

**COUNTY OF CHAUTAUQUA
INDUSTRIAL DEVELOPMENT AGENCY**

APPLICATION FOR FINANCIAL ASSISTANCE

APPLICATION OF:

Wells Enterprises, Inc.

Please respond to all questions in this Application for Financial Assistance (the "Application") by, as appropriate:

- filling in blanks;
- checking the applicable term(s);
- attaching additional text (with appropriate notations, such as "see Schedule 2(A), etc."); or
- writing "N.A.", signifying "not applicable".

All attachments responsive to questions found in this Application should be clearly labeled and attached as Schedule I to the Application. If an estimate is given, enter "EST" after the figure. One signed original and one photocopy of the Application (including all attachments) must be submitted.

The following amounts are payable to the County of Chautauqua Industrial Development Agency (the "Agency") at the time this Application is submitted to the Agency: (i) a \$1,000 non-refundable application fee (the "Application Fee"); and (ii) a \$1,000 expense deposit for the Agency's Transaction/Bond Counsel fees and expenses (the "Counsel Fee Deposit"). The Application Fee will not be credited against any other fees or expenses which are or become payable to the Agency in connection with this Application or the project contemplated herein (the "Project"). In the event that the subject transaction does not close for any reason, the Agency may use all or any part of the Counsel Fee Deposit, to defray the cost of Transaction/Bond Counsel fees and expenses with respect to the Project. In the event that the subject transaction closes, the Counsel Fee Deposit shall be credited against the applicable expenses incurred by the Agency with respect to the Project.

Every signature page comprising part of this Application must be signed by the Applicant or this Application will not be considered complete or accepted for consideration by the Agency.

The Agency's acceptance of this Application for consideration does not constitute a commitment on the part of the Agency to undertake the proposed Project, to grant any financial assistance with respect to the proposed Project, or to enter into any negotiations with respect to the proposed Project.

Information provided herein may be subject to disclosure under the New York Freedom of Information Law (New York Public Officers Law § 84 et seq.) ("FOIL"). If the Applicant believes that a portion of the material submitted with this Application is protected from disclosure under FOIL, the Applicant should mark the applicable section(s) or page(s) as "confidential" and state the applicable exception to disclosure under FOIL.

September 3, 2019

DATE

PART I: APPLICANT

Name: Wells Enterprises, Inc.
Address: 1 Blue Bunny Drive, PO Box 1310, Le Mars, IA 51031
Fax: _____
NY State Dept. of Labor Reg #: 46-088084
Federal Employer ID #: 42-1080796
Sector NAICS Code #: 311520
Industry NAICS Code #: 311520
Website: <https://wellsenterprisesinc.com/>

Contact Name: Tom Anderson
Title: Director of Finance, Accounting, Tax
Phone Number: 1-712-548-5697
E-Mail: TAnderson@bluebunny.com

Business Type:

- Sole Proprietorship
- General Partnership
- Limited Partnership
- Limited Liability Company
- Privately Held Corporation
- Publicly Held Corporation
- Not-for-Profit Corporation

State/Year of Incorporation/Organization: _____
Qualified to do Business in New York: _____

Owners of 20% or more of Applicant:

Name % Corporate Title

APPLICANT'S LEGAL COUNSEL:

Firm name: Wells Enterprises Inc.
Address: 1 Blue Bunny Drive SW
Contact: Erick Opsahl - Sr. Vice President Legal Affairs and General Counsel
Phone: 712-548-5635
Fax: 712-548-3008
E-Mail: eropsahl@bluebunny.com

PART II: PROJECT

Type of Proposed Project (check all that apply):

Address of proposed project facility:
1 Ice Cream Drive, Dunkirk, NY 14048

Tax Map Parcel Number: 96.07-2-25 +
Additional parcels _____
Municipality: Dunkirk
School District: Dunkirk CSD
Current Legal Owner: Wells Enterprises, Inc.
Date of purchase: April 15, 2019
Purchase price: Confidential – Provided upon request

