

Core Application - Applicant General Information

The Core Application captures specific and general information about the Applicant and the Project. This section begins with a survey of "General Information," followed by a section that describes the Applicant's Interest or relationship to the project site. This helps establish eligibility and which benefits will be applied to the project.

Name:	B.C.S. International Corporation dba Royal Food International
Address:	47-47 35th Street, Long Island City, NY 11101
Phone Number(s):	[REDACTED]
Fax Number(s):	[REDACTED]
E-mail Address:	[REDACTED]
Website Address:	
Applicant EIN Number:	[REDACTED]
S.I.C. Code:	
NAICS Code:	[REDACTED]

Date of Application: 10/27/06

1. Applicable Program (please check one):

- | | |
|--|---|
| <input type="checkbox"/> Manufacturing Facilities Bond Program | <input type="checkbox"/> Empowerment Zone Facilities Bond Program |
| <input checked="" type="checkbox"/> Industrial Incentive Program ("IIP") | <input type="checkbox"/> Exempt Facilities Bond Program |
| <input type="checkbox"/> Small Industrial Incentive Program ("SIIP") | |

SIIP is only available for Applicants with annual revenues of less than \$5 million and fewer than 100 employees; IIP is only available for Applicants with either annual revenues that are \$5 million or greater or 100 or more employees.

2. Officer of Applicant serving as contact person:

Name: David Yoo Firm: Royal Food International Corp.
Phone #: [REDACTED] Fax #: [REDACTED]
E-mail: [REDACTED] Address: 47-47 35th Street, LIC, NY 11101

3. Attorney of Applicant:

Name: Yu Mi Hong Firm: _____
Phone #: [REDACTED] Fax #: [REDACTED]
E-mail Address: [REDACTED] Address: 38-29 150th Street, Flushing, NY 11354

4. Accountant of Applicant:

Name: Il Hyun Kim Firm: Kim & Choi Associates Inc.
Phone #: [REDACTED] Fax #: [REDACTED]
E-mail Address: _____ Address: 164-02 N. Blvd., Flushing, NY 11358

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

Name: Mr. Ara N. Araz Firm: Economic Development Resources, Inc.
Phone #: [REDACTED] Fax #: [REDACTED]
E-mail Address: [REDACTED] Address: 48 Wall Street, Suite 1100, New York, NY 10005

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

- | | | |
|---|--|---|
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Partnership | <input checked="" type="checkbox"/> C Corporation |
| <input type="checkbox"/> S Corporation | <input type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Natural Person |
| <input type="checkbox"/> 501(c)(3) Organization | <input type="checkbox"/> Other (specify): _____ | |

7. Are any securities of Applicant publicly traded?

- Yes No

8. Applicant's state of incorporation or formation: New York

9. Applicant's date of incorporation or formation: 04/15/02

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

11. Please provide a brief description of Applicant and nature of its business: _____

Importer, packager and distributor of wholesale groceries

Core Application - Applicant Interest in Project Realty

Please note: An "Affiliate" means any individual, corporation, partnership, joint venture, sole proprietorship, limited liability company, trust or other entity that controls, is controlled by or is under common control with the Applicant or the "SPE" (defined herein below).

1. Please check all that apply:

- Applicant or an Affiliate is the fee simple owner of the Project realty.
- Applicant or an Affiliate is not currently, but expects to be the fee simple owner of the Project realty.
- Applicant or an Affiliate is not the owner of the Project realty, but is the occupant of a material portion thereof for the conduct of its business pursuant to a lease or other occupancy agreement.
- Applicant or an Affiliate is not the owner of the Project realty, but expects, immediately following the closing, to be the occupant of a material portion thereof for the conduct of its business pursuant to a lease or other occupancy agreement.
- None of the above categories fully describe Applicant and its relation to the Project realty, which may be more accurately described as follows (please provide copies of supporting documentation, as applicable):

Please note: Please pay particular attention to items 5, 6 and 16 in the Required Documents List (attached), which request additional information specific to the Project realty.

2. If a special-purpose entity ("SPE") that is owned and controlled by the Applicant will own or otherwise control the Project realty, the SPE will be a (check one of the following as applicable):

- General Partnership
- Limited Partnership
- C Corporation
- S Corporation
- Limited Liability Company
- Not-for-profit 501(c)(3) Entity
- Natural Person
- Other (specify): _____

Name of SPE: 33 Plaza Corp.
Address: 47-47 35th Street, LIC, NY 11101
Phone Number(s) [REDACTED]
Contact Person: Dae Hyun Yoo
Title of Contact Person: President
Affiliation of SPE to Applicant: commonly owned
Owners of SPE and each respective ownership share: Dae Hyun Yoo, 100%
SPE EIN Number: [REDACTED]

Please note: If information required above for the SPE is unknown at time of Application submission, then please submit any missing information to the NYCIDA as soon as it becomes available.

3. Give the following information with respect to all present and proposed tenants and sub-tenants at the proposed project site. Provide information on an additional sheet if space is needed.

Company Name	Phone	Affiliation with Applicant	SF & Floors (Percent of Occupancy)	Lease Expiration	Tenant Business
		N/A			

Core Application - Background Information on Applicant & Applicant's Affiliates

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.

Please answer the following questions and, if necessary, include additional information as an attachment:

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 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(y)(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?

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.

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	Percent of Revenues
Village Market	6928 3rd Avenue, Brooklyn, NY	Mr. Yu	[REDACTED]	
Gourmet Heaven	15 Broadway, New Haven, CT	Mrs. Cho		
Rahway Farms	1050 George Ave, Linden, NJ	Kwang Chul Park		

8. List major suppliers:

Company Name	Address	Contact	Phone
A. L. Bazzini Co.	200 Food Center Drv, Bronx 10474	Rob	
Sunrise Commodities	140 Sylvan Ave, Leonia, NJ 07632	Andrew	
Hemisphere Group	653 Old Willets Path, Hauppauge,	NY, 11788 Adam	
Kadouri	234 Start St, Brooklyn, 11237	Danny Kadouri	
Alelio Cheese	7609 18th Avenue, Brooklyn, 11214	Jimmy Alelio	

9. List unions (if applicable):

Union Name	Address	Contact	Phone	Contact Expiration
none				

10. List banks:

Bank Name	Address	Contact	Phone	Type of Account
Woori America Bank of NY	43-22 50th Street	Chong Min Lee		Checking
	Woodside, NY 11377			

11. List licensing authorities, if applicable:

Company Name	Address	Contact	Phone	Percent of Revenues
		N/A		

Core Application - Request, Certification, etc.

I, the undersigned officer/member/partner of Applicant, on behalf of Applicant, hereby request, represent, certify, understand, acknowledge and agree as follows:

I request that this Application, together with all materials and data submitted in support of this Application (collectively, these "Application Materials"), be submitted for review to the NYCIDA Board, in order to obtain from the NYCIDA Board an expression of intent to provide the benefits requested herein for the Project. I understand that this expression of intent will take the form of an inducement resolution to be adopted by the Board.

I represent that I have the authority to sign these Application Materials on behalf of, and to bind, Applicant.

I certify to the best of my knowledge and belief that all of the information provided in these Application Materials is accurate, true and correct. I understand that an intentional misstatement of fact, or, whether intentional or not, a material misstatement of fact, or the providing of materially misleading information, or the omission of a material fact, may cause the Board to reject the request made in the Application Materials.

I understand the following: that Applicant and Principals will be subject to a background check and actual or proposed subtenants may be subject to a background check; that the NYCIDA may be required under SEQR to make a determination as to the Project's environmental impact and that in the event the NYCIDA does determine that the Project will have an environmental impact, Applicant will be required to prepare, at its own expense, an environmental impact statement; that the decision of the Board to approve or to reject the request made in the Application Materials is a discretionary decision; that no Bonds may be issued (if Bonds are being requested) unless such Bonds are approved by the Mayor; that under the New York State Freedom of Information Law ("FOIL"), the NYCIDA may be required to disclose the Application Materials and the information contained therein (see Disclosure Policy and Procedure); and that Applicant shall be entirely responsible and liable for the fees referred to in these Application Materials, including (in the case of Bonds) but not limited to payment of the New York State bond issuance fees (if applicable to the Bonds in question) based upon the aggregate principal amount of the Bonds.

