

BABYLON INDUSTRIAL DEVELOPMENT AGENCY

MATTHEW T. MCDONOUGH
CHIEF EXECUTIVE OFFICER

FORM APPLICATION FOR FINANCIAL ASSISTANCE

DATE: 8/22/2016

APPLICATION OF: L. and S. Packing Co., Inc.
Company Name of Beneficial User of Proposed Project
(Not Realty or Special Purpose Entity (SPE) created for liability)

CURRENT ADDRESS: 101 Central Avenue
East Farmingdale, New York 11735

ADDRESS OF PROPERTY
TO RECEIVE BENEFITS: 101 Central Avenue, East Farmingdale, New York 11735 and
7000 New Horizons Boulevard, North Amityville, New York 11701

Tax Map # District 100 Section 4.00 Block 1.00 Lot(s) 26.002, 28.000

Tax Map # District 100 Section 126.01 Block 1.00 Lot(s) 4.052

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Part I: User (Applicant) & Owner Data (if different)

1. User Data (Applicant):

A. User: L. and S. Packing Co., Inc.

Address: 101 Central Avenue

East Farmingdale, New York 11735

Federal Employer ID #:

Website: <http://www.paesana.com/>

NAICS Code: 3114 and 4881

(The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. www.census.gov/cos/www/naics/.)

Name of User Officer Certifying Application:

Title of Officer:

Phone Number:

E-mail:

B. Business Type:

Sole Proprietorship ☐

Partnership ☐Privately Held ☒Public Corporation ☐

Listed on

State of Incorporation/Formation: NY

C. Nature of Business:

(e.g., "manufacturer of _____ for _____ industry"; "distributor of _____")

Manufacturer of 40+ brands of Italian sauces, condiments and olives

D. User Counsel:

Firm Name: Salamon, Gruber, Blaymore & Strenger, P.C.

Address: 97 Powerhouse Road, Suite 102

Roslyn Heights, New York 11577

Individual Attorney: David Gruber

Phone Number: 516-625-1700

E-mail: dgruber@sgnblaw.com

E. Principal Stockholders, Members or Partners, if any, of the User (5% or more equity):

Name	Percent Owned
Louis Scaramelli, III	37.5
Louis Scaramelli, IV	30.5
Jacqueline Scaramelli Massaro	30.5

F. Has the User, or any subsidiary or affiliate of the User, or any stockholder, partner, member, officer, director or other entity with which any of these individuals is or has been associated with:

- i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (if yes, please explain)

No

- ii. been convicted of a felony, or misdemeanor, or criminal offense (other than a motor vehicle violation)? (if yes, please explain)

No

G. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the User, list all other organizations which are related to the User by virtue of such persons having more than a 50% interest in such organizations.

H. Is the User related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

I. List parent corporation, sister corporations and subsidiaries:

Sister corporations: Jacqueline Louis Imports; and Legacy Imports

- J. Has the User (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

No

- K. List major bank references of the User:

Bank of America Merrill Lynch, Christopher Jantzen, Vice President, (631) 547-7811

2. Owner Data

*** (for co-applicants for assistance or where a landlord/tenant relationship will exist between the owner and the user) ***

- A. Owner (together with the User, the "Applicant"): 4 Scaramelli, LLC

Address: 101 Central Avenue

East Farmingdale, New York 11735

Federal Employer ID #: [REDACTED] Website: none

NAICS Code: 53100

Name of Owner Officer Certifying Application: [REDACTED]

Title of Officer: [REDACTED]

Phone Number: [REDACTED]

E-mail: [REDACTED]

- B. Business Type:

Sole Proprietorship ☐

Partnership ☒

Privately Held ☐

Public Corporation ☐

Listed on

State of Incorporation/Formation: NY

- C. Nature of Business:

(e.g., "manufacturer of _____ for _____ industry"; "distributor of _____"; or "real estate holding company")

Real estate holding company for 7000 New Horizon Boulevard

D. Are the User and the Owner Related Entities? Yes ☒ No ☐

i. If yes, the remainder of the questions in this Part I, Section 2 (with the exception of "F" below) need not be answered if answered for the Owner.

ii. If no, please complete all questions below.

