

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
PROJECT COST/BENEFIT ANALYSIS
June 7, 2012

APPLICANT

Aero JFK, LLC
201 West Street, Suite 200
Annapolis, MD 21401

PROJECT LOCATIONS

Cargo Building 21 and 23, Cargo Area B
JFK International Airport
Jamaica, NY 11430

A. Project Description:

Aero JFK, LLC (the "Applicant") specializes in acquiring and developing on-airport facilities which are leased to airport users including airlines, freight forwards, freight integrators, cargo brokers, flight kitchens and general aviation companies.

The Applicant is seeking approval for the issuance of approximately \$145,000,000 in the tax-exempt Special Airport Facility Refunding Bonds (the "Refunding Bonds"). The proceeds from the Refunding Bonds will be used by the Company to: (I) refund the outstanding New York City Industrial Development Agency Special Airport Facility Revenue Bonds (Airis JFK I, LLC Project at JFK International Airport, Series 2001A) in the approximate amount of \$140,450,000; (II) fund any required debt service reserve funds; and (III) pay certain costs related to the issuance of the Refunding Bonds.

The proceeds of the Series 2001A Bonds were used to finance the costs of (i) the construction of an approximately 262,515 square foot air cargo and aircraft related service facility at a site known as Tract 8 in Cargo Area B at JFK International Airport (the "Airport"), the construction of site improvements, and the acquisition and installation of equipment to constitute fixtures in connection therewith, all for use in providing air cargo and aviation support facilities to tenants conducting aviation related activities, and (ii) the construction of an approximately 172,100 square foot air cargo and aircraft related service facility at a site known as Tract 9A in Cargo Area B at the Airport, the construction of site improvements, and the acquisition and installation of equipment to constitute fixtures in connection therewith, all for use in providing air cargo and aviation support facilities to tenants conducting aviation related activities.

The Applicant does not have its employees at the Project Locations. However, according to the Applicant, seven tenants/users collectively employ 385 full-time and 28 part-time employees (or 399 full-time equivalent employees) at the Project Locations.

B. Costs to City-- New York City taxes to be exempted:

Estimated NYC Forgone Income Tax on Bond Interest (NPV 26 years, 6.25%)*:	\$0 ~ \$1,477,604
Mortgage Recording Tax Benefit:	<u>2,356,250</u>
Total	\$1,477,604 ~ \$3,833,854

* The exact amount of personal income tax revenue that will be lost as a result of this transaction depends on factors including (but not limited to) the percentage of bond bought by entities subject to New York City personal income taxes, the interest income generated from the bonds and the tax rate applied to bond purchasers.

C. Benefits to City

Estimated New York City taxes to be generated (NPV 26 years, 6.25%):	\$40,096,883
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Company Contact Information

This page collects information for all contacts involved in the Project.

Applicant Name: Aero JFK, LLC	
Operating Company Address: 201 West Street, Suite 200, Annapolis, Maryland 21401	
Website Address: www.aerofarm.com	
EIN #: [REDACTED]	NAICS Code: 531190
Date of Application: May 14, 2012	

1. Officer of Applicant serving as contact person:

Name/Title: Mitchell Gordon Firm: Aerofarm US, Inc.
 Phone: [REDACTED] Fax: [REDACTED]
 E-mail Address: [REDACTED] Address: 201 West Street, Suite 200, Annapolis, MD 21401

2. Attorney of Applicant:

Name: Vanessa Lowry Firm: Greenberg Traurig
 Phone: [REDACTED] Fax: [REDACTED]
 E-mail Address: [REDACTED] Address: Two Commerce Square
2001 Market Street
Philadelphia, Pennsylvania 19103

3. Accountant of Applicant:

Name: Alain Naragon Firm: Price Waterhouse Coopers
 Phone: [REDACTED] Fax: [REDACTED]
 E-mail Address: [REDACTED] Address: One North Wacker Drive, Chicago, IL 60606

4. Other Advisor/Consultant to Applicant (if applicable):

Name: _____ Firm: _____
 Phone: _____ Fax: _____
 E-mail Address: _____ Address: _____

Company Background

This page collects a brief overview of the Applicant's structure and operations.

1. Applicant is (check one of the following, as applicable):

- General Partnership
- S Corporation
- 501(c)(3) Organization
- Limited Partnership
- Limited Liability Company
- Other (specify): _____
- C Corporation
- Natural Person

2. Are any securities of Applicant publicly traded? Yes No

3. Applicant's state of incorporation or formation: Delaware

4. Applicant's date of incorporation or formation: February 19, 2004

5. States in which Applicant is qualified to do business: New York

6. Please provide a brief description the nature of the business, including a description of the industry, competitors, services offered, and any other relevant info:

The business purpose is to acquire and develop on-airport industrial facilities which are sub-let to airport users including airlines, freight forwards, freight integrators, cargo brokers, flight kitchens and general aviation companies. Competitors would include property owners holding similar on-airport and in some cases off-airport facilities, although core on-airport users usually don't have the option of relocating off airport. Other competitive advantages include our strong relationships with airport authorities, restrictive land use codes, the unavailability of appropriately located and sized land parcels and high financial entry barriers requiring large capital commitments and strong financial backing.