I further understand and agree as follows:

That in the event the Application Materials are not submitted to the Board for any reason including negative results obtained through the background check, and/or, with respect to Application Materials that are submitted to the Board, in the event the Board rejects same, then, under either of said circumstances, Applicant shall have no recourse against the NYCIDA or any other public or governmental entity or public benefit corporation (including NYCEDC), or any directors, officers, employees or agents of the foregoing (collectively, the "Public Participants"), for the Application Fee, or for other expenses incurred by Applicant or other parties on behalf thereof, or for damages or specific performance; and that the Application Fee is under all circumstances (including but not limited to the ones just described and the ones described in the next succeeding paragraph) non-refundable; **and**

That if the Board adopts an inducement resolution with respect to the request made in the Application Materials, such adoption shall not be deemed a guaranty that the Board will adopt an authorizing resolution; or that the NYCIDA will then provide the induced benefits; **and**

That Applicant shall indemnify the NYCIDA for fees and disbursements incurred by bond counsel (in the case of a Bond transaction) or by project counsel (in the case of a straight-lease transaction); and that bond counsel or project counsel (as applicable) shall be a third-party beneficiary of this indemnity to the NYCIDA regardless of whether a Closing occurs and if no Closing occurs, regardless of the reason thereafter and regardless of whether a Closing was within or without the control of any of the Public Participants; **and**

That in the event NYCIDA discloses the Application Materials in response to a request made pursuant to FOIL, Applicant hereby authorizes the NYCIDA to make such disclosure and hereby releases the NYCIDA from any claim or action that Applicant may have or might bring against the NYCIDA, its directors, officers, agents, employees and attorneys, by reason of such disclosure; and that Applicant agrees to defend, indemnify and hold the NYCIDA and, if applicable, the NYCEDC and their respective directors, officers, agents, employees and attorneys harmless (including without limitation for the cost of reasonable attorneys fees) against claims arising out of such disclosure as such claims may be made by any party including the Applicant, Affiliate, Owner or Principal, or by the officers, directors, employees and agents thereof.

I acknowledge and agree that the NYCIDA reserves the right in its sole and absolute discretion to request additional information, waive any requirements set forth herein, and/or amend the form of this Application, to the full extent permitted by applicable law.

Requested, Represented, Certified, Acknowledged, Understood and Agreed by Applicant,

this 21 day of September, 2006.

Name of Applicant: B.C.S. International Corporation

By: Printed Name of Signer: Dae Hyun Yoo

Title of Signer: President

Signature: _____

Environmental Assessment Form Guidelines

The following guidelines have been prepared to assist Applicants in their completion of the Environmental Assessment Form (the "EAF") required by the New York City Industrial Development Agency. The EAF is designed to assist the Agency in determining the environmental effects of a project for which the Agency is proposing to provide financial assistance.

The EAF is meant to be used for all NYCIDA transactions.

If the Project is relatively small and involves the occupation and use of existing residential or commercial office structures with minimal likelihood of resultant significant adverse environmental impacts, please complete the Short Environmental Assessment Form ("SEAF") found later in this section instead of the EAF. If you are not sure which form to complete, please contact NYCIDA staff for assistance.

It should be noted that, with minor modifications, the EAF is the form developed by the New York State Department of Environmental Conservation to address issues concerning a broad array of environmental conditions found throughout New York State. Some of the specific questions listed in the EAF refer to conditions that are seldom found in New York City and therefore may not apply to a specific project. For instance, questions concerning agricultural lands found in the Project Description section of the EAF are unlikely to apply to projects in New York City. Any question(s) that do not apply should be filled in with the notation "N/A" to denote that the questions are not applicable to the project under review.

While responses to most of the questions/statements in the EAF are self-explanatory, a few are not. Guidance on the type or source of information required for the latter is discussed below.

Description of Action

It is important to describe not only the action taken by the Agency (e.g. provision of financial assistance), but also the effects or resulting physical change that will occur as a consequence of the action. The latter can vary substantially for very similar actions. For example, an action might provide assistance for a 40,000 SF warehouse for the wholesale distribution of auto parts. Such an action might involve the purchase of a building that is currently leased and occupied by the applicant and no physical change to the project site will occur as a result of the action; or such an action might involve the purchase of a vacant property and the construction of a new 40,000 SF warehouse to be occupied by 100 employees in a location with little or new current activity.

Site Description

Question #6: Is Project substantially contiguous to, or contain a building, site or district listed on the State or the National Registers of Historic Places?

The NYC Landmark Preservation Commission ("LPC") maintains a record of all buildings that have been designated as local, state or national landmarks. Please contact the information specialist at the LPC, who can be reached at (212) 669-7817.

Question #7: Is the project substantially contiguous to a site on the Register of State or National Natural Landmarks?

There are no state or national natural landmarks in New York City.

Question #18: Is the site located in an agricultural district certified pursuant to Agricultural and Markets Law, Article 8 of the Environmental Conservation Law and 6NYCRR617.

There are no certified agricultural districts in New York City.

Question #19: Is the site located in or substantially contiguous to a Critical Environmental Area designated pursuant to Article 8 of the Environmental Conservation Law and 6NYCRR617?

This question will seldom apply, as there is only one Critical Environmental Area ("CEA") within New York City. Designated as a CEA by Queens County, Jamaica Bay, its tributaries and associated wetlands are generally located between Far Rockaway and the south shore of mainland Queens. If your project is very near Jamaica Bay or its tributaries, you should contact an NYCIDA project manager for assistance in determining whether or not your project lies within the CEA.

Questions #20-25:

Information for answering these questions is listed in databases of various City, State and federal regulatory agencies and can generally be found in the Phase I Environmental Site Assessments ("ESA") that the Agency requires. However, this information is not otherwise readily available and if the ESA has not been prepared or completed at the time of the submission of the Environmental Assessment Form, these questions should be answered "unknown" unless you have specific information from another source which addresses these questions.

Project Description

Question #1(g): Maximum vehicular trips generated in the AM and PM peak hours upon completion of the Project.

Each vehicle's arrival at or departure from the project site constitutes a single vehicle trip; a roundtrip to or from the facility and back is counted as two trips. Typically, the peak vehicle trip generating hours occur in the AM when employees arrive for work and in the PM when they leave work for the day. Some types of land uses such as restaurants, retail facilities, movie theaters, etc., may have different peak hours coinciding with the arrival or departure of customers. The peak hours (AM and PM) for the proposed project must be identified as well as the number of vehicle trips that would be generated from all sources (e.g., employees, company vehicles picking up or delivering, visitors and suppliers) during those hours; the latter must be calculated and noted. Please differentiate between car trips and truck trips to the project site.

Question #9: Number of jobs generated: during Construction _____; after Project is complete _____.

If the project involves new construction, how many construction jobs will be created during the building period? Will the project result in the expansion of operations and the hiring of additional employees? If so, how many new jobs would be created upon completion of the construction of the project?

Question 25: Does Project involve local, state or federal funding?

The response to the question should include the Agency as a source of state assistance.

Environmental Assessment Form

Please note: This document is designed to assist in determining whether the action proposed may have a significant effect on the environment. Please complete the entire form. Answers to these questions will be considered as part of the application for approval and may be subject to further verification and public review. It is expected that completion of the full EAF will be dependent on the information currently available and will not involve new studies, research or investigation. If information requiring such additional work is unavailable, so indicate and specify each instance.

Name of action: 2006 B.C.S. International Corporation Project	
Location of action (or show site location on a copy of a Hagstrom or other street map): 41-10 22nd Street, LIC	
Name of Applicant: B.C.S. International Corporation	Telephone: [REDACTED]
Address of Applicant: 47-15 33rd Street, LIC, NY 11101	FAX: 718 392 2072
	Contact: David Yoo
Name of Owner (if different):	Telephone:
Address of Owner:	FAX:
	Contact:
Description of action (please be precise): The proposed project consists of the acquisition, renovation and equipping of an 53,225 sq. ft. structure situated on a 43,587 sq. ft. parcel of land.	

Site Description

(Physical setting of overall Project, both developed and undeveloped areas.)

1. Present land use: Urban Industrial Commercial
 Forest Agriculture Residential (suburban)
 Rural (non-farm) Other: _____

2. Total acreage of Project area: 1.6 acres

Approximate Acreage	Presently (in acres)	After Completion (in acres)
Meadow or brushland (non-agricultural)		
Forested		
Agricultural (includes orchards, cropland, pasture, etc.)		
Wetland (freshwater or tidal as per Articles 24, 25 of ECL)		
Water surface area		
Unvegetated (rock, earth or fill)		
Roads, building and other paved surfaces	1.6	1.6
Other (indicate type)		

17. Is the site served by existing public utilities?

- Yes No

If Yes, does sufficient capacity exist to allow connection? Yes No

If Yes, will improvements be necessary to allow connection? Yes No

18. Is the site located in an agricultural district certified pursuant to Agriculture and Markets Law, Article 25-AA, Section 303 and 304?

- Yes No

19. Is the site located in or substantially contiguous to a Critical Environmental Area designated pursuant to Article 8 of the ECL and 6 NYCRR617?

- Yes No

20. Has the site ever been used for the disposal of solid or hazardous wastes?

- Yes No

21. Is any part or the entire site listed on the National Priorities List, CERCLA Information System List ("CERCLIS LIST"), the New York State Inactive Hazardous Waste Disposal Site Registry and/or the New York State Petroleum Spill List?

- Yes No

If Yes, please provide specific information regarding such listing on a separate piece of paper.

22. Has any part or all of the site been listed on the National Priorities List, CERCLIS LIST, the New York State Inactive Hazardous Waste Disposal Site Registry and/or the New York State Petroleum Spill List?

- Yes No

23. Are there any hazardous and/or toxic or similar material(s), substance(s) and/or waste(s), including but not limited to petroleum products, present at the site that may pose a health or physical hazard to persons employed at or visiting the Project site?