Present use of the Project site:
Manufacturing Plant
What are current real estate taxes on the Project site?
General: \$41,559
School: \$90,530
Are tax cert. proceedings currently pending with respect to the Project real property?
YES ___ NO X

Proposed User(s)/Tenant(s) of the Facility
Company Name: Wells Enterprises, Inc.
Address: 1 Blue Bunny Drive, PO Box 1310
City/State/Zip: Le Mars, IA 51031
Tax ID No.: 42-1080796
Contact Name: Tom Anderson
Title: Director of Finance, Accounting, Tax
Phone Number: 1-712-548-5697
E-Mail: TAnderson@bluebunny.com

% of facility to be occupied by company: 100

Relationship to the Applicant:
Applicant is Owner of Manufacturing Plant

Owners of 20% or more of User/Tenant:

Name	%	Corporate Title

- Financial Assistance Requested:**
- Tax-Exempt Bonds
 - Taxable Bonds
 - Refunding Bonds
 - Sales/Use Tax Exemption
 - Mortgage Recording Tax Exemption
 - Real Property Tax Exemption
 - Other (Industrial Revenue Bonds)

- X New Construction of a Facility
Square footage: TBD
- Addition to Existing Facility
Square footage of existing facility: _____
Square footage of addition: _____
- X Renovation of Existing Facility,,
Square footage of area renovated: 234,000
Square footage of existing facility: 234,000
- X Acquisition of Land/Building
Acreage/square footage of land: 124,000 *1.83 ACRES*
Square footage of building: 124,000 *1,300 SF*
- X Acquisition of Furniture/Machinery/Equipment
List principal items or categories:
 - **Ammonia Refrigeration**
 - **Replacement of some production lines**
 - **See below for more detail**
- Other (specify): _____

Briefly describe the purpose of the proposed Project, the reasons why the Project is necessary to the Applicant and why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations:

Following the acquisition of Fieldbrook Foods Corporation ("FFC"), Wells Enterprises, Inc ("Wells") is evaluating consolidating current manufacturing operations of FFC into either one or two locations and expanding. FFC Wells plans to install 4 - 6 additional manufacturing lines at the manufacturing plant in Dunkirk, NY in addition to building a power substation that is critical to enable current capacity and future growth. If the Company chooses to remain in New York and grow post-acquisition, they will keep all of the 492 jobs in Chautauqua County with an average salary of \$50,000. They will also add approximately 50 jobs with an average salary of \$50,000 over the next three years, and 70 jobs total with an average salary of \$50,000 over the next five years. Additionally, Wells Enterprises intends to make capital investments of \$87,000,000 over the next five years to upgrade and renovate the existing facility.

The Company will also invest approximately \$7,000,000 to acquire land and construct a power substation as part of the investment mentioned above. The Police Benevolent Association currently owns property that is across the street from the Dunkirk production facility. Wells intends to acquire this land to locate the substation. The Company expects to incur approximately \$200,000 in demolition and foundation site-preparation work for the substation. The address for this location is 115 West Doughty Street Extension, Dunkirk, Tax Parcel 96.07-2-30.

Given the significant investment, the Agency's financial assistance is necessary. Expected outcomes include: increased employment coupled with additional New York State wages; greater tax revenues for New York State due to increased product sales and additional capacity.

If the Applicant is unable to arrange Agency financing or other Agency financial assistance for the Project, what will be the impact on the Applicant and the County of Chautauqua? Would the Applicant proceed with the Project without Agency financing or other Agency financial assistance? Describe.