7. Please provide a brief description of the company history, unique company facts, etc.:

Aero JFK, LLC is a wholly owned subsidiary of CalEast Air Cargo LLC, a 2005 joint venture between CalEast Global Logistics, LLC and Aeroterm to acquire and develop on-airport cargo warehousing facilities. Aeroterm, a privately held company, was founded in 1993 by its two current partners, John Cammett and Ken Code. The company's first acquisitions consisted of 10 airport properties, approximately 1 million square feet, located in Montreal, Quebec. Since then Aeroterm has grown to be a global developer, manager, and owner of on-airport facilities and has become the leader in the industry with approximately \$2 billion in facilities and under management. Its portfolio, spanning multiple international and regional airports, encompasses buildings dedicated to cargo, hangar, office, flight kitchen, and a variety of other types of aviation-oriented businesses.

CalEast Global Logistics, LLC ("CalEast") is a joint venture between The California Public Employees' Retirement System ("CalPERS") and GI Partners. Throughout the United States and Canada, CalEast owns and operates industrial, logistics and infrastructure-oriented real estate, including warehouses, light assembly, distribution centers, intermodal centers, air cargo facilities, and truck terminals. CalEast entities include CenterPoint Properties Trust, joint ventures with Aeroterm and North American Truck Terminals, and other wholly owned and joint venture assets. In total, CalEast owns and operates over 47 million square feet of industrial real estate and logistics infrastructure and over 9,000 acres of land.

Proposed Project Activities

This page provides a general outline of the NYCIDA/NYCCRC project.

1. Please provide a brief overview of the entire proposed Project. If necessary break down Project activities by tax lot to describe activities at each Project Location.

The project was completed in 2003. This application relates to a refinancing of tax exempt debt that was originally issued in 2001.

The project consists of 2 air cargo facilities located at John F. Kennedy International Airport. Facility 23, located at 53 North Service Road in Jamaica, Queens County, New York consists of a single-story building and a two story building combined containing 264,167 square feet of building and 405,686 square feet of aircraft served ramp. The site area is approximately 23.55 acres. Construction of the property was completed in 2003 and is currently financed with tax exempt debt issued in 2001 through the New York City Industrial Development Agency. Facility 21, located at 54 North Service Road in Jamaica, Queens County, New York consists of a single-story building containing 172,100 square feet of building and 190,339 square feet of aircraft served ramp. The site is approximately 18.15 acres. Construction of the property was also completed in 2003 and was also financed through the same issuance of tax exempt debt.

Current tenant of the facilities include Delta Airlines, Lufthansa Air Cargo and Alliance Airlines. Combined, the buildings are 99.5% occupied.

2. Please provide a brief description of how the proposed Project will affect current operations.

Not applicable. The Project was completed in 2003 and has been operating as an airport cargo storage and handling facility since then.

3. Please provide a brief description of renovations/construction of the proposed Project.

Not applicable. The Project was completed in 2003 and has been operating as an airport cargo storage and handling facility since then

4. Please provide a brief timeline for the entire proposed Project.

Not applicable. The Project was completed in 2003 and has been operating as an airport cargo storage and handling facility since then

Project Financing

The chart immediately below requires information relating to the sources and uses of funds to be expended for the Project. For purposes of this chart, the amounts provided should be aggregates for all Project Locations.

Uses of Funds	Sources of Funds (If needed use an additional sheet to indicate all sources and uses)							Total Uses
	Bond Proceeds	Commercial Financing (Loan 1)	Commercial Financing (Loan 2)	Affiliate/ Employee Loans	Capital Campaign	Company Funds	Other (Identify):	
Land & Building Acquisition								
Construction Hard Costs								
Construction Soft Costs								
Fixed Tenant Improvements								
Machinery Furnishings and/or Equipment								
Debt Service Reserve Fund	6,775,298							6,775,298
Capitalized Interest								3,868,525
Costs of Issuance	3,868,525							
Fees (explain):								
Other (explain) Refunding Outstanding Bonds	140,450,000							140,450,000
Total	149,872,895							149,872,895

Please list where machinery, equipment and furnishings will be purchased and what percentage of total machinery, equipment, and furnishings relating to the Project this will represent:

- New York City Percentage of Total? _____
- New York State (excluding NYC) Percentage of Total? _____
- United States (excluding NYS) Percentage of Total? _____
- Outside United States Percentage of Total? _____
- N/A - There is no equipment planned to be purchased with this project.

Project Location Detail

This page and the following 3 pages of this Application (i.e., pages 7 through 10, inclusive) make up the Proposed Project Packet.