- Yes No

If Yes, please provide specific information regarding all such materials(s), substance(s) and/or waste(s): _____

24. Are there any properties which are or have been listed on the National Priorities List, CERCLIS LIST, the New York State Inactive Hazardous Waste Disposal Site Registry and/or the New York State Petroleum Spill List within a 1/4-mile radius of the site?

- Yes No

If Yes, please provide specific information regarding all such property(ies) on a separate piece of paper.

25. Are there any properties which are or have been listed on the National Priorities List, CERCLIS LIST, the New York State Inactive Hazardous Waste Disposal Site Registry and/or the New York State Petroleum Spill List that may pose a health or physical hazard to persons employed at or visiting the site?

- Yes No

If Yes, please provide specific information regarding all such property(ies) on a separate piece of paper.

26. Does the Applicant have any reason to believe that there are any hazardous and/or toxic or similar material(s), substance(s) and/or waste(s), including but not limited to petroleum products, present at properties in the vicinity of the site that which may pose a health or physical hazard to persons employed at the visiting site?

- Yes No

If Yes, please explain on a separate piece of paper.

Project Description

1. Physical dimensions and scale of Project (fill in dimensions as appropriate)

- a. Total contiguous acreage owned or controlled by Project sponsor: _____ acres.
- b. Project acreage to be developed: 0 _____ acres initially; 0 _____ acres ultimately.
- c. Project acreage to remain undeveloped: 0 _____ acres.
- d. Length of Project, in miles: _____ (if appropriate).
- e. If the Project is an expansion, indicate percent of expansion proposed: na _____ percent.
- f. Number of off-street parking spaces: existing 0 _____; proposed 0 _____.
- g. Maximum vehicular trips generated in the AM and PM peak hours upon completion of Project: _____.
- h. If residential, number and type of housing units: na _____

	One Family	Two Family	Multiple Family	Condominium
Initially				
Ultimately				

- i. Dimensions (in feet) of largest proposed structure: na _____ height; _____ width; _____ length.
 - j. Linear feet of frontage along a public thoroughfare Project will occupy: _____ ft.
2. How much natural material (i.e., rock, earth, etc.) will be removed from the site? 0 _____ tons/cubic yards.

3. Will disturbed areas be reclaimed?

- Yes No N/A

If Yes, for what intended purpose is the site being reclaimed?

If Yes, will topsoil be stockpiled for reclamation? Yes No

If Yes, will upper subsoil be stockpiled for reclamation? Yes No

4. How many acres of vegetation (trees, shrubs, ground covers) will be removed from site? 0 _____ acres

5. Will any mature forest (over 100 years old) or other locally important vegetation be removed by this Project?

- Yes No

6. If single phase Project, anticipated period of construction na _____ months (including demolition).

7. If multi-phased:

a. Total number of phases anticipated na _____

b. Anticipated date of commencement phase 1 _____ month _____ year (including demolition)

c. Approximate completion date of final phase _____ month _____ year.

d. Is phase 1 functionally dependent on subsequent phases? Yes No

8. Will blasting occur during construction?

- Yes No

9. Number of jobs generated: during construction 12/6 mth after Project is complete 75 _____

10. Number of jobs eliminated by this Project na _____

11. Will Project require relocation of any Projects or facilities?

- Yes No

If Yes, please explain: _____

12. Is surface liquid waste disposal involved?

- Yes No

If Yes, indicate type of waste (sewage, industrial, etc.) and amount: _____

If Yes, name of water body into which effluent will be discharged: _____

13. Is subsurface liquid waste disposal involved?

- Yes No

If Yes, please explain: _____

14. Will surface area of an existing water body increase or decrease by proposal?

- Yes No

If Yes, please explain: _____

15. Is Project or any portion of Project located in a 100-year flood plain?

- Yes No

16. Will the Project generate solid waste?

- Yes No

If Yes, what is the amount per month? _____ tons.

If Yes, will an existing solid waste facility be used? Yes No

If Yes, please give name: _____ and location: _____

Will any wastes not go into a sewage disposal system or into a sanitary landfill? Yes No

If Yes, please explain: _____

17. Will the Project involve the disposal of solid waste?

- Yes No

If Yes, what is the anticipated rate of disposal? _____ tons/month.

If Yes, what is the anticipated site life? _____ years.

18. Will Project use herbicides or pesticides?

- Yes No

19. Will Project routinely produce odors (more than one hour per day)?

- Yes No

20. Will Project produce operating noise exceeding the local ambient noise levels?

- Yes No

21. Will Project result in an increase in energy use?

- Yes No

If Yes, indicate type(s): _____

22. If water supply is from wells, indicate pumping capacity: na gallons/minute.

23. Total anticipated water usage: 900 gallons/day.

24. Does Project involve local, state or federal funding?

- Yes No

If Yes, please explain: _____

25. Approvals Required:

- City, Town, Village Planning Board Yes No Type: _____ Submittal Date: _____
- City, Town Zoning Board Yes No Type: _____ Submittal Date: _____
- City, County Health Department Yes No Type: _____ Submittal Date: _____
- Other Local Agencies Yes No Type: Building permit Submittal Date: _____
- Other Regional Agencies Yes No Type: _____ Submittal Date: _____
- State Agencies Yes No Type: _____ Submittal Date: _____
- Federal Agencies Yes No Type: _____ Submittal Date: _____

Zoning and Planning Information

1. Does proposed action involve a planning or zoning decision?

- Yes No

If Yes, indicate decision required:

- Zoning amendment Zoning variance Special use permit
- Subdivision Site plan New/revision of master plan
- Resource Management Plan Other (specify): _____

2. What is the zoning classification(s) of the site? M1-4

3. What is the maximum potential development of the site if developed as permitted by the present zoning? 280,000

4. What is the proposed zoning of the site? na

5. What is the maximum potential development of the site if developed as permitted by the proposed zoning? na

6. Is the proposed action consistent with the recommended uses in adopted local land use plans?

- Yes No

7. What are the predominant land use(s) and zoning classifications within a 1/4-mile radius of proposed action? Mixed

8. Is the proposed action compatible with adjoining/surrounding land uses within a 1/4-mile radius?

- Yes No

9. If the proposed action is the subdivision of land, how many lots are proposed?

What is the minimum lot size proposed? na

10. Will proposed action require any authorization(s) for the formation of sewer or water districts?

- Yes No

11. Will the proposed action create a demand for any community provided services (recreation, education, police, fire protection)?

- Yes No

If Yes, is existing capacity sufficient to handle projected demand? Yes No

12. Will the proposed action result in the generation of traffic significantly above present levels?

- Yes No

If Yes, is the existing road network adequate to handle the additional traffic? Yes No

Informational Details

Attach any additional information that may be needed to clarify your Project. If there are or could be any adverse environmental impacts with your proposal, please discuss such impacts and the measures you propose to mitigate or avoid them.

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: B.C.S. International Corporation

By: Printed Name of Signer: Dae Hyun Yoo

Title of Signer: President

Signature: _____

Date: _____

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

Short Environmental Assessment Form Guidelines

The following guidelines have been prepared to assist applicants in their completion of the Short Environmental Assessment Form ("SEAF") required by the NYCIDA. As noted, it is designed to assist the NYCIDA in determining the environmental effects of a project for which the NYCIDA is proposing to provide financial assistance. The SEAF is meant to be utilized instead of the EAF for relatively small projects involving occupation and use of existing residential or commercial office structures with minimal likelihood of resultant significant adverse environmental impacts. If you are not sure which form to complete, please contact NYCIDA staff.

While responses to most of the questions/statements in the SEAF are self-explanatory, a few are not. Guidance on the type or source of information required for the latter is discussed below.

Description of Action

It is important to describe not only the action taken by the NYCIDA (e.g., provision of financial assistance), but also the effects or resulting physical change that will occur as a consequence of the action. The latter can vary substantially for very similar actions. For example, the action might provide assistance related to the occupation of 140,000 SF of office space in an existing building. In one instance, the action might involve renovation of space already occupied by the applicant involving no new employees and related increases in journey to work trips. On the other hand, the contemplated assistance might be for the purchase of a vacant building to be occupied by the Applicant, bringing a new population to a particular location. The environmental effects of these two actions might vary substantially.

Site Description

Question #9: What are the peak hours for vehicular trip generation? What is the maximum number of vehicular trips generated in each of the peak hours (combination of employee, business/visitor trips).

Each vehicle's arrival at or departure from the project site constitutes a single vehicle trip; a roundtrip to or from the facility is counted as two trips. Typically, the peak vehicle trip generating hours occur in the AM when employees arrive for work and in the PM when they leave work for the day. Some types of land uses such as restaurants, retail facilities, movie theaters, etc., may have different peak hours coinciding with the arrival or departure of customers. The peak hours (AM and PM) for the proposed project must be identified as well as the number of vehicle trips that would be generated from all sources (e.g., employees, company vehicles picking up or delivering, visitors and suppliers) during those hours. The trip generation calculations for each trip type component must be shown. Please differentiate between car trips and truck trips to the project site.