E. Owner's Counsel:

Firm Name: _____

Address: _____

Individual Attorney: _____

Phone Number: _____ E-mail: _____

F. Principal Stockholders or Partners, if any (5% or more equity):

Name	Percent Owned
Louis Scaramelli, III	30
Lorraine Scaramelli	30
Louis Scaramelli, IV	20
Jacqueline Scaramelli Massaro	20

G. Has the Owner, or any subsidiary or affiliate of the Owner, or any stockholder, partner, officer, director or other entity with which any of these individuals is or has been associated with:

i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (if yes, please explain)

No

ii. been convicted of a felony or criminal offense (other than a motor vehicle violation)? (if yes, please explain)

No

- H. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the Owner, list all other organizations which are related to the Owner by virtue of such persons having more than a 50% interest in such organizations.

- I. Is the Owner related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

- J. List parent corporation, sister corporations and subsidiaries:

- K. Has the Owner (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

- L. List major bank references of the Owner:

Part II – Operation at Current Location

1. Current Location Address: 101 Central Avenue, East Farmingdale, New York 11735
2. Owned or Leased: Owned
3. Describe your present location (acreage, square footage, number of buildings, number of floors, etc.):
We operate in an approximately 68,000 SF one-story facility on nearly 4 acres

4. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services:
Operations include HQ, manufacturing and distribution operations all related to the production of 40 brands of Italian sauces, condiments and olives, including our own premium Paesana brand

5. Are other facilities or related companies of the Applicant located within the State?
Yes ☒ No ☐
 - A. If yes, list the Address: 101 Central Avenue houses two related importing companies.
6. If yes to above ("5"), will the completion of the project result in the removal of such facility or facilities from one area of the state to another OR in the abandonment of such facility or facilities located within the State? Yes ☐ No ☒
 - A. If no, explain how current facilities will be utilized: After transitioning production to the new facility, 101 Central Ave. will be utilized as HQ and warehousing.

 - B. If yes, please indicate whether the project is reasonably necessary for the Applicant to maintain its competitive position in its industry or remain in the State and explain in full:

7. Has the Applicant actively considered sites in another state? Yes ☒ No ☐

A. If yes, please list states considered and explain: We have explored locations in NJ, VA and PA and are now focused on Eastern PA, in the Lehigh Valley area, where costs are significantly lower and the highway network is superior.

8. Is the requested financial assistance reasonably necessary to prevent the Applicant from moving out of New York State? Yes ☒ No ☐

A. Please explain: The significantly lower costs of operation in PA, combined with its geographic advantages would allow us to distribute our products significantly faster, make the Lehigh Valley the best location from a pure business perspective. L&S would relocate its operations to PA, without assistance to grow in NY.

9. Number of full-time employees at current location and average salary: 73; \$59,591

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Part III – Project Data

1. Project Type:

A. What type of transaction are you seeking?: (Check one)

Straight Lease ☒ Taxable Bonds ☐ Tax-Exempt Bonds ☐

Equipment Only Straight Lease ☐

B. Type of benefit(s) the Applicant is seeking: (Check all that apply)

Sales Tax Exemption ☐ Mortgage Recording Tax Exemption ☒

Real Property Tax Abatement: ☒

2. Location of project:

101 Central Avenue, East Farmingdale, New York 11735 and

A. Street Address: 7000 New Horizons Boulevard, North Amityville, New York 11701

101 Central: 100	4.00	1.00	26.002 and 28.000
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B. Tax Map: District 7000 New Horizons:100 Section 126.01 Block 1.00 Lot(s) 4.052

C. Municipal Jurisdiction:

i. **Village:** Both facilities are in Babylon

ii. **School District:** 101 Central: Half Hollow Hills / 7000 New Horizons: Copiague

iii. Library: 101 Central: Half Hollow Hills / 7000 New Horizons: Copiague

D. Acreage: 101 Central: 3.850 / 7000 New Horizons: 3.300

3. Project Components (check all appropriate categories):

A. Construction of a new building ☐ Yes ☒ No

i. Square footage: _____

B. Renovations of an existing building ☒ Yes ☐ No

i. Square footage: 101 Central: 68,000 and
7000 New Horizons: 65,000

C. Demolition of an existing building ☐ Yes ☒ No

i. Square footage: _____

D. Land to be cleared or disturbed ☐ Yes ☒ No

i. Square footage/acreage: _____

E. Construction of addition to an existing building ☐ Yes ☒ No

i. Square footage of addition:

ii. Total square footage upon completion:

