____