Applicant must complete an Individual Proposed Project Packet for each Project Location for which Applicant is seeking Project Financial Assistance.

Project Location		Project Location # 1 of 1	
Borough/Block/Lot: 4/1/14280			
Street address and zip code: 21 North Service Road, Jamaica, NY 11431 and 23 North Service Road, Jamaica, NY 11430			
Zoning: M1-1 Light Industrial zoning district		Number of Floors: one single-story and one two-story building	
Square footage of Existing Building: 438,267		Square footage of Land: 1,380,185 which includes 598,025 square feet of aircraft parking ramp	
intended use(s) of site (e.g. manufacturing, office, retail, etc.):			
Current and intended use is as an air cargo warehouse storage and handling facility			
Estimated square footage of Project after construction/ improvement completion: The project was completed in 2003 and is currently in use			
Building Square Footage: 438,267			
Non-building Improvement square footage (if applicable): Not applicable			
Existing subtenant occupied square footage within building (In aggregate and per subtenant):		Remaining length of each sublease:	
434,302 occupied square feet		Subtenant 1 - 1 year & 2 month	
Subtenant 1 - 180,684 sq.ft.		Subtenant 2 - 17 years 2 months	
Subtenant 2 - 172,100 sq.ft.		Subtenant 3 - 1 year 2 month	
Subtenant 3 - 71,560 sq.ft.		Subtenant 4 - 1 year & 2 month	
Subtenant 4 - 6,208 sq.ft.		Subtenant 5 - month to month term	
Subtenant 5 - 2,070 sq.ft.		Subtenant 6 - month to month term	
Subtenant 6 - 979 sq.ft.		Subtenant 7 - month to month term	
Subtenant 7 - 703 sq.ft.			
Nature of business for each sub-tenant:			
Air cargo storage and handling			

Anticipated Ownership of Premises

Please note that for purposes of answering the questions on this page, any reference to an "Affiliate" (as defined on the first page of this Application) should be deemed to mean an Affiliate of Applicant

1. Please check all that apply:

- Applicant or an Affiliate is the fee simple owner of the Project Location.
- Applicant or an Affiliate expects to be the fee simple owner of the Project Location.
- Applicant or an Affiliate leases the project Location.
- Applicant or an Affiliate expects to lease the project realty immediately following the closing.
- None of the above categories fully describe Applicant's interest or intended interest in the Project Location, which may be more accurately described as follows (please provide copies of supporting documentation, as applicable):

2. If Applicant or Affiliates leases or expects to lease the Project Location, choose one of the following

- Lease is for an entire building and property
- Lease is for space within a building.

3. If an Affiliate owns or controls (or will own or control) a Project Location, then describe such Affiliate by choosing one of the following selections and completing the chart provided below:

- General Partnership
- S Corporation
- Natural Person
- Limited Partnership
- Limited Liability Company
- Other (specify): _____
- C Corporation
- 501(c)(3) Organization

Name of Affiliate: CalEast Air Cargo, LLC	EIN # of Affiliate: [REDACTED]
Address of Affiliate: 201 West Street, Suite 200, Annapolis, MD 21401	
Affiliation of Affiliate to Applicant: Ultimate Parent company	
Contact Person: Mitchell Gordon	Title of Contact Person: Authorized Agent
Phone Number(s): [REDACTED]	

Employment Information

The following information will be used as part of the NYCIDA/ NYCCRC's calculation of the benefit of the project, and as a basis for comparison with the information reported in periodic compliance surveys the Agency conducts throughout the life of the Project.

Note: for the meanings of all defined terms, see page 1 of this Application.

A. Commencement of Operations

1. When does Applicant expect to close with NYCIDA/NYCCR/Buld NYC?
7/30/2012
2. What will be the Facility Operations Start-Date? **7/30/2012**

B. Current City-wide and Project Location Employment

1. Currently, how many Full-time Employees do Applicant and Applicant's Affiliates employ throughout New York City as of the last pay period?
385
2. Currently, how many Part-time Employees do Applicant and Applicant's Affiliates employ throughout New York City as of the last pay period?
28
3. If the Applicant currently occupies and operates at the Project Location, how many Full-time and Part-time Employees are currently employed at the Project Location? (Indicate "NA" if no Employees are currently employed at the Project Location.) Part-time: **28** Full-time: **385**

C. Expected City-wide Employment

1. How many Full-time Employees do Applicant and Applicant's Affiliates expect to employ throughout New York City on the Facility Operations Start-Date? **385**
2. How many Part-time Employees do Applicant and Applicant's Affiliates expect to employ throughout New York City on the Facility Operations Start-Date? **28**