Question #11: Is the project located within the New York City Designated Coastal Zone?

The NYC designated coastal zone is shown on maps prepared by the Department of City Planning. The precise location of the project including nearest cross streets must be included in the response to question 4. The NYCIDA will consult the Coastal Zone maps to determine whether or not the project location is within the designated coastal zone. If the project is within the coastal zone, an analysis of the project's consistency with the City's Coastal Zone polices will be required.

Question #16: Is the project site wholly or partially within, or substantially in a state designated tidal or freshwater wetland or the upland buffer area of such a wetland?

Tidal and freshwater wetlands are designated by the New York State Department of Environmental Conservation (DEC), which prepares and maintains maps of these designated wetlands. DEC has promulgated regulations concerning land use development within state designated wetlands. All projects for which NYCIDA financial assistance is being sought must be in compliance with any applicable state wetland regulations. NYCIDA staff will review applications to determine if they are subject to state wetland regulations.

FOR UNLISTED ACTIONS ONLY

Please note: This document is designed to assist in determining whether the action proposed may have a significant effect on the environment. Please complete the entire form. Answers to these questions will be considered part of the application for approval and may be subject to further verification and public review. It is expected that completion of this Short Environmental Assessment Form will be dependent on the information currently available and will not involve new studies, research or investigation. If information requiring such additional work is unavailable, so indicate and specify each instance.

Name of Action	
Precise location of action (or show site location on a copy of a Hagstrom or other street map):	
Name of Applicant:	Telephone:
Address of Applicant:	FAX:
	Contact:
Name of Owner (if different):	Telephone:
Address of Owner:	FAX:
	Contact:
Description of action (please be precise):	
Is project action: <input type="checkbox"/> New Construction <input type="checkbox"/> Expansion <input type="checkbox"/> Modification/Alteration	

Site Description

(Physical setting of overall Project, both developed and undeveloped areas.)

1. Present land use: Urban Industrial Commercial
 Forest Agriculture Residential (suburban)
 Rural (non-farm) Other: _____
2. Describe present land use in vicinity of Project: _____

3. Total acreage of Project area: _____ acres initially; _____ acres ultimately.
4. What is the zoning designation of the Project site: _____
5. Will proposed action comply with existing zoning or other existing land use restrictions?
 Yes No
 If No, please describe briefly: _____

Short Environmental Assessment Form

6. Does action involve a permit approval, or funding, now or ultimately from any other governmental agency (federal, state or local)?
 Yes No

If Yes, please list agency(ies) names and permits/approvals: _____

7. Does any aspect of the action have a currently valid permit or approval?
 Yes No

If Yes, please list agency name and permit/approval: _____

8. Supplemental project description:

a) Is site currently vacant or developed (if developed, indicate current and previous site uses)? _____

b) Proposed building square footage for any new construction or expansion: _____

c) Dimensions of any new construction: _____

d) Number of existing _____ and proposed _____ parking spaces.

e) Number of employees currently _____ ; number of employees upon completion of the project _____.

9. What are the peak hours (AM and PM) for vehicular trip generation (e.g., 8:00 AM - 9:00 AM)? _____

What is the maximum number of vehicular trips generated in each of the peak hours (combination of employee, business/visitor trips)? _____

10. Will the project produce operating noise audible outside of (i.e., exceeding) local ambient noise levels?

Yes No

11. Is the project located within the New York City designated coastal zone?

Yes No

12. Will the project routinely produce odors noticeable outside of any project buildings for more than one hour per day?

Yes No

13. What wastes will be generated by the project? List amounts of each generated on a daily or monthly basis: _____

14. Is the applicant aware of and/or have any reason to believe there are any hazardous and/or toxic or similar material(s), substance(s) and/or waste(s), including but not limited to petroleum products, present at the site which may pose a health or physical hazard to persons employed at or visiting the site?

Yes No

If Yes, please provide specific information regarding all such material(s), substance(s) and /or waste(s) on a separate piece of paper.

15. Is the applicant aware of and/or have any reason to believe there are any hazardous and/or toxic or similar material(s), substance(s) and/or waste(s), including but not limited to petroleum products, present at properties in the vicinity of the site, which may pose a health or physical hazard to persons employed at or visiting the site?

Yes No

If Yes, please provide specific information regarding all such material(s), substance(s) and /or waste(s) on a separate piece of paper.

16. Is the project site wholly or partially in a state designated tidal or freshwater wetland or the upland buffer area of such a wetland?

Yes No

17. Does the action occur wholly or partially within, or substantially contiguous to any historic building, structure, facility, site or district or prehistoric site that is listed on the national register of historic places or that has been recommended by the New York State Board on Historic Preservation for nomination for inclusion in the National Register, or that is listed on the State Register of Historic Places? For assistance in answering this question, you may wish to call the NYC Landmarks Preservation Commission at (212) 487-6782.

Yes No

Informational Details

Attach any additional information that may be needed to clarify your Project. If there are or could be any adverse environmental impacts with your proposal, please discuss such impacts and the measures you propose to mitigate or avoid them.

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: B.C.S. International Corporation

By: **Printed Name of Signer:** David Yoo

Title of Signer: President

Signature: _____

Date: _____

Manufacturing Questionnaire

Please complete the following questions for each facility to be financed. Use additional pages as necessary. For background information, see "Requirements for Issuance of Triple Tax-Exempt Bonds for Manufacturing Facilities" located in the Introduction and Information section of this Application.

1. Describe the production process that occurs at the facility to be financed: The storage, re-packaging and distribution of food items.

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		

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 manufactured 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: B.C.S. International Corporation

By: **Printed Name of Signer:** Dae Hyun Yoo

Title of Signer: President

Signature: _____

Date: _____

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?
_____ percent
5. If the answer to question 1 or question 3 is "Yes," and the answer to question 4 is more than 33.33 percent, 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 the State of New York?
 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 percent for the year to which the data relates, or at least 20 percent 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 the State of New York?
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.

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: B.C.S. International Corporation

By: **Printed Name of Signer:** Dae Hyun Yoo

Title of Signer: President

Signature: _____

Date: _____

NYCIDA Anti-Raiding Questionnaire

1. Will the completion of the Project result in the removal of a plant or facility of Applicant, or of a proposed occupant of the Project, 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 or facility:

Names of all current occupants of the to-be-removed plant or facility:

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 plants or facilities:

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 separate sheet of paper a detailed statement explaining same.

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: B.C.S. International Corporation

By: **Printed Name of Signer:** Dae Hyun Yoo

Title of Signer: President

Signature: _____

Date: _____

Employment Questionnaire

The New York City Industrial Development Agency requires all Applicants to fill out this Employment Questionnaire. As used in this Questionnaire, "Company" means the Applicant; "Project Location" means the project location which Applicant has identified in its Application; and "Tenant" means any person or entity to whom or to which Applicant intends to lease part or all of the Project Location. If Applicant is a real estate holding company that is an affiliate of an operating company and Applicant intends to lease the Project Location to such operating company, then the Applicant and the operating company must fill out separate copies of this Questionnaire.

Applicant Name: B.C.S. International Corporation
Address: 47-47 35th Street, LIC, NY 11101
Phone Number(s): [REDACTED]
I.R.S. Employer ID Number: [REDACTED]
Department of Labor Registration Number: [REDACTED]
Project Location: 47-15 33rd Street, LIC, NY 11101

1. Do you expect to conduct business at other locations in New York State?

Yes No

2. Expected construction completion date (where applicable): 12/31/07

3. Department of Labor Registration Number of Tenant(s): NA

Do not include any subcontractors or subconsultants; include only employees and owners/principals on your payroll and on the payroll of Tenant(s).

4. How many employees does Applicant employ in New York City at the time of Application submission?

Full-time: 15 Part-time: _____ (on average, Part-time workers work _____ hours per week)

5. How many employees referred to in question 4 reside in New York City at the time of Application submission?

Full-time: 13 Part-time: _____

6. How many employees does Applicant employ outside of New York City but in New York State at the time of Application submission?

Full-time: 0 Part-time: 0 (on average, Part-time workers work _____ hours per week)

7. How many employees does Applicant employ at the project location (annual average)?

Full-time: 0 Part-time: 0

8. Projected employment at Project Location for the Company on June 30:

	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
Full-time							
Part-time							

9. Projected employment at Project Location for your Tenant(s) on an annual basis:

	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
Full-time							
Part-time							

10. Projected average quarterly wage/salary of employees at project location during first year of operation: \$ 6,250

11. Describe the occupational composition of the workforce at the Project Location. Note differences between this composition and what is typical at other NYC locations.

packagers and warehouse personnel

12. Does Applicant intend to employ new employees at the Project Location, and/or will Applicant transfer current employees from premises currently being used? Please provide details.

New employees will be hired.