F. Acquisition of an existing building ☒ Yes ☐ No

i. Square footage of existing building: 65,000

G. Installation of machinery and/or Equipment ☒ Yes ☐ No

i. List principal items or categories of equipment to be acquired: Mainly production, R&D and racking

4. Current Use at Proposed Location:

A. Does the Applicant currently hold fee title to the proposed location?

New Measures LLC currently owns 7000 New Horizons

i. If no, please list the present owner of the site: _____

B. Present use of the proposed location: Vacant former food manufacturing facility

C. Is the proposed location currently subject to an IDA transaction (whether through this Agency or another?) ☐ Yes ☒ No

i. If yes, explain: _____

D. Is there a purchase contract for the site? (if yes, attach): ☒ Yes ☐ No

E. Is there an existing or proposed lease for the site? (if yes, attach): ☒ Yes ☐ No

5. Proposed Use:

A. Describe the specific operations of the Applicant or other users to be conducted at the project site: The facilities are for the use of L. and S. Packing Corp., and our related importing companies, to grow our Italian sauces and condiment production, under our own Paesana brand and 40 other labels. 7000 New Horizons Boulevard will be utilized mainly for production, including R&D and QC. 101 Central Ave., will continue to house our HQ and will transition from production to mainly warehousing and distribution

B. Proposed product lines and market demands: We produce Italian pasta and cooking sauces, condiments and olives that are distributed nationally and in limited Canadian markets. Demand has outpaced our ability to produce and so in order to meet demand, we must increase production.

C. If any space is to be leased to third parties, indicate the tenant(s), total square footage of the project to be leased to each tenant, and the proposed use by each tenant:

n/a

D. Need/purpose for project (e.g., why is it necessary, effect on Applicant's business):

We operate in a tight margin industry and to grow our business we must simultaneously increase production, provide new innovative products, and operate more efficiently. The purchase of 7000 New Horizons Boulevard will enable us to update and streamline production, increase our R&D capabilities and improve quality control. In order to maintain and improve our market position, we must either expand here, in Long Island, or relocate to PA, which provides greater access to our markets, and is approximately 30% less expensive than in NY in both real estate and operating costs.

E. Will any portion of the project be used for the making of retail sales to customers who personally visit the project location? Yes ☐ No ☒

- i. If yes, what percentage of the project location will be utilized in connection with the sale of retail goods and/or services to customers who personally visit the project location? _____

6. Project Work:

A. Has construction work on this project begun? If yes, complete the following:

i.	Site Clearance:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	% Complete	_____
ii.	Foundation:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	% Complete	_____
iii.	Footings:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	% Complete	_____
iv.	Steel:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	% Complete	_____
v.	Masonry:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	% Complete	_____
vi.	Other:	_____			

B. What is the current zoning? GA - Industry _____

C. Will the project meet zoning requirements at the proposed location?

Yes ☒ No ☐

D. If a variance or change of zoning is required, please provide the details/status of the variance or change of zone request:

E. Have site plans been submitted to the appropriate planning department? Yes ☐ No ☒

7. Project Completion Schedule:

A. What is the proposed commencement date for the acquisition and the construction/renovation/equipping of the project?

i. Acquisition: October 5, 2016

ii. Construction/Renovation/Equipping: November 2016

B. Provide an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur: _____

It is anticipated that required renovations and installation of the new M+E at 7000 New Horizons Boulevard will be complete during the 3rd quarter 2017. Limited operations would commence in Q4 2017 and would ramp-up over the following 18 months until reaching full operations.

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Part IV – Project Costs and Financing

1. Project Costs:

- A. Give an accurate estimate of cost necessary for the acquisition, construction, renovation, improvement and/or equipping of the project location:

<u>Description</u>	<u>Amount</u>
Land and/or building acquisition	\$ 8,194,912
Building(s) demolition/construction	\$
Building renovation	\$ 200,000
Site Work	\$
Machinery and Equipment	\$ 2,225,000
Legal Fees	\$ 20,000
Architectural/Engineering Fees	\$ 15,000
Financial Charges	\$
Other (Specify) IDA-related	\$ 215,000
Total	\$ 10,834,912

2. Method of Financing:

	<u>Amount</u>	<u>Term</u>
A. Tax-exempt bond financing:	\$	_____ years
B. Taxable bond financing:	\$	_____ years
C. Conventional Mortgage: *	\$ 3,750,000	20 years
D. SBA (504) or other governmental financing:	\$	_____ years
E. Public Sources (include sum of all State and federal grants and tax credits):	\$	
F. Other loans:	\$	_____ years
G. Owner/User equity contribution:	\$ 7,084,912	_____ years

Total Project Costs \$ 10,834,912

* Contemplates the completion of a 1031 exchange as a portion of owner equity; otherwise mortgage amount would total \$6.5 million over 20 years

- i. What percentage of the project costs will be financed from public sector sources?