D. Expected Relocation Employment

1. Out of the number of Full-time Employees provided in the answer to C.1, how many are expected to be relocated to the Project Location on or about the Facility Operations Start Date? (Indicate "NA" if all employees at the Project Location will be new hires.)
None
2. Out of the number of Part-time Employees provided in the answer to C.2, how many are expected to be relocated to the Project Location on or about the Facility Operations Start Date? (Indicate "NA" if all employees at the Project Location will be new hires.)
None

E. Estimated New-growth Employment

Complete the following chart to indicate the number of new employees that are expected to be hired at the Project Location. Please review the illustrative example (see the sample below the chart) as a guide to completing the chart. **Note: In the chart below, year 1 is the year following the Facility Operations Start-Date; Year 2 is the second year following that date; Year 3 is the third, etc.**

Years following Facility Operations Start Date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total New Growth
Permanent Full-time																
Permanent Part-time																

Illustration example for employment statistics

C. New Growth Employees

Scenario: A company with a total employment of 10 permanent full time employees at application has a Projected Start Date of Facility Operations of 6/23/2009. By 6/23/2010 they intend on adding to its workforce 2 employees, which is considered year 1, 0 employees the second year, 4 employees the third year, 2 part time employees the fourth year, and no more additional employees thereafter. There are also no layoffs anticipated.

Years following Facility Operations Start Date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total New Growth
Full-time Employees	2	0	4	0	0	0	0	0	0	0	0	0	0	0	0	6
Part-time Employees	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	2

Although this company, after year 4, will have a total of 16 full time employees (the 10 original and the 6 New Growth) this chart should only reflect New Growth Employees. The 10 original employees are captured in Section B of the Project Location Information section of the application.

Wage Information

The questions in this section apply only to Permanent Employees employed or to be employed at the Project Location.

There are no Applicant or Affiliate employees at the Project Location. Employment and wage data provided below is for Subtenants (not affiliated with the project company) only. Data provided below represents an average of the wage and employment data collected from all subtenants for the purpose of this application.

1. If Full-time Employees are to be relocated on the Facility Operations-Start Date, what will be the average quarterly and annual compensation for such relocated Full-time Employees? (Indicate "NA" if no Full-time Employees are being relocated.)
 Quarterly: NA Annual: NA

2. If Part-time Employees are to be relocated on the Facility Operations-Start Date, what will be the average quarterly and annual compensation for such relocated Part-time Employees? (Indicate "NA" if no Part-time Employees are being relocated.)
 Quarterly: NA Annual: NA

3. With regard to the Part-time Employees and Full-time Employees currently employed at the Project Location and provided in the answer to question B3 on the previous page (9), what is current annual average compensation? (Indicate "NA" if no Employees are currently employed at the Project Location.)

Part-time: \$28,870 Full-time: \$52,204.5

4. For new Full-time Employees expected to be hired in the first year following the Facility Operations Start-Date, what is the projected average quarterly and annual compensation? Quarterly: NA Annual: NA

5. For new Part-time Employees expected to be hired in the first year following the Facility Operations Start-Date, what is the projected average quarterly and annual compensation? Quarterly: NA Annual: NA

6. For all new, Full-time Employees expected to be hired throughout the fifteen-year period following the Facility Operations Start-Date, please complete the following:
 - A. Projected average annual compensation: \$62,500
 - B. Average annual compensation range: Hi: \$80,000 Low: \$50,000

7. For all new, Part-time Employees expected to be hired throughout the fifteen-year period following the Facility Operations Start-Date, please complete the following:
 - A. Projected average annual compensation: \$25,500
 - B. Average annual compensation range: Hi: \$30,000 Low: \$20,000

8. Generally describe all other forms of compensation and benefits that Permanent Employee will receive at the Project Location. Examples: health care; employer-contributions for retirement plans; on-the-job training; reimbursement for educational expenses; etc.

Health care; Employer Contributions for Retirement plans; On the Job Training; Reimbursement for educational expenses; Adoption reimbursement

Company Background

This section is meant to capture additional information about the company background.

The Applicant and its Affiliates hereinafter will be referred to as the "Companies" or individually as a "Company." If any of the following questions applies to none of these Companies, answer "NONE"; but, for any question that does apply, be sure to specify to which of the Companies the answer is relevant. When the space provided for an answer is insufficient, provide the answer on a separate sheet of paper and attach that paper to this Questionnaire.

1. List all of the labor union contracts and collective bargaining arrangements to which any of the Companies is currently a party (Note: This answer should match the answer to be supplied on page 14 of the Core Application, Question 10):

Not applicable. The applicant has no employees

2. Have any of the Companies during the current calendar year and the five preceding calendar years experienced labor unrest situations, including pending or threatened labor strikes, hand billing, consumer boycotts, mass demonstrations or other similar incidents?

Yes No If Yes, please explain below or on an attached sheet:

Not applicable

3. Have any of the Companies received any federal and/or state unfair labor practices complaints asserted during the current calendar year and the five calendar years preceding the current calendar year?