Authorization

I authorize any private or governmental entity, including but not limited to the New York State Department of Labor ("DOL"), to release to the NYCIDA and/or to NYCEDC and/or to the successors and assigns of either (collectively, the "Information Recipients"), any and all employment information under DOL's control that is pertinent to the Company and the Company's employees. In addition, upon the Agency's request, the Company shall provide to the Agency any employment information in the Company's possession that is pertinent to the Company and the Company's employees. Information released or provided to Information Recipients by DOL, or by any other governmental entity, or by any private entity, or by the Company itself, or any information previously released as provided by all or any of the foregoing parties (collectively, "Employment Information") may be disclosed by the Information Recipients in connection with the administration of the programs of the Agency, and/or NYCEDC, and/or the successors and assigns of either, and/or the City of New York, and/or as may be necessary to comply with law; and without limiting the foregoing, the Employment Information may be included in (1) reports prepared by the Information Recipients pursuant to New York City Local Law 69 of 1993, (2) other reports required of the Agency, and (3) any other reports required by law. This authorization shall remain in effect throughout the term of this Lease.

Name of Applicant: B.C.S. International Corporation

By: Printed Name of Signer: Dae Hyun Yoo

Title of Signer: President

Signature:

Date:

Attach to this Questionnaire your most recent four quarters of the NYS-45 "Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return." Attach additional pages if necessary.

NYCIDA Employment and Other Labor Matters Questionnaire

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:

2. Have any of the Companies during the current calendar year and the five calendar years preceding the current calendar year 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:

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

Yes No If Yes, please describe and explain current status of complaints:

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 three calendar years preceding the current calendar year?

Yes No If Yes, please explain:

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?

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:

6. 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:

7. Has any Company 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:

8. Are the practices of any Company now, or have they been at any time during the three 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. When answering this question, please consider "discrimination" to include sexual harassment.

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: B.C.S. International Corporation

By: Printed Name of Signer: Dae Hyun Yoo

Title of Signer: President

Signature: _____

Date: _____

If the Project should be considered for energy benefits, please answer the following questions:

1. Please list Applicant's current electricity and/or gas providers and account numbers with such providers:

Provider: _____ Account Number: _____

Provider: _____ Account Number: _____

Provider: _____ Account Number: _____

Provider: _____ Account Number: _____

2. Please provide a description of the current/existing site used by the Applicant:

a. Total square footage of building at site: _____

b. Current use of site: Percent storage: _____

 Percent office: _____

 Percent refrigeration: _____

 Percent processing/manufacturing: _____

3. Please provide a description of Project site:

a. Total square footage of building at site:

b. Projected use of site: Percent storage: _____

 Percent office: _____

 Percent refrigeration: _____

 Percent processing/manufacturing: _____

4. Will the Project include the construction of a new building on a block and lot that is currently unimproved?

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

Internal Background Investigation Questionnaire

Following is the NYCEDC Internal Background Investigation Questionnaire for privately held companies to be submitted with the Core Application. If Applicant is a publicly held entity or wholly owned subsidiary of a publicly held entity, please contact NYCIDA staff for the appropriate questionnaire. Thank you.

INSTRUCTIONS FOR COMPLETING NYCEDC INTERNAL BACKGROUND INVESTIGATION QUESTIONNAIRE

1. Please submit, with this Questionnaire, the organizational documents for the submitting business entity.
2. For purposes of completing this Questionnaire, the following defined terms shall have the meanings given to them below (unless provided otherwise with respect to specific questions in the Questionnaire):

- **Affiliate** – A Person is “affiliated with” or an “affiliate” of another Person if the Person controls, is controlled by or is under common control with that other Person.
- **Applicant** – The submitting business entity.
- **Control** – A Person controls another Person if the Person (i) owns ten percent (10%) or more of the voting interest or has a ten percent (10%) or greater ownership interest in that other Person or (ii) directs or has the right to direct the management or operations of that other Person or (iii) is a member of that other Person’s Board of Directors*.
- **Executive Officer** – Any individual who serves as chief executive officer, chief financial officer or chief operating officer of the Applicant, by whatever titles known, and all other executive officers of Applicant.
- **Family Member** – With respect to a particular Person, includes spouse, children, grandchildren, parents, parents-in-law, brothers, sisters, brothers-in-law, sisters-in-law and all family members living in the same household as such Person (except if such individuals are minors).
- **Person** – Any individual, corporation, partnership, joint venture, sole proprietorship, limited liability company, trust or other entity.
- **Principal** – each of the following Persons is a Principal of the Applicant and must be identified in Section B, Part I on page 2 of the Questionnaire.
 - Executive Officers
 - Persons that “Control” the Applicant
 - For Limited Liability Companies, ALL members
 - For Partnerships, ALL general partners and ALL partners performing on the contract or able to bind the Partnership

* For a not-for-profit corporation, ONLY the Chairperson of the Board of Directors and any director who is also an employee of Applicant needs to be considered for purposes of determining “Control” under this clause (iii).

Section A

The following questionnaire is to be completed by Persons desiring to do business with the New York City Economic Development Corporation or the New York City Industrial Development Agency or Apple Industrial Development Corp. This form may be duplicated for additional space. PLEASE COMPLETE THIS QUESTIONNAIRE CAREFULLY AND COMPLETELY. Refer to attached instruction sheet for specific instructions and definitions of terms required to complete this Questionnaire.

Business Name:	B.C.S. International Corporation	EIN/SSN:	27-0008582
Business Address:	47-47 35th Street	City:	Long Island City
Type of Entity:	Corp.	State:	NY
Business Phone Number(s):	[REDACTED]	Zip:	11101
Business Fax:	[REDACTED]		
Business E-mail:	[REDACTED]		

Section B

I. Principals of Applicant

Principal Name	Title	Home Address	Percentage Voting Interest	Percentage of Ownership	Date of Birth	Social Security Number/Employer Identification Number
Dae Hyun Yoo	Pres.	[REDACTED]	100	100	[REDACTED]	[REDACTED]

Internal Background Investigation Questionnaire

II. Family Members of each Individual Principal.

Note: Only the following Family Members need to be identified in this Section B.

- Spouse
- Family Members who are employed by, are officers of or have a less than 10% voting or ownership interest in the Applicant
- Family Members who are directly or indirectly providing services and/or supplies with respect to the subject project (e.g. consultants, subcontractors, suppliers or an employee thereof)

Principal Name	Immediate Family Member	Relationship to Principal	Home Address
Dae Hyun Yoo	Eun Hye Yoo	Spouse	6 Brighton Rd, South Manhasset, NY 11030

Section B (continued) – Provide a detailed response to all questions checked “yes” on the following page.

1. Does the Applicant or any Principal have any Affiliates? If yes, please identify the Affiliates, with SSN/EIN and respective addresses, and describe the nature of the affiliation, on the following page.

No Yes
2. In the past 7 years, has the Applicant, any Principal, or any entity affiliated with the Applicant (each of the foregoing individually, a “Subject Person” and collectively, the “Subject Persons”) been adjudicated bankrupt or placed in receivership, filed bankruptcy, or is any Subject Person currently the subject of any bankruptcy or similar proceedings? If yes, please explain on the following page.

No Yes
3. In the past 5 years, has any Subject Person been a plaintiff or defendant in any civil proceeding (including any court and federal, state and local regulatory agency proceedings) other than a domestic relations proceeding (e.g., divorce, separation, support, alimony, maintenance, adoption, custody)? If yes, please identify all adjudicated, settled and pending lawsuits on the following page.

No Yes
4. In the past 5 years, has any Subject Person or any Family Member identified in Section B, Part II (a “Subject Family Member”):
 - been disqualified as a bidder, or defaulted or terminated, on a permit, license, concession, franchise, lease, or other agreement with the City of New York or any governmental agency? If yes, please explain on the following page.
 - No Yes
 - failed to file any required tax returns or to pay any applicable federal, state, or New York City taxes or other assessed New York City charges or fines, including but not limited to water and sewer charges and administrative fees? If yes, please explain on the following page.
 - No Yes
5. In the past 10 years, has any Subject Person or any Subject Family Member used an EIN, SSN, name, trade name, or abbreviation other than the name or number provided in response to Section A or Section B, Part I or II of this Questionnaire or provided in response to question 1 above, as the case may be? If yes, please specify on the following page.

No Yes
6. In the past 5 years, has any Subject Person, any Subject Family Member, any Affiliate of any Subject Family Member or any managerial employee of Applicant:
 - been the subject of any criminal investigation and/or civil anti-trust investigation (by any federal, state or local prosecuting or investigative agency) and/or investigation by any governmental agency (including, but not limited to federal, state and local regulatory agencies)? If yes, please explain on the following page.
 - No Yes
 - had any judgment, injunction or sanction obtained against it in any judicial or administrative action or proceeding other than a domestic relations proceeding or motor vehicle proceeding? If yes, please explain on the following page.
 - No Yes
7. In the past 10 years, has any Subject Person, any Subject Family Member, any Affiliate of any Subject Family Member or any managerial employee of Applicant been convicted, after trial or by plea, of any criminal offense and/or are there any felony or misdemeanor charges pending against any of them? If yes, please explain on the following page.

Section B (continued)

Indicate question #

Below provide a detailed explanation to all questions checked "yes." If you need more space, photocopy this page and attach it to this questionnaire.