The Company is considering an alternative location in New Jersey where it maintains an existing manufacturing plant. The Company could choose to consolidate all of its current two-state operations in New Jersey, which would prove satisfactory in maintaining existing manufacturing requirements and allow for continued manufacturing capacity moving forward. Without agency financing or other Agency financial assistance for the Project, the impact on the applicant would be significant. The Company has aggressive growth plans with an anticipated capital investment of \$87,000,000 over the next 5 years and is seeking to renovate a facility to support the installation of 4- 6 additional manufacturing lines as it continues to grow. The Company will also invest \$240,000 to purchase the land for the substation and incur \$200,000 in demolition and foundation expenses. Furthermore, if the Company does not receive Agency financing or if other Agency does not provide financial assistance for the Project, the Company may relocate 492 jobs currently located in Chautauqua County with an average salary of \$50,000. The Company may also not move forward with the addition of 70 jobs total with an average salary of \$50,000 over the next five years. Additionally, the Company will also be unable to build a power substation in Dunkirk, NY.

Without Agency financing or other Agency financial assistance the County of Chautauqua may place 492 jobs at risk and may forgo the opportunity to increase employment, create construction jobs, and add additional New York State wages and greater tax revenues for New York State due to increased product sales and additional capacity.

PART III. CAPITAL COSTS OF THE PROJECT

A. Provide an estimate of the cost of all items listed below:

	<u>Item</u>	<u>Cost</u>
1.	Land and/or Building Acquisition:	\$ <u>Minimal</u>
2.	Building Demolition:	\$ <u>1,000,000</u>
3.	Construction/Reconstruction/Renovation:	\$ <u>10,000,000</u>
4.	Site Work:	\$ <u>1,000,000</u>
5.	Infrastructure Work:	\$ <u>10,000,000</u>
6.	Architectural/Engineering Fees:	\$ <u>1,000,000</u>
7.	Applicant's Legal Fees:	\$ <u>Minimal</u>
8.	Financial Fees:	\$ <u>Minimal</u>
9.	Other Professional Fees:	\$ <u>Minimal</u>
10.	Furniture, Equipment & Machinery Acquisition (not included in 3. above):	\$ <u>64,000,000</u>
11.	Other Soft Costs (describe):	\$ <u>None</u>
12.	Other (construction of a substation, demolish the current structure, foundation):	\$ _____
	Total:	\$ <u>87,000,000</u>

B. Estimated Sources of Funds for Project Costs:

a.	Tax-Exempt IDA Bonds:	\$ <u>TBD</u>
b.	Taxable IDA Bonds:	\$ <u>TBD</u>
c.	Conventional Mortgage Loans:	\$ _____
d.	SBA or other Governmental Financing: Identify: _____	\$ _____
e.	Other Public Sources (e.g., grants, tax credits):	\$ <u>3,600,000</u>
	Other: Cash Flow and Credit	\$ <u>83,400,000</u>
f.	Other Public Agency Loans:	\$ _____

g.	Other Private Loans:	\$ _____
h.	Equity Investment: (excluding equity attributable to grants/tax credits)	\$ _____
TOTAL		\$ <u>87,000,000</u>

What percentage of the total project costs are funded/financed from public sector sources: 3.6%

C. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? If YES, describe particulars on a separate sheet.

YES _____ NO X

The Applicant acknowledges that the transaction/bond documents may include a covenant by the Applicant to undertake and document the total amount of capital investment as set forth in this Application.

PART IV: REQUESTED FINANCIAL ASSISTANCE

Estimated Value of Sales Tax Benefit: \$5,880,000
 (i.e., gross amount of cost of goods and services that are subject to state and local sales and use taxes multiplied by [8.0%])

Estimated Value of Mortgage Tax Benefit: _____
 (i.e., principal amount of mortgage loans multiplied by [1.25%])

Estimated Property Tax Benefit:

Will the proposed Project utilize a property exemption benefit other than from the Agency: No
 (if so, please describe)

Term of PILOT Requested: 10 years
 Existing Property Taxes on Land and Building: \$217,888.66

Estimated Property Taxes on the completed Project (without Agency financial assistance) \$434,000

NOTE: Upon acceptance of this Application by the Agency, the Agency's staff will create a PILOT schedule and indicate the estimated amount of PILOT Benefit/Cost utilizing anticipated tax rates and assessed valuation, make an estimate of the allocation of PILOT payments among the affected tax jurisdictions, and attach such information as Exhibit A hereto.