Yes No If Yes, please describe and explain current status of complaints below or on an attached sheet:

Not applicable

4. Do any of the Companies have pending or threatened requests for arbitration, grievance proceedings, labor disputes, strikes or disturbances during the current calendar year and the five calendar years preceding the current calendar year?

Yes No If Yes, please explain below or on an attached sheet:

Not applicable

5. Are all employees of the Companies permitted to work in the United States?

Yes No If No, please provide details on an attached sheet.

What steps do the Companies take as a matter of course to ascertain their employees' employment status?

Not applicable

6. Do the Companies complete and retain all required documentation related to this inquiry, such as Employment Eligibility Verification (I-9) forms?

Yes No If No, please explain below or on an attached sheet:

Not applicable

Core Application- Company Background

7. Has the United States Department of Labor, the New York State Department of Labor, the New York City Office of the Comptroller or any other local, state or federal department, agency or commission having regulatory or oversight responsibility with respect to workers and/or their working conditions and/or their wages, inspected the premises of any Company or audited the payroll records of any Company during the current calendar year or during the three calendar years preceding the current one?

Yes No

If the answer to this question is "Yes," briefly describe the nature of the inspection, the inspecting governmental entity and when the inspection occurred. Briefly describe the outcome of the inspection, including any reports that may have been issued and any fines or remedial or other requirements imposed upon the Company or Companies as a consequence: (please use an attached sheet if necessary)

Not applicable

8. Has any of the Companies incurred, or potentially incurred, any liability (including withdrawal liability) with respect to an employee benefit plan, including a pension plan?

Yes No

If the answer to this question is "Yes," quantify the liability and briefly describe its nature and refer to any governmental entities that have had regulatory contact with the Company in connection with the liability: (please use an attached sheet if necessary)

Not applicable

9. Are the practices of any of the Companies now, or have they been at any time during the current calendar year or the five calendar years preceding the current calendar year, the subject of any complaints, claims, proceedings or litigation arising from alleged discrimination in the hiring, firing, promoting, compensating or general treatment of employees?

Yes No

If the answer to this is "Yes," provide details below or on an attached sheet. When answering this question, please consider "discrimination" to include sexual harassment.

Not applicable

When answering the following questions, please note: "Principal" means the following with respect to the Applicant and/or the SPE: all persons (entities or individuals) that control the Applicant and/or the SPE, and/or own more than 10 percent of either; all executive officers; all directors; and all members and general partners for, respectively, limited liability companies and partnerships.

1. Has Applicant, or any Affiliate or Principal, ever received, or is any such person or entity currently receiving, financial assistance or any other kind of non-discretionary benefit from any local, state or federal governmental entity or agency, or any public authority or public benefit corporation, or any local development corporation?

Yes No If Yes, please provide details on an attached sheet.

Please note: local, state and federal governmental entities or agencies, public authorities or public benefit corporations, and local development corporations, shall be referred to as "Public Entity(ies)."

2. Has Applicant, or any Affiliate or Principal, or any existing or proposed occupant at the Project site, obtained, or is any such person or entity in the process of obtaining, or contemplating obtaining, other assistance from the NYCIDA/ NYCCRC/Build NYC and/or other Public Entities?

Yes No If Yes, please provide details on an attached sheet.

3. Has Applicant, or any Affiliate or Principal, ever defaulted on a loan or other obligation to a Public Entity?

Yes No If Yes, please provide details on an attached sheet.

See next page

Aero Austin L.P.

Aero Austin L.P., an affiliate of the Applicant has defaulted on its current loan obligation issued through the ABIA Development Corporation (the Agency). In 1999, this agency issued Airport Facility Revenue Bonds in the amount of \$4,850,000. The proceeds of the Bonds were loaned to Aero Austin L.P. (the Borrower) pursuant to the a loan agreement dated November 15, 1999 between the Borrower and the Issuer to refinance the construction and equipping of certain Improvements at the Austin-Bergstrom International Airport consisting of an air cargo warehouse facility.

In January 2010, as a result of insufficient funds from operations due to reduced occupancy in the facility, the company was not able to meet its full debt obligation and was required to draw upon its debt reserves. Due to failure to replenish said reserves subsequent to receiving notice from the Trustee, the first event of default occurred. To date, this event of default has not been cured.,

In January 2012, as a result of insufficient funds from operations resulting from reduced occupancy in the facility, and insufficient funds in the debt service reserves, an event of default occurred by reason of the failure to pay installments of principal and interest due on the bonds on or about January 3, 2012. This event of default has not been cured to date.

Aero Newark, LLC

Aero Newark, LLC, an affiliates of the Applicant has defaulted on its current loan obligation issued through the New Jersey Economic Development Authority (the Agency). In 1998, the Agency issued Economic Development Revenue Refunding Bonds. As a result of a failed remarketing of the bonds in 2009, the company was required to draw upon its debt service reserves. Due to failure to replenish said reserves in accordance with the requirements of the Indenture of Trust, an event of default occurred. To date this event of default has not been cured.