A mortgage recording tax deferral is anticipated from TOBIDA, in the approximate amount of \$39,375, which equates to less than 1% of total acquisition, renovation, and m+e costs.

3. Project Financing: (**Complete only if Bond Financing is being utilized**)

A. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? Yes ☐ No ☐

i. If yes, provide detail on a separate sheet.

B. Are costs of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of bond proceeds? Give details:

C. Will any of the funds borrowed through Agency Bonds be used to repay or refinance an existing mortgage or outstanding loan? Give details:

D. Has the Applicant made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom:

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Part V – Project Benefits

1. Mortgage Recording Tax Benefit:

- A. Mortgage Amount for exemption (include sum total of construction/permanent/bridge financing):

\$ 3,750,000 (anticipates 1031 exchange funds for a pending sale)

- B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and current Mortgage Recording Tax Rate):

\$ 39,375

2. Sales and Use Tax Benefit:

- A. Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax (such amount to benefit from the Agency's exemption):

\$ 0; As a manufacturer, L. and S. is exempt from NYS sales and use tax

- B. Estimated State and local Sales and Use Tax exemption (product of current State and Local Sales and Use Tax Rate and figure above):

\$

- C. If your project has a landlord/tenant (owner/user) arrangement, please provide a breakdown of the number in "B" above:

i. Owner: \$

ii. User: \$

3. Real Property Tax Benefit:

- A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit:

n/a

- B. Agency PILOT Benefit:

i. Term of PILOT requested: 15 years

- ii. Upon acceptance of this application, the Agency staff will create a PILOT schedule and indicate the estimated amount of PILOT Benefit based on anticipated tax rates and assessed valuation and attached such information to Exhibit A hereto. At such time, the Applicant will certify that it accepts the proposed PILOT schedule and requests such benefit to be granted by the Agency.

**** This application will not be deemed complete and final until Exhibit A hereto has been completed and executed.****

Part VI – Employment Data

1. List the Applicant's and each users present employment, and estimates of (i) employment at the proposed project location at the end of year one and year two following project completion and (ii) the number of residents of the Labor Market Area* ("LMA") that would fill the full-time and part-time jobs at the end of year second year following completion:

	<u>Present</u>	<u>First Year</u> 2018	<u>Second Year</u> 2019	<u>Residents of LMA</u>
Full-Time	73	83	88	63
Part-Time**				

* The Labor Market Area includes the Town of Babylon, Nassau and Suffolk Counties.

Full-Time Employee shall mean, with respect to an Annual Period, an individual on the payroll of, receiving customary benefits from, and directly employed during such Annual Period by, any Company Group Entity (and excluding any individuals employed by temporary employment or similar agencies) and each of whom works within the Town for any Company Group Entity during such Annual Period on a "full-time basis" (*i.e.*, working at least a 35-hour week, subject to customary vacation, holiday and sick leave).

****Agency converts Part-time staff to Full-Time Equivalent Employee** as follows, with respect to an Annual Period, two (2) individuals on the payroll of, receiving customary benefits from, and directly employed during such Annual Period by, any Company Group Entity (and excluding any individuals employed by temporary employment or similar agencies) and each of whom works within the Town for any Company Group Entity during such Annual Period on a "part-time basis" (*i.e.*, working at least a 20-hour week, subject to customary vacation, holiday and sick leave).

2. Salary and Fringe Benefits:

Category of Jobs to be Retained and Created	Number of Employees	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Management	6	162,000	5,000
Professional			
Administrative	6	46,000	5,000
Production	45	40,000	4,000
Supervisor	5	78,000	5,000
Laborer			
Other Sales	1	115,000	5,000

Note: The Agency reserves the right to visit the facility to confirm that job creation numbers are being met.