PART V: COST-BENEFIT ANALYSIS

If the Applicant presently operates in Chautauqua County, provide the current Full-Time Employees (FTEs). Estimate projected payroll at the Project site in First Year, Second Year, and Third Year after completion of the Project:

	<u>Present</u>	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>
Full-time:	488	501	522	546

If the Applicant presently operates in Chautauqua County, provide the current number of employees in the following occupations. Estimate projected Full-Time Equivalent ("FTE") employees as indicated following completion of the Project:

<u>Current and Planned Occupations</u>	<u>Present Jobs Per Occupation</u>	<u>Est. FTEs Post-Completion:</u>			<u>Est. # of County Residents. by yr. 3</u>
		<u>1 year</u>	<u>2 years</u>	<u>3 years</u>	
<u>Management</u>	20	20	20	20	11
<u>Professional</u>	26	26	26	26	24
<u>Administrative</u>	10	10	10	10	10
<u>Production</u>	256	269	290	314	308
<u>Supervisor</u>	33	33	33	33	25
<u>Laborer</u>	143	143	143	143	136
<u>Independent Contractor</u>					
<u>Other (describe)</u>					

List the average salaries or provide ranges of salaries for the following categories of jobs (on a full-time equivalency basis) projected to be retained/created in Chautauqua County because of the proposed Project:

<u>Category of Jobs to be Retained/Created:</u>	<u>Average Salary or Range of Salary:</u>	<u>Average Fringe Benefits or Range of Fringe Benefits:</u>
<u>Management</u>	\$57,000 – \$345,000	\$12,597 - \$76,245
<u>Professional</u>	\$31,000 - \$83,000	\$6,851 - \$18,343
<u>Administrative</u>	\$33,000 - \$58,000	\$7,293 – \$12,818
<u>Production</u>	\$24,627 – \$77,000	\$5,443 - \$17,017
<u>Supervisor</u>	\$37,960 - \$83,000	\$8,389 - \$18,343
<u>Laborer</u>	\$23,587 – \$55,000	\$5,213 - \$12,155
<u>Independent Contractor¹</u>		

Other		
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Please indicate the number of temporary construction jobs anticipated to be created in connection with the acquisition, construction, and/or renovation of the Project: 20-25

Please note that the Agency may utilize the foregoing employment projections, among other things, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction/bond documents may include a covenant by the Applicant to retain the above number of jobs, types of occupations and amount of payroll with respect to the proposed project.

What percentage of the Project amount is subject to New York sales and use tax?

75%

What percentage of the Applicant's total dollar amount of production, sales or services (including production, sales or services rendered following completion of the Project) are made to customers outside the economic development region (i.e., Western New York)?

90+%

Describe any municipal revenues that will result from the Project (excluding any PILOT payments):
Water, Sewer

What is the estimated aggregate annual amount of goods and services to be purchased by the Applicant for each year after completion of the Project, and what portion will be sourced from businesses located in Chautauqua County and the State:

	<u>Amount</u>	<u>% Sourced in Chautauqua County</u>	<u>% Sourced in State</u>
Year 1	\$200,000,000	<u>5%</u>	<u>15%</u>
Year 2	\$200,000,000	<u>5%</u>	<u>15%</u>
Year 3	\$200,000,000	<u>5%</u>	<u>15%</u>

Describe, if applicable, other benefits to the Chautauqua County anticipated as a result of the Project, including a projected annual estimate of additional sales tax revenue generated, directly and indirectly, as a result of undertaking the project:

The project is estimated to generate \$1.5 M - \$2.5 M annually of additional local tax revenue through direct and indirect spending related to the facility as well as the retained and newly hired employees.