Although not considered an event of default under bond documents, in order to cover its capital repayment obligation subsequent to the failed remarketing, the company was required to draw against its Standby Bond Purchase Agreement (SBPA) issued through KBC Bank. The terms of this agreement call for an accelerated repayment of the debt which is far in excess of the operating funds generated by the facility. In order to meet its repayment obligation under the SBPA, the company claimed against its Bond Insurance policy issued through Ambac Assurance Corporation.

Aero Miami I, LLC

Aero Miami I, LLC, an affiliates of the Applicant has defaulted on its current loan obligation issued through the Miami-Dade County IDA. In 1999, the Agency issued Tax Exempt Industrial Development Revenue Bonds in the amount of \$81,000,000. As a result of a failed remarketing of the bonds in 2009, the company was required to draw upon its debt service reserves. Due to failure to replenish said reserves in accordance with the requirements of the Indenture of Trust, an event of default occurred. To date this event of default has not been cured.

Although not considered an event of default under bond documents, in order to cover its capital repayment obligation subsequent to the failed remarketing, the company was required to draw against its Standby Bond Purchase Agreement (SBPA) issued through Bayerische Bank. The terms of this agreement call for an accelerated repayment of the debt which is far in excess of the operating funds generated by the facility. In order to meet its repayment obligation under the SBPA, the company claimed against its Bond Insurance policy issued through Ambac Assurance Corporation.

Core Application- Company Background

4. Has real property in which Applicant, or Affiliate or Principal, holds or has ever held an ownership interest and/or controlling interest of 25 percent or more, now or ever been (i) the subject of foreclosure (including a deed in lieu of foreclosure), or (ii) in arrears with respect to any type of tax, assessment or other imposition?
 Yes No If Yes, please provide details on an attached sheet.
5. Does Applicant, or any Affiliate or Principal, have any contingent liabilities not already covered above (e.g., judgment liens, lis pendens, other liens, etc.)? Please include mortgage loans and other loans taken in the ordinary course of business only if in default.
 Yes No If Yes, please provide details on an attached sheet.
6. Has the Applicant, or any Affiliate or Principal, failed to file any required tax returns as and when required with appropriate governmental authorities?
 Yes No If Yes, please provide details on an attached sheet.

Please answer the following questions relating to the Applicant (if the space provided below is insufficient, please provide complete information on an attached sheet):

7. List major customers:

Company Name	Address	Contact	Phone	Fax Number	Percent of Revenues
Lufthansa Cargo AG	Avenida Ejercito Nacional 418 Plazo 11, 11670 Mexico -DF Mexico	Michel Laguna	[REDACTED]	[REDACTED]	43%
Delta Airlines, Inc	1030 Delta Blvd, Dept 877 Atlanta, GA 30354	Ray Moore	[REDACTED]	[REDACTED]	41%
Alliance Airlines	San Remo Plaza, P-2, 6705 Red Road, Suite 700, Coral Gables, FL 33143	Jared Azcuy	[REDACTED]	[REDACTED]	13%
Lufthansa Technik Logistics	1640 Hempstead Tpke, East Meadow, NY 11554	Albertina Acevedo	[REDACTED]	[REDACTED]	1.0
Kuwait Airlines	Terminal 4, JFKIA, Jamaica NY 11430	Rita Wise	[REDACTED]	[REDACTED]	0.4%

8. List major suppliers:

Company Name	Address	Contact	Phone	Fax Number
The Port Authority of New York & New Jersey	John F. Kennedy International Airport Building 14 - 2nd Floor Jamaica, NY 11430	Patrice James	[REDACTED]	[REDACTED]
National Grid	P.O. Box 11741, Newark, NJ 07101-4741	Unknown	[REDACTED]	[REDACTED]
Aero Snow Removal Corp	30 Sagamore Hill Drive, Port Washington, NY 11050	Bill Wingren	[REDACTED]	[REDACTED]
Aeroterm US, Inc.	201 West Street, Suite 200 Annapolis MD 21401	Michael Mineer	[REDACTED]	[REDACTED]
Maintech Corporation	P.O. Box 768, Midtown Station, New York, NY 10018	Steve Wigdor	[REDACTED]	[REDACTED]

9. List major Funding sources (if applicable): Not applicable

Company Name	Address	Contact	Phone	Fax Number

Core Application- Company Background

10. List unions (if applicable): **Not applicable**

Union Name	Address	Contact	Phone	Fax Number

11. List banks: **Banking is consolidated under the parent company name of CalEast Air Cargo LLC**

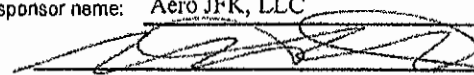
Bank Name	Address	Contact	Phone	Account Type and Number
Bank of America	101 South Tryon St., Charlotte NC 28255	Nathan Swedberg		