1.

Hyun Dae International Food Corp., [REDACTED] Jiwon International Co., [REDACTED] Nu Source International Corp., [REDACTED]

B.S.C. International Corp., [REDACTED] Jehsee Management Co., [REDACTED] Seung Ju International Corp., [REDACTED]

RX Natural, [REDACTED] Care Foods International Corp., [REDACTED]

Hyun Dae International Food Corp., [REDACTED] Jiwon International Co., [REDACTED] Nu Source International Corp., [REDACTED]

B.S.C. International Corp., [REDACTED] Jehsee Management Co., [REDACTED] Seung Ju International Corp., [REDACTED]

RX Natural, [REDACTED] Care Foods International Corp., [REDACTED]

Hyun Dae International Food Corp., [REDACTED] Jiwon International Co., [REDACTED] Nu Source International Corp., [REDACTED]

B.S.C. International Corp., 11-3442078 Jehsee Management Co., [REDACTED] Seung Ju International Corp., [REDACTED]

RX Natural, [REDACTED] Care Foods International Corp., [REDACTED]

Hyun Dae International Food Corp., [REDACTED] Jiwon International Co., [REDACTED] Nu Source International Corp., [REDACTED]

B.S.C. International Corp., [REDACTED] Jehsee Management Co., [REDACTED] Seung Ju International Corp., [REDACTED]

RX Natural, [REDACTED] Care Foods International Corp., [REDACTED]

Hyun Dae International Food Corp., [REDACTED] Jiwon International Co., [REDACTED] Nu Source International Corp., [REDACTED]

B.S.C. International Corp., [REDACTED] Jehsee Management Co., [REDACTED] Seung Ju International Corp., [REDACTED]

RX Natural, [REDACTED] Care Foods International Corp., [REDACTED]

Hyun Dae International Food Corp., [REDACTED] Jiwon International Co., [REDACTED] Nu Source International Corp., [REDACTED]

B.S.C. International Corp., [REDACTED] Jehsee Management Co., [REDACTED] Seung Ju International Corp., [REDACTED]

RX Natural, [REDACTED] Care Foods International Corp., [REDACTED]

Hyun Dae International Food Corp., [REDACTED] Jiwon International Co., [REDACTED] Nu Source International Corp., [REDACTED]

B.S.C. International Corp., [REDACTED] Jehsee Management Co., [REDACTED] Seung Ju International Corp., [REDACTED]

RX Natural, [REDACTED] Care Foods International Corp., [REDACTED]

Section C – Identification of Property Interests

1. Identify Project Property:

Block & Lot(s): 251/15

Street Address: 47-15 33rd Street

Borough of: Queens

2. The following, together with attachment(s) hereto, if any, is a complete list of properties in which any of the Subject Persons or any of the Subject Family Members have an ownership interest and which are located in the City of New York, together with a statement as to each such property of any current arrears in real estate taxes, sewer rents, sewer surcharges, water charges or assessments due and owing to the City of New York.

Property owned in the City of New York

If you need more space than provided, please provide a detailed statement on a separate sheet of paper.

Property Owner	Borough	Block/Lot	Street Address	Date of Purchase	Amount of Arrears	Type of Arrears
Jiwon International Co.	Queens	230/9	47-47 35th Street, LIC, NY 11101	1997	0	
Jiwon International Co.	Queens	230/14	47-39 35th Street, LIC, NY 11101	2002	0	
Jehee Management Co.	Queens	258/5	48-43 32nd Place, LIC, NY 11101	2002	0	
Seung Ju International	Brooklyn	2964/15	151 Gardner Avenue, 11237	2001	0	

Section C (continued) – Provide a detailed response to all questions checked “yes” on the following page.

If you need more space than provided, please provide a detailed statement on a separate sheet of paper.

3. In the past five years, has any Subject Person or any Subject Family Member been a former owner of the Project Property?
 No Yes
4. Is any Subject Person or any Subject Family Member a tenant of the City of New York? If yes, please list below: Agency, Borough, Block, Lot, Account Number, Monthly Rent and Current Balance.
 No Yes
5. Has any Subject Person or any Subject Family Member previously purchased property from the City of New York? If yes, please list below: Agency, Borough, Block, Lot, Sale Date, Parcel Number and Closing Date.
 No Yes
6. Does any Subject Person or any Subject Family Member have a mortgage with the City of New York? If yes, please list below: Agency, Borough, Block, Lot, Account Number, Principal Amount, Monthly Installment and Current Balance.
 No Yes

Section C (continued)

Indicate question #

Below provide a detailed explanation to all questions checked "yes." If you need more space, photocopy this page and attach it to this questionnaire.

1.

Hyun Dae International Food Corp., [REDACTED]	Jiwon International Co., [REDACTED]	Nu Source International Corp., [REDACTED]
B.S.C. International Corp., [REDACTED]	Jehee Management Co., [REDACTED]	Seung Ju International Corp., [REDACTED]
RX Natural, [REDACTED]	Care Foods International [REDACTED]	

Hyun Dae International Food Corp., [REDACTED]	Jiwon International Co., [REDACTED]	Nu Source International Corp., [REDACTED]
B.S.C. International Corp., [REDACTED]	Jehee Management Co., [REDACTED]	Seung Ju International Corp., [REDACTED]
RX Natural [REDACTED]	Care Foods International [REDACTED]	

Hyun Dae International Food Corp., [REDACTED]	Jiwon International Co., [REDACTED]	Nu Source International Corp., [REDACTED]
B.S.C. International Corp., [REDACTED]	Jehee Management Co., [REDACTED]	Seung Ju International Corp., [REDACTED]
RX Natural [REDACTED]	Care Foods International [REDACTED]	

Hyun Dae International Food Corp., [REDACTED]	Jiwon International Co., [REDACTED]	Nu Source International Corp., [REDACTED]
B.S.C. International Corp., [REDACTED]	Jehee Management Co., [REDACTED]	Seung Ju International Corp., [REDACTED]
RX Natural [REDACTED]	Care Foods International [REDACTED]	

Hyun Dae International Food Corp., [REDACTED]	Jiwon International Co., [REDACTED]	Nu Source International Corp., [REDACTED]
B.S.C. International Corp., [REDACTED]	Jehee Management Co., [REDACTED]	Seung Ju International Corp., [REDACTED]
RX Natural, [REDACTED]	Care Foods International [REDACTED]	

Hyun Dae International Food Corp., [REDACTED]	Jiwon International Co., [REDACTED]	Nu Source International Corp., [REDACTED]
B.S.C. International Corp., [REDACTED]	Jehee Management Co., [REDACTED]	Seung Ju International Corp., [REDACTED]
RX Natural [REDACTED]	Care Foods International [REDACTED]	

Hyun Dae International Food Corp., [REDACTED]	Jiwon International Co., [REDACTED]	Nu Source International Corp., [REDACTED]
B.S.C. International Corp., [REDACTED]	Jehee Management Co., [REDACTED]	Seung Ju International Corp., [REDACTED]
RX Natural, [REDACTED]	Care Foods International [REDACTED]	

Certification

A FALSE STATEMENT WILLFULLY OR FRAUDULENTLY MADE OR ANY FALSE INFORMATION WILLFULLY OR FRAUDULENTLY SUBMITTED IN CONNECTION WITH THIS QUESTIONNAIRE MAY RESULT IN RENDERING THE APPLICANT NOT RESPONSIBLE WITH RESPECT TO THE PRESENT PROJECT OR FUTURE PROJECTS INVOLVING THE NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION, THE NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY, APPLE INDUSTRIAL DEVELOPMENT CORP. AND THE CITY OF NEW YORK AND, IN ADDITION, MAY SUBJECT THE PERSON MAKING THE FALSE STATEMENT TO CRIMINAL CHARGES.

I, Dae Hyun Yoo, being duly sworn, state that I have read and understand the items contained in the foregoing eight pages of this Questionnaire and pages of attachments, if any, and that, having made due inquiry, I supplied full, complete and truthful answers to each item therein to the best of my knowledge, information and belief; that I will notify the New York City Economic Development Corporation, the New York City Industrial Development Agency or Apple Industrial Development Corp., as the case may be, in writing of any change in circumstance occurring after the submission of this Questionnaire and before (i) the execution of any contract or agreement with any of them and/or the City of New York and (ii) in the case of an agreement to purchase or enter into a ground lease for real property and/or a financing through or straight lease or retention transaction with the New York City Industrial Development Agency, the closing of the transaction; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the New York City Economic Development Corporation, the New York City Industrial Development Agency or Apple Industrial Development Corp., as the case may be, will rely on the information supplied by me in this Questionnaire as an inducement to enter into a contract or agreement and to close a transaction with the Applicant.

Sworn to me, this _____ day of _____, 200_____.