If applicable, has construction/reconstruction/renovation work on the Project begun? If YES, indicate the percentage of completion:

- | | | | |
|----|-------------------------------|---------|---------------------------------|
| 1. | (a) Site clearance | YES ___ | NO <u>X</u> <u>0</u> % complete |
| | (b) Environmental Remediation | YES ___ | NO <u>X</u> <u>0</u> % complete |
| | (c) Foundation | YES ___ | NO <u>X</u> <u>0</u> % complete |
| | (d) Footings | YES ___ | NO <u>X</u> <u>0</u> % complete |
| | (e) Steel | YES ___ | NO <u>X</u> <u>0</u> % complete |
| | (f) Masonry | YES ___ | NO <u>X</u> <u>0</u> % complete |
| | (g) Interior | YES ___ | NO <u>X</u> <u>0</u> % complete |
| | (h) Other (describe below): | YES ___ | NO <u>X</u> <u>0</u> % complete |

If NO to all of the above categories, what is the proposed date of commencement of construction, reconstruction, renovation, installation or equipping of the Project? September 15, 2019

Provide an estimated time schedule to complete the Project and when the first use of the Project is expected to occur:

Project is expected to commence September 15, 2019, with an expected completion date of September 2023.

PART VI: QUESTIONS

Please answer the following questions. If an answer is "YES" to any question, please provide details in the space provided at the end of the section.

Has the Applicant (or any parent company, subsidiary, affiliate or related entity or person) been involved in, applied for or benefited by any prior industrial development financing or incentives in the County of Chautauqua?

YES ___ NO X

Is the Applicant (or any parent company, subsidiary, affiliate or related entity or person) or any principal(s) of the Applicant or its related entities involved in any litigation or aware of any threatened litigation that could have a material adverse effect on the Applicant's financial condition or the financial condition of said principal(s)?

YES ___ NO X

Has the Applicant (or any parent company, subsidiary, affiliate or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, ever been involved, as debtor, in bankruptcy, creditors rights or receivership proceedings or sought protection from creditors?

YES ___ NO X

Has the Applicant (or any parent company, subsidiary, affiliate or related entity or person) or any principal(s) of the Applicant or its related entities, ever been convicted of any felony or misdemeanor (other than minor traffic offenses), or have any such related persons or principal(s) held positions or ownership interests in any firm or corporation that has been convicted of a felony or misdemeanor (other than minor traffic offenses), or are any of the foregoing the subject of a pending criminal proceeding or investigation?

YES ___ NO X

Has the Applicant (or any parent company, subsidiary, affiliate or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, been cited for (or is there a pending proceeding or investigation with respect to) a civil violation of federal, state or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution, taxation, or other operating practices?

YES ___ NO X

Is the Applicant (or any parent company, subsidiary, affiliate or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, delinquent or have any of the foregoing persons or entities been delinquent on any New York State, federal or local tax obligations within the past five (5) years?

YES ___ NO X

Do any of the Applicant's principals hold elected or appointed positions with New York State, any political division of New York State or any other governmental agency?

YES ___ NO X

Are any of the Applicant's principals employed by any federal, state or local municipality or any agency, authority, department, board, or commission thereof or any other governmental or quasi-governmental organization?

YES ___ NO X

Will the completion of the proposed Project result in the removal of a plant or facility of the Applicant, or of a proposed user, occupant or tenant of the Project, or a relocation of any employee of the Applicant, or any employee of a proposed user, occupant or tenant of the Project, from one area of the State of New York (but outside of Chautauqua County) to a location in Chautauqua County or in the abandonment of such a plant or facility located in an area of the State of New York outside of Chautauqua County?

YES ___ NO X

Has the Applicant considered moving to another state or another location within New York State?

YES X NO ___

Does any one supplier or customer account for over 50% of Applicant's annual purchases or sales, respectively? If YES, attach name and contact information for supplier and/or customer, as applicable:

YES ___ NO X

Does the Applicant (including any related entity or person) or any principal(s) of the Applicant or its

related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, have any contractual or other relationship with the Agency or the County of Chautauqua?