3. Annualized salary range of jobs to be created in the first two years (see question #1).

FROM \$ 35,000 TO \$ 67,000

4. List the number of *Construction jobs (if applicable) to be created by the Applicants Project.

	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>
* Full-Time	<u> </u>	<u> </u>	<u> </u>
** Part-Time	<u> </u>	<u>8</u>	<u>2</u>

*Construction jobs are defined as full-time equivalents (FTE), or 2,080-hour units of labor (one construction period job equates to one full-time job for 1 year).

**A part-time or temporary job may be considered one job by other models, but would constitute only a fraction of a job. For example, if a laborer or craftsman worked only 3 months on a construction or renovation project (assuming no overtime), that would be considered one-quarter of a job.

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Part VII – Representations, Certifications and Indemnification

1. Is the Applicant in any litigation which would have a material adverse effect on the Applicant's financial condition? (if yes, furnish details on a separate sheet)

Yes ☐ No ☒

2. Has the Applicant or any of the management of the Applicant, the anticipated users or any of their affiliates, or any other concern with which such management has been connected, been cited for a violation of federal, state or local laws or regulations with respect to:

- a. Labor practices,

(with respect to workers and/or their working conditions and/or their wages, including but not limited to pending or threatened labor strikes, hand billing, consumer boycotts, mass demonstrations or other similar incidents; unfair labor practices complaints; incurred, or potentially incurred, liability including withdrawal liability with respect to an employee benefit plan, including a pension plan; any complaints, claims, proceedings or litigation arising from alleged discrimination in the hiring, firing, promoting, compensating or general treatment of employees. Please consider "discrimination" to include sexual harassment.)

Yes ☐ No ☒ (If yes, furnish details on a separate sheet)

- b. hazardous wastes, environmental pollution,

Yes ☐ No ☒ (If yes, furnish details on a separate sheet)

- c. other operating practices

Yes ☐ No ☒ (If yes, furnish details on a separate sheet)

3. Is there a likelihood that the Applicant would not proceed with this project without the Agency's assistance? (If yes, please explain why; if no, please explain why the Agency should grant the benefits requested)

Yes ☒ No ☐


The costs of operating on Long Island, especially the additional costs and time of transporting production inputs and finished and finished goods put our company at a disadvantage. The Lehigh Valley area of PA is extremely attractive from a cost and geographic perspective, and therefore, without assistance, we would relocate.

4. If the Applicant is unable to obtain financial assistance from the Agency for the project, what would be the impact on the Applicant and on the municipality?

Without assistance, L. and S. would relocate its Long Island operations out of NY, taking its direct employment and spin-off activity with it, including the production and brand development services we provide to local markets, restaurants and other labels.

5. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if financial assistance is provided for the proposed project:

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

Initial 

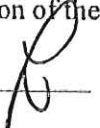
6. The Applicant understands and agrees that in accordance with Section 858-b(2) of the General Municipal Law, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the project will be listed with the New York State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300) in which the project is located (collectively, the "Referral Agencies"). The Applicant also agrees, that it will, except as otherwise provided by collective bargaining contracts or agreements to which they are parties, first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the Referral Agencies

Initial 


7. 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.

Initial 

8. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.

Initial 

9. 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.

Initial 

10. In accordance with Section 862(1) of the New York General Municipal Law the Applicant understands and agrees that projects which 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 within the State is ineligible for financial assistance from the Agency, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the project in its respective industry or to discourage the project occupant from removing such other plant or facility to a location outside the State.

Initial 

11. The Applicant represents and warrants that to the Applicant's knowledge neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become a person or entity with who United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List or under any statute, executive order including the September 24, 2001, Executive Order Block Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, or other governmental action and is not and will not assign or otherwise transfer this Agreement to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

Initial 

Initial after receipt and acceptance of Schedule A and Schedule B

12. The Applicant confirms and hereby acknowledges it has received the Agency's fee schedule attached hereto as Schedule A and agrees to pay such fees, together with any expenses incurred by the Agency, including those of Transaction Counsel, with respect to the Facility. The Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the project.

Initial _____

13. The Applicant hereby agrees to comply with Section 875 of the General Municipal Law. The Company further agrees that the financial assistance granted to the project by the Agency is subject to recapture pursuant to Section 875 of the Act and the Agency's Recapture Policy, attached hereto as Schedule B.

Initial _____