Notary Public: _____

Name of Applicant: B.C.S. International Corporation

By: Signature of Authorized Person: _____ Dae Hyun Yoo, President

Print Name and Title of Authorized Person: _____

Date: _____

Memorandum to Counsel - SIIP/IIP Programs

TO ALL COUNSEL representing clients in connection with IIP and SIIP transactions:

I. Overview

Your client has submitted an application to the Agency to receive "Financial Assistance" (described in Section II below) under one of the Agency's two straight-lease programs: the Industrial Incentive Program ("IIP") or the Small Industry Incentive Program ("SIIP"). All information and requirements provided to you in this Memorandum are identical for both programs.

Review the application submitted by your client. This application consists of a core form and a number of supplements. One of those supplements, the Disclosure Policy and Procedure, addresses the possibility that the Agency may be required to disclose portions of your client's completed application pursuant to the Freedom of Information Law.

Through its application, your client has presented to the Agency a proposed project that is capital in nature (i.e., the proposed activity involves construction, renovation, acquisition of realty, and/or acquisition of equipment with a useful life of at least one year). The proposed activity or activities will hereinafter be collectively referred to as the "Project" and the real property that is the subject of the Project will hereinafter be referred to as the "Premises." Also through its application, your client has indicated that the Project will occur in New York City only if the Agency provides the requested Financial Assistance to the Project.

The staff of New York City Economic Development Corporation ("NYCEDC"), acting on behalf of the Agency, is responsible for presenting your client's Project to the Agency's Board of Directors. The Board of Directors, by adopting a resolution, can approve and "induce" the Project to occur by authorizing Financial Assistance to the Project (this resolution is called the "Inducement Resolution"). Even if the Project is so induced, the Agency will only provide the Financial Assistance subject to closing and satisfaction of the Agency's requirements generally.

The General Municipal Law of the State of New York ("GML") authorizes and governs the Agency's participation in the Project. GML Sections 850 et seq. are the generic provisions that apply to all industrial development agencies in the State of New York; GML Section 917 is the enabling provision that creates the Agency.

II. Financial Assistance

The Agency's Uniform Tax Exemption Policy prescribes the "Financial Assistance" offered by the Agency and the conditions under which applicants will qualify to receive it. "Financial Assistance" consists of the following:

- The waiver of City and State mortgage recording taxes on the Project mortgage, assuming there is a mortgage and that it is recorded.
- The exemption from City and State sales and use taxes of approved machinery, equipment and materials used in Project construction and renovation.
- The exemption of the Premises from New York City real property taxes for 25 years, subject, however, to a contractual requirement to make payments in lieu of those taxes (known as "PILOT").

PILOT has two components.

- With respect to the land portion of the Premises, PILOT equals whatever the land tax amount would have been less an abatement; the abatement equals the product of \$500 and the number of your client's employees. If the Premises are located in an Empire Zone or in an Empowerment Zone, the abatement equals 100 percent of the land tax amount. If your client's operations at the Premises are to be start-up, there will be an adjustment to the abatement if the employee count falls short of what your client projected in its application.
- With respect to the improvements portion of the Premises, the PILOT payment is frozen at the assessed value and tax rate applicable, respectively, as of the May 25 and the July 1 prior to closing.

Finally, both PILOT components incrementally increase to a full-tax equivalent during the last four years of the 25-year exemption term. (The increase annually equals 20 percent of the difference between the PILOT and the full-tax equivalent.)

The mechanics for obtaining the Financial Assistance are described in Section VII below.

III. The Project Team

The NYCEDC Project team with which you will be working consists of the following individuals:

- **A Project Manager:** The NYCEDC businessperson who has originated the transaction and will manage the transaction through closing. The Project Manager is your client's contact with NYCEDC and the Agency.
- **Agency Counsel:** The NYCEDC staff attorney who will represent the Agency through closing. This attorney will be your main contact with NYCEDC and the Agency.

- **Project Counsel:** The Agency's outside counsel. Project counsel will draft all authorizing instruments and transaction documents, and will be responsible for delivering an opinion of counsel on behalf of the Agency. The transaction documents will include the "Project Lease," the "Sublease" and the "Guaranties," all of which are described below.

IV. Process¹

A. Prior to the Adoption of the Inducement Resolution:

- The Agency publishes a notice and holds a public hearing (all pursuant to GML requirements) with respect to the Project. The Project must be consistent with the text of the public notice. Please review a copy of the public notice; if you do not already have a copy, request one from Agency Counsel.
- Your client and your client's entities must complete and submit to the Agency the Internal Background Investigation Questionnaire. A negative result in the answers to the Questionnaire must be resolved to the Agency's satisfaction; absent that, the Agency will not participate in the Project.

B. After the Adoption of the Inducement Resolution:

- Agency Counsel sends to you copies of the Inducement Resolution for your client's signature. By signing that resolution, your client agrees to reimburse the Agency for any costs that it may incur through closing, including the fees of Project Counsel. In addition, by signing the application, your client had previously agreed to indemnify the Agency for project counsel fees in the event closing does not occur.
- To the extent not already done, your client provides to the Project Manager the following:
 - a Phase I environmental assessment report with respect to the Premises (the report must conform to ASTM standards), with a reliance letter addressed to the Agency; under certain circumstances, particularly new construction, a Phase II environmental report may also be required;
 - evidence of site control with respect to the Premises (i.e., a deed, a lease or a contract of sale); and
 - a copy of the commitment for mortgage financing.
- Project Counsel circulates drafts of the transaction documents.
- NYCEDC staff requests the Agency's Board of Directors to adopt an "authorizing" resolution authorizing the Agency to enter into the mortgage and other transaction documents. In some instances, the Inducement Resolution and the authorizing resolution are combined.
- Your client provides needed items for closing (see Section VIII below).
- The parties close.

V. Real Estate Structure

To provide the Financial Assistance to your client, the Agency will require your client to lease the Premises to the Agency. The Agency will simultaneously lease back the Premises to your client for a term of 25 years (the "Project Lease"). If your client's Project involves the acquisition of the Premises, simultaneously with taking title from its seller, your client will lease to the Agency and the Agency will lease back to your client.

The entity leasing the Premises into the Agency, and then leasing back (i.e., the "Lessee" under the Project Lease), may be either your client's operating company or a related real estate holding company. If the Lessee is a real estate holding company, then the Lessee will sublease to your client's operating company (respectively, the "Sublease" and the "Sublessee"). The commencement date of all three leases (the lease into the Agency, the Project Lease, and the Sublease) will be the date on which the parties close.

The Agency takes a leasehold position only for the purpose of exempting the Premises from City real property taxes; the Agency is therefore a tenant out of possession. The Lessee and, where applicable, the Sublessee have the use and occupancy of the Premises and will in every respect be responsible for the Premises.

VI. Legal Requirements (Contractual and Statutory)

A. Under the Project Lease

General Requirements:

- The Lessee indemnifies and holds the Agency harmless.
- The Lessee releases the Agency from all claims that the Lessee may have against the Agency.

¹ There may be some variation in process, particularly as to timing.

Memorandum to Counsel - SIIP/IIP Programs

- The Lessee obtains and maintains liability insurance (Commercial General Liability) in the minimum amount of \$5 million throughout the Project term, and causes the Agency to be an additional insured on such policies. The Commercial General Liability policy must insure the Lessee against Contractual Liability, and the carrier must be admitted in New York State. During any period of construction or renovation, liability coverage shall be in the form of an Owners and Contractors Protective Liability policy.
- The Lessee and the Sublessee obtain and maintain Workers' Compensation insurance throughout the Project term.
- The Lessee completes the Project by an agreed-upon completion date set forth in the Project Lease.
- The Lessee and, if applicable, the Sublessee will use the Premises only for the purpose described in the application to the Agency; this requirement is also in the Project Lease.
- The Lessee and, if applicable, the Sublessee are the only occupants of the Premises except to the extent that the Agency consents to other occupants. The Agency, however, will not consent to subtenancies aggregating more than 20 percent of the Premises, or with terms exceeding five years.
- Every subtenancy will diminish (pro rata according to square footage) the Financial Assistance provided to the Lessee.
- If within a 10-year period following completion of the Project the Lessee and/or the Sublessee sells the Premises or substantially changes operations or employment level, the Agency will recapture all or a portion of the Financial Assistance provided. The percentage of Financial Assistance to be recaptured decreases over the ten-year period.

Reporting Requirements:

- To the State of New York:
 - Annual submissions: Report of Sales and Use Tax Exemption
- To the Agency:
 - One-time submission: Project Completion Certificate
 - Annual Submissions:
 - Employment Report
 - Benefit Report
 - Subtenant Survey
 - Contact Information Report
 - Periodic submissions upon expiration: certificates evidencing required insurance coverage
- B. Under the Sublease (if applicable): The Sublessee agrees to perform all of the obligations of the Lessee under the Project Lease if the Lessee fails to perform them.
- C. Under the Guaranties: To the extent that the mortgage lender requires the Lessee, the Sublessee or the affiliates and principals of either, to deliver guaranties for the payment of the mortgage indebtedness, the Agency will, at a minimum, require guaranties from the same entities and individuals. The Agency may also require guaranties in addition to those required by the other parties. The guaranties to the Agency will guaranty the performance of the Lessee's obligations under the Project Lease, including, most importantly, the payment of PILOT and recapture, and the fulfillment of indemnity obligations. For bankruptcy purposes, the Agency will also require the Lessee to guaranty its own obligations under the Project Lease in a separate guaranty document.
- D. Under the Project Mortgage: There will be no recourse to the Agency, its directors, officers or agents, under the Project Mortgage.