YES ___ NO X

Is the Project reasonably necessary to preserve the competitive position of the Applicant, or of a proposed user, occupant or tenant of the Project, in its industry?

YES X NO ___

Is the Project reasonably necessary to discourage the Applicant, or a proposed user, occupant or tenant of the Project, from removing such plant or facility to a location outside of the State of New York?

YES X NO ___

Is there a likelihood that the proposed Project would not be undertaken by the Applicant but for the granting of the financial assistance by the Agency? (If yes, explain; if no, explain why the Agency should grant the financial assistance with respect to the proposed Project).

YES X NO ___

Without this upgrade and additions to the plant, the facility would not be able to handle the demand and would fall behind in its standards and competitor. The Company has aggressive growth plans and is seeking to renovate a facility to support the installation of 4 - 6 additional manufacturing lines as it continues to grow. If the Company chooses to remain in New York and grow post-acquisition, they will keep all of the approximately 492 jobs in Chautauqua County with an average salary of \$50,000. They will also add approximately 70 jobs with an average salary of \$50,000 over the next five years.

Given the significant investment and costs to upgrade and renovate, the Company seeks financial assistance for the project. Assistance in the form of cash grants, refundable tax credits and other exemptions would assist Wells Enterprises, Inc. in their plans to expand as well as create long term, full-time jobs now and in the future, as their needs grow, all while assisting and contributing to the economic growth of the community.

Since the closing of the acquisition on April 15, 2019, the Company is determining options for the facilities in New York and New Jersey in order to accommodate increased production. The State of

New Jersey has provided an initial incentives offer of \$6 million.

The Applicant certifies that the provisions of Section 862(1) of the General Municipal Law will not be violated if financial assistance is provided by the Agency for the proposed Project.

YES X NO ___

Will customers personally visit the Project site for "retail sales" of Goods and/or Services? "Retail Sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State primarily engaged in the retail sale of tangible personal property, as defined in section 1101(b)(4)(i) of the Tax Law of the State, or (ii) sales of a service to such customers.

Sales of Goods: YES ___ NO X

Sales of Services: YES ___ NO X

If the answer to the prior question is YES, what percentage of the cost of the Project (including that portion of the cost to be financed from equity or sources other than Agency financing) 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?

_____ %

Is the Project likely to attract a significant number of visitors from outside the economic development region (i.e., Western New York) in which the Project is or will be located?

YES ___ NO X

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 X NO ___

Will the Project be located in one of the following: (a) an area designated as an empire zone pursuant to Article 18-B of the General Municipal Law; or (b) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (i) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of the households

receiving public assistance, and (ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates?

YES X NO

Is an environmental impact statement required by Article 8 of the N.Y. Environmental Conservation Law (i.e., the New York State Environmental Quality Review Act)? If "yes" please complete and attach to the Application.

YES NO X

CERTIFICATIONS AND ACKNOWLEDGMENTS OF THE APPLICANT

The undersigned, being duly sworn, deposes and says, under penalties of perjury, as follows: that I am the chief executive officer or other representative authorized to bind the Applicant named in the attached application for financial assistance ("Application") and that I hold the office specified below my signature at the end of this Certification and Agreement, that I am authorized and empowered to deliver this Certification and Agreement and the Application for and on behalf of the Applicant, that I am familiar with the contents of said Application (including all schedules, exhibits and attachments thereto), and that said contents are true, accurate and complete to the best of my knowledge and belief.

The grounds of my belief relative to all matters in the Application that are not based upon my own personal knowledge are based upon investigations I have made or have caused to be made concerning the subject matter of this Application, as well as upon information acquired in the course of my duties and from the books and records of the Applicant.