12. List licensing authorities, if applicable: **Not applicable**

Company Name	Address	Contact	Phone	Fax Number

Appendix C
State Environmental Quality Review
SHORT ENVIRONMENTAL ASSESSMENT FORM
For UNLISTED ACTIONS Only

PART I - PROJECT INFORMATION (To be completed by Applicant or Project Sponsor)

1. APPLICANT/SPONSOR Aeroterm US, Inc.	2. PROJECT NAME Aero JFK, LLC
3. PROJECT LOCATION: Municipality <u>New York City</u> County <u>Queens</u>	
4. PRECISE LOCATION (Street address and road intersections, prominent landmarks, etc., or provide map) <u>21 & 23 North Service Road, Jamaica, NY</u>	
5. PROPOSED ACTION IS: <input type="checkbox"/> New <input type="checkbox"/> Expansion <input type="checkbox"/> Modification/alteration	
6. DESCRIBE PROJECT BRIEFLY: <u>On Airport cargo facility bond refinancing. The project involves no renovation/expansion/modification or new construction</u>	
7. AMOUNT OF LAND AFFECTED: Initially <u>N/A</u> acres Ultimately <u>N/A</u> acres	
8. WILL PROPOSED ACTION COMPLY WITH EXISTING ZONING OR OTHER EXISTING LAND USE RESTRICTIONS? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe briefly <p align="center"><u>Not applicable</u></p>	
9. WHAT IS PRESENT LAND USE IN VICINITY OF PROJECT? <input type="checkbox"/> Residential <input type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Agriculture <input type="checkbox"/> Park/Forest/Open Space <input checked="" type="checkbox"/> Other Describe: <u>Airport use</u>	
10. DOES ACTION INVOLVE A PERMIT APPROVAL, OR FUNDING, NOW OR ULTIMATELY FROM ANY OTHER GOVERNMENTAL AGENCY (FEDERAL, STATE OR LOCAL)? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, list agency(s) name and permit/approvals: <p align="center"><u>Not applicable</u></p>	
11. DOES ANY ASPECT OF THE ACTION HAVE A CURRENTLY VALID PERMIT OR APPROVAL? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, list agency(s) name and permit/approvals: <p align="center"><u>Not applicable</u></p>	
12. AS A RESULT OF PROPOSED ACTION WILL EXISTING PERMIT/APPROVAL REQUIRE MODIFICATION? <input type="checkbox"/> Yes <input type="checkbox"/> No	
<p align="center">I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE TO THE BEST OF MY KNOWLEDGE</p> Applicant/sponsor name: <u>Aero JFK, LLC</u> Date: <u>5/14/12</u> Signature: 	

If the action is in the Coastal Area, and you are a state agency, complete the Coastal Assessment Form before proceeding with this assessment



Manufacturing Questionnaire

Please complete the following questions for each facility to be financed through the Manufacturing Facility Bond Program. Use additional pages as necessary. For background information, see the "Requirements for Issuance of Triple Tax-Exempt Bonds for Manufacturing Facilities" enclosed as a supplement.

1. Describe the production process that occurs at the facility to be financed: **Not applicable. Aero JFK, LLC is not a manufacturer**

2. Allocate portions of the facility to be financed by function, expressed in square footage and location in relation to production (e.g., same building, adjacent land or building, off-site, etc.):

Function	Location	Square Footage
Production line		
Warehouse/storage		
Loading areas		
Office space for a shop foreman		
Employee restrooms, locker rooms and parking		
Employee eating area		
Repair shop		
Offices for administration		
Other (specify)		
Other (specify)		
Total Square Footage		0

3. Of the space allocated to offices for administration above, identify by function (e.g., executive offices, payroll, production, etc.) and location in relation to production (same building, adjacent land or building, off-site, etc.):

Function	Location	Square Footage
Total Square Footage		

4. Of the space allocated to storage or warehousing above, identify the square footage and location of the areas devoted to the following:

Function	Location	Square Footage
Raw materials used for production of manufacturing goods		
Finished product storage		
Component parts of goods manufactured at the facility		
Purchased component parts		
Other (specify)		
Other (specify)		
Other (specify)		
Total Square Footage		

5. List raw materials used in the processing of the finished product(s) at the facility to be financed:

6. List finished product(s) that are produced at the facility to be financed:

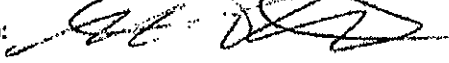
Certification

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above, and in any statement attached hereto, are true and correct.