VII. The Mechanics for Receiving Financial Assistance

- A. **Waiver of Mortgage Recording Taxes.** The Lessee and the Agency will both enter into the Project Mortgage as, respectively, mortgagor of the fee and mortgagor of the leasehold estate demised to the Agency under the Project Lease. At closing, the Agency will provide, for presentation at the register's office, an affidavit stating that the Project Mortgage is exempt from mortgage recording taxes.
- B. **Exemption from Sales and Use Taxes.** At closing the Agency will provide the Lessee with a Sales Tax Exemption Letter with an expiration date that will be the same date as the date required for completing Project activities. The Sales Tax Exemption Letter will specify what Project personalty may be exempted from sales and use taxes. (The Agency's exemption will not apply where another basis for the exemption is available; e.g., for manufacturing equipment.)

- C. **PILOT.** To exempt the Premises from New York City real property taxes, the New York City Department of Finance will remove the Premises from the tax rolls on the first July 1 after the first January 5 following the date on which your client closes with the Agency. That July 1 (the "PILOT Commencement Date") will commence the 25-year PILOT term. Upon an event of default on the part of the Lessee, PILOT will increase to what real property taxes would have been but for exemption. In the event that at the time of closing, the Premises, whether in part or whole, consists of a partial tax lot, the Premises will not come off the tax rolls until the July 1 following the January 5 that follows the date of tax lot apportionment. Notwithstanding, the PILOT term will commence on the PILOT Commencement Date.

VIII. Requirements Before and At Closing

A. Before Closing:

- Lessee's abstract company shall have provided a title report reflecting all matters of record, a full set of municipal departmental searches, and a current certificate of occupancy (if applicable). Copies of the instruments for all encumbrances that will remain against the Premises should be attached to the report.
- Lessee (or Lessee's seller) shall have cleared all violations, etc.
- Lessee shall have provided the Agency with a reliance letter from Lessee's consultant stating that the Lessee may rely upon the Phase I (and, if applicable, the Phase II) as if such report(s) were prepared for the Agency.
- Lessee shall have provided an ACORD certificate evidencing required insurance coverage and a certificate evidencing Workers' Compensation.
- Lessee shall have caused to be provided a survey of the Premises certified to the Agency.
- Lessee shall have provided to Project Counsel with respect to itself, the Sublessee and Guarantors, the following documents, as applicable: certificates of incorporation; by-laws; good-standing certificates; partnership agreements; franchise tax reports; certificates of limited partnership; doing-business certificates; articles of organization; operating agreements; etc.

B. At Closing:

- Lessee's abstract company shall provide a commitment for leasehold title insurance for the Agency in the minimum amount of \$500,000.
- You, as counsel to the Lessee, Sublessee and Guarantors, shall provide an opinion of counsel addressed to the Agency. You can obtain the form for this opinion from either Agency Counsel or Project Counsel.
- If construction and/or renovations are applicable, Lessee's architect and/or Lessee's construction manager shall provide certificates pertaining to Project improvements. You can obtain the forms for these certificates from either Agency Counsel or Project Counsel.

IX. Costs and Fees

A. **Costs.** Your client will be responsible for all costs and fees in connection with closing the IIP/SIIP transaction.

B. **Fees.** Charged by the Agency and payable at Closing. Please refer to the Agency fee schedule that the Project Manager has provided to your client, setting forth the fees charged by the Agency and Project Counsel. Your client has already remitted to the Agency a non-refundable application fee in the amount of \$2,500; the Agency will apply this amount toward the Project fee payable by your client at closing.

The foregoing memorandum is an informal guide rather than an exhaustive disclosure; in no way does it purport to replace actual examination of the Agency's transaction documents.

Memorandum to Counsel - Bond Financing Programs

TO ALL COUNSEL representing clients that have applied to the Agency for conduit bond financing:

I. Overview

Your client has submitted an application to the Agency requesting the Agency to issue bonds on behalf of your client, and to receive other "Financial Assistance" (defined in Section III below). Your client has made this request in connection with one of the Agency's "Bond Financing Programs" (described in Section II below).

Review the application submitted by your client. This application consists of a core form and a number of supplements. One of those supplements, the Disclosure Policy and Procedure, addresses the possibility that the Agency may be required to disclose portions of your client's completed application pursuant to the Freedom of Information Law.

Through its application, your client has presented to the Agency a proposed project that is capital in nature (i.e., the proposed activity involves construction, renovation, acquisition of realty and/or acquisition of equipment with a useful life of at least one year). The proposed activity or activities will hereinafter be collectively referred to as the "Project" and the real property that is the subject of the Project will hereinafter be referred to as the "Premises." Also through its application, your client has indicated that the Project will occur in New York City only if the Agency provides the requested Financial Assistance to the Project.

The staff of New York City Economic Development Corporation ("NYCEDC"), acting on behalf of the Agency, is responsible for presenting your client's Project to the Agency's Board of Directors. The Board of Directors, by adopting a resolution, can approve and "induce" the Project to occur by authorizing Financial Assistance to the Project (this resolution is called the "Inducement Resolution"). Even if the Project is so induced, the Agency will only provide the Financial Assistance subject to closing and satisfaction of the Agency's requirements generally.

The General Municipal Law of the State of New York ("GML") authorizes and governs the Agency's participation in the Project. GML Sections 850 et seq. are the generic provisions that apply to all industrial development agencies in the State of New York; GML Section 917 is the enabling provision that creates the Agency.

II. Bonds and Documents

The Agency issues bonds on behalf of profit-making entities and non-profit corporations on a conduit basis. This means that while the Agency is the technical debtor, the proceeds of the financing are for the benefit and use of another entity (your client as borrower). It also means that the entity on whose behalf the bonds are issued will be responsible for paying the debt service on the bonds, and that no recourse may be had against the Agency should your client default in those payments.

The terms of the bonds are entirely determined by your client and the other parties to the financing, exclusive of the Agency itself. Generally speaking, if the bonds are privately placed, there will be a "Placement Memorandum"; if publicly offered, there will be an "Official Statement" and a "Bond Purchase Agreement"; if in addition to being publicly offered the bonds are variable rate demand bonds, there will be a "Remarketing Agreement."

While the Agency can and does issue federally taxable bonds, most debt it issues is in the form of triple tax-exempt bonds, the interest on which is exempt from federal, state and local income taxes.¹ The triple tax-exempt bonds issued by the Agency are federally tax-exempt because they are eligible as Qualified Private Activity Bonds or as Empowerment Zone Bonds² under the Internal Revenue Code. Eligibility in this context means that (inter alia) the proceeds of these bonds are being used to finance facilities that qualify under relevant provisions of the Internal Revenue Code; hereinafter, the Qualified Private Activity Bonds and Empowerment Zone Facility Bonds issued by the Agency will be referred to as the "Bonds."

While at time of issuance Bonds must satisfy all requirements for tax-exemption, your client as borrower must in addition satisfy, throughout the term of the Bonds, a number of covenants and requirements in order to maintain that tax-exempt status. Those covenants and requirements are set forth in a document, sometimes called a "Tax Regulatory Agreement."

The Agency has provided to your client, as part of the Agency's application package, an information sheet called Requirements for Issuance of Triple Tax-Exempt Bonds for Manufacturing Facilities. If your client has applied under the Manufacturing Facilities Bond Program, please review that information sheet carefully.

¹ Subject, however, to Alternative Minimum Tax.

² Empowerment Zone Bonds are, in fact, Exempt Facility Bonds, a subcategory of Qualified Private Activity Bonds.

The Agency issues Bonds under the following Bond Financing Programs:

- The Manufacturing Facilities Bond Program for the financing of small industrial facilities.
- The Exempt Facilities Bond Program for the financing of solid waste recovery facilities and privately-developed dock and wharf facilities on municipally-owned docks and wharves.
- The Empowerment Zone Facilities Bond Program for the financing of commercial facilities in Empowerment Zones.

Check your client's application to ascertain the Bond Financing Program under which your client has applied.

III. Financial Assistance

The Agency's Uniform Tax Exemption Policy prescribes the "Financial Assistance" offered by the Agency and the conditions under which applicants will qualify to receive it. "Financial Assistance" consists of the following:

- The issuance of Bonds (and taxable bonds).
- The waiver of City and State mortgage recording taxes on the Project mortgage, assuming there is a mortgage and that it is recorded.
- The exemption from City and State sales and use taxes of approved machinery, equipment and materials used in Project construction and renovation.
- The exemption of the Premises from New York City real property taxes for 25 years, subject, however, to a contractual requirement to make payments in lieu of those taxes (known as "PILOT").

PILOT has two components.

- With respect to the land portion of the Premises, PILOT equals whatever the land tax amount would have been less an abatement; the abatement equals the product of \$500 and the number of your client's employees. If the Premises are located