As an authorized representative of the Applicant, I acknowledge and agree on behalf of the Applicant that the Applicant hereby releases the County of Chautauqua Industrial Development Agency, its members, officers, servants, attorneys, agents and employees (collectively, the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend (with counsel selected by the Agency) and hold the Agency harmless from and against any and all liability, damages, causes of actions, losses, costs or expenses incurred by the Agency in connection with: (A) examination and processing of, and action pursuant to or upon, the Application, regardless of whether or not the Application or the financial assistance requested therein are favorably acted upon by the Agency, (B) the acquisition, construction, reconstruction, renovation, installation and/or equipping of the Project by the Agency, and (C) any further action taken by the Agency with respect to the Project; including, without limiting the generality of the foregoing, (i) all fees and expenses of the Agency's general counsel, bond counsel, economic development consultant, real property tax valuation consultant and other experts and consultants (if deemed necessary or advisable by the Agency), and (ii) all other expenses incurred by the Agency in defending any suits, actions or proceedings that may arise as a result of any of the foregoing. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails within a reasonable or specified period of time to take reasonable, proper or requested action or withdraws, abandons, cancels, or neglects the Application or if the Applicant is unable to find buyers willing to purchase the total bond issue required or is unable to secure other third party financing or otherwise fails to conclude the Project, then upon presentation of an invoice by the Agency, its agents, attorneys or assigns, the Applicant shall pay to the Agency, its agents, attorneys or assigns, as the case may be, all fees and expenses reflected in any such invoice.

As an authorized representative of the Applicant, I acknowledge and agree on behalf of the Applicant that each of the Agency's general counsel, bond counsel, economic development consultant, real property tax valuation consultant and other experts and consultants is an intended third-party beneficiary of this Certification and Agreement, and that each of them may (but shall not be obligated to) enforce the provisions of the immediately preceding paragraph, whether by lawsuit or otherwise, to collect the fees and expenses of such party or person incurred by the Agency (whether or not first paid by the Agency) with respect to the Application.

FIRST:

The Applicant hereby certifies that, if financial assistance is provided by the Agency for the proposed project, no funds of the Agency (i) shall be used in connection with the Project for the purpose of preventing the establishment of an industrial or manufacturing plant or for the purpose of advertising or promotional materials which depict elected or appointed government officials in either print or electronic media, (ii) be given to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State

SECOND:

The Applicant hereby certifies that no member, manager, principal, officer or director of the Applicant or any affiliate thereof has any blood, marital or business relationship with any member of the Agency (or any member of the family of any member of the Agency).

THIRD:

The Applicant hereby certifies that neither the Applicant nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners (other than equity owners of publicly-traded companies), nor any of their respective employees, officers, directors, or representatives (i) is a person or entity with whom 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 or other governmental action, or (ii) has engaged in any dealings or transactions or is otherwise associated with such persons or entities.

FOURTH:

The Applicant hereby acknowledges that the Agency shall obtain and hereby authorizes the Agency to obtain credit reports and other financial background information and perform other due diligence on the Applicant and/or any other entity or individual related thereto, as the Agency may deem necessary to provide the requested financial assistance.

FIFTH:

The Applicant hereby certifies, under penalty of perjury, that each owner, occupant or operator that would receive financial assistance with respect to the proposed Project is in substantial compliance with applicable federal, state and local tax, worker protection and environmental laws, rules and regulations.

SIXTH:

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

SEVENTH:

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

EIGHTH:

Upon successful closing of the required bond issue or other form of financing or Agency assistance, the Applicant shall pay to the Agency an administrative fee set by the Agency (which amount is payable at closing) in accordance with the following schedule:

- (A) All Initial Transactions - One-Hundred basis points (1.00%) of total project costs
 - a. This fee applies to all Initial Transactions except for certain small solar or wind energy systems or farm waste energy systems under RPTL §487, for which the Agency collects no fee (other than Counsel fees).
- (B) Refundings/Assumptions/Modifications: Agency fee shall be determined on a case-by-case basis.