Name of Applicant: Aero JFK, LLC

By: Printed Name of Signer: Mitchell Gordon

Title of Signer: Chief Financial Officer - Aeroterm US, Inc., acting as Agent for Aero JFK, LLC

Signature: 

Date: May 14, 2012

1. If the Project should be considered for energy benefits, please answer the following questions: **Not applicable**

Provider: _____ Account Number: _____

Provider: _____ Account Number: _____

Provider: _____ Account Number: _____

Provider: _____ Account Number: _____

2. If applicable, please list for the Project Location(s), the Applicants electricity and/ or gas providers and account numbers with such providers:

Provider: _____ Account Number: _____

Provider: _____ Account Number: _____

Provider: _____ Account Number: _____

Provider: _____ Account Number: _____

3. If the project is a relocation of operations, please provide a description of the **current/ existing site(s)** used by the Applicant:

a. Total building square footage of each facility:

b. Total square footage utilized by Applicant at each facility:

4. Please provide a description of the **Project site**:

a. Total square footage of building at site: _____

b. Projected use of site: Percent storage: _____

Percent office: _____

Percent refrigeration: _____

Percent processing/manufacturing: _____

Percent other (describe): _____

4. Will the Project include the construction of a new building on currently unimproved block(s) and/or lot(s)?

Yes No

5. Does the Project site include a building that has been vacant for at least 12 of the last 24 months?

Yes No

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Signature: 

Date: May 14, 2012

Retail Questionnaire

1. Will any portion of the Project consist of facilities or property that are or will be primarily used in making retail sales of goods to customers who personally visit the Project? Yes No
2. If the answer to question 1 is "Yes," will the Applicant or any other Project occupant be a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the "retail sale of tangible personal property" (as defined in Section 1101(b)(4)(i) of the Tax Law)? Yes No
3. Will any portion of the Project consist of facilities or property that are or will be primarily used in making retail sales of services to customers who personally visit the Project? Yes No
4. If the answer to question 1 or question 3 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? _____%
5. If the answer to question 1 or question 3 is "Yes," and the answer to question #4 is more than 33.33%, indicate whether any of the following apply to the Project:
 - a. Will a not-for-profit corporation operate the Project?
 Yes No
 - b. Is the Project likely to attract a significant number of visitors from outside New York City?
 Yes No
 - c. Would the Applicant, but for the contemplated financial assistance from the NYCIDA, locate the related jobs outside New York State?
 Yes No
 - d. Is the predominant purpose of the Project to make available goods or services that would not, but for the Project, be reasonably accessible to New York City residents because of a lack of reasonably accessible retail trade facilities offering such goods or services?
 Yes No
 - e. Will the Project be located in one of the following: (a) an area designated as an economic development 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) that, according to the most recent census data, has (i) a poverty rate of at least 20% for the year to which the data relates, or at least 20% of its 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 No
6. If the answers to any of subdivisions (c) through (e) of question 5 are "Yes," will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in New York State? Yes No
If "Yes," please furnish details in a separate attachment.
7. If the answers to any of subdivisions (a) through (e) of question #5 are "Yes," please furnish details in a separate attachment.

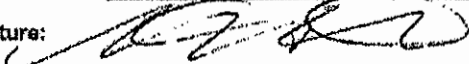
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Title of Signer: Chief Financial Officer of Aeroterm US, Inc., acting as Agent for Aero JFK, LLC

Signature: 

Date: May 14, 2012

Anti-Raiding Questionnaire

1. Will the completion of the Project result in the removal of a plant or facility of Applicant, or the removal of a plant or facility of any person or entity that is proposed to occupy the Project facility? (For the purposes of this question, "removal" shall mean removal from an area in New York State (but outside of New York City) to an area within New York City)
- Yes No

If "Yes," please provide the following information:

Address of the to-be-removed plant(s) or facility(ies):

Name of the to-be-removed person(s) or entity(ies), including the Applicant itself, if applicable.

2. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Applicant, or of any proposed occupant of the Project, located in an area of New York State other than New York City? Yes No

If "Yes," please provide the following information:

Addresses of the to-be-abandoned plant(s) or facility(ies):

Names of all current occupants of the to-be-abandoned plant(s) or facility(ies):

3. Will the completion of the Project in any way cause the removal and/or abandonment of plants and facilities anywhere in New York State (but outside of New York City)?
- Yes No

If "Yes," please provide all information relevant to such future removal and/or abandonment:

If the answer to either question 1, 2 or 3 is "Yes," please continue and answer questions 4 and 5.

4. Is the Project reasonably necessary to preserve the competitive position of this Applicant, or of any proposed occupants of the Project, in its industry?
- Yes No
5. Is the Project reasonably necessary to discourage the Applicant, or any proposed occupant of the Project, from removing such plant or facility to a location outside New York State?
- Yes No

If the answer to question 4 and/or question 5 is "Yes," please provide on a detailed explanation on a separate sheet of paper.

Certification

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Name of Applicant: Aero JFK, LLC

By: Printed Name of Signer: Mitchell Gordon

Title of Signer: Chief Financial Officer of Aeroterm US, Inc., acting as Agent for Aero JFK, LLC

Signature: 

Date: May 14, 2012