The Agency's bond counsel fees and expenses are payable at closing and are based on the work performed in connection with the Project.

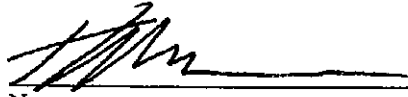
The Agency's bond counsel's fees, general counsel fee and the administrative fees may be considered as a cost of the Project and included as part of any resultant financing, subject to compliance with applicable law.

Upon the termination of the financing of the Project, Applicant agrees to pay all costs in connection with any conveyance by the Agency to the Applicant of the Agency's interest in the Project and the termination of all related Project documents, including the fees and expenses of the Agency's general counsel, bond counsel, and all applicable recording, filing or other related fees, taxes and charges.

NINTH:

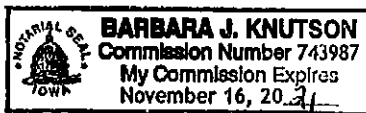
The Applicant authorizes the Agency to make inquiry of the United States Environmental Protection Agency, the New York State Department of Environmental Conservation or any other appropriate federal, state or local governmental agency or authority as to whether the Project site or any property adjacent to or within the immediate vicinity of the Project site is or has been identified as a site at which hazardous substances are being or have been used, stored, treated, generated, transported, processed, handled, produced, released or disposed of. The Applicant will be required to secure the written consent of the owner of the Project site to such inquiries (if the Applicant is not the owner), upon request of the Agency.

I further acknowledge and agree on behalf of the Applicant that, in the event the Agency shall have used all of its available tax-exempt bond financing allocation from the State of New York, if applicable, and shall accordingly be unable to obtain an additional allocation for the benefit of the Applicant, the Agency shall have no liability or responsibility as a result of the inability of the Agency to issue and deliver tax-exempt bonds for the benefit of the Applicant.


Name
Title: *DIRECTOR, FINANCE DEPT & TAX*

Subscribed and affirmed to me this 3rd
day of September, 2013

Barbara J. Knutson
Notary Public



PILOT/Tax Lease Analysis

9/4/19

Project Name: Wells Enterprises, Inc.

Standard
PILOT

PILOT

	Assessment	No Abatement		PILOT	UTEP
New Assessment on Improvements	\$7,000,000				
Year 1		\$276,427		\$27,643	10%
Year 2		\$276,427		\$27,643	10%
Year 3		\$276,427		\$55,285	20%
Year 4		\$276,427		\$55,285	20%
Year 5		\$276,427		\$82,928	30%
Year 6		\$276,427		\$82,928	30%
Year 7		\$276,427		\$110,571	40%
Year 8		\$276,427		\$110,571	40%
Year 9		\$276,427		\$138,214	50%
Year 10		\$276,427		\$138,214	50%
Total	\$7,000,000	\$2,764,274		\$829,282	
Savings*				\$1,934,991	

*Difference in payments compared to no real property tax abatement

Equalized Tax Rate Town of Pomfret $\frac{39.489622}{39.489622}$

Tax Rate/\$1,000 0.039489622

All estimates. Based on past tax rates. Calculations do not include any special district user fees or ad valorem taxes.

Tax Lease

	Tax Rate	Sales Tax	Mortgage Recording Tax	
Total Building Related Costs		\$65,250,000		
Total Other Taxable Facility Costs				
		\$65,250,000		
Sales Tax	8.00%	\$5,220,000		
Mortgage Recording Tax	1.25%		\$0	
		\$5,220,000	\$0	\$5,220,000

Assumes:

75% of improvements will be sales taxable
 Project cost is estimated at \$87,000,000
 Property tax assessment on improvements is at the estimated cost

Estimated Incentive Total:	<u>\$7,154,991</u>
Less Fees	
Application Fee	\$1,000
Counsel Fee Deposit	\$1,000
Agency Fee 1 % of Project	\$870,000
Estimated Attorney Fee	\$20,000
Estimated Net Incentive	\$6,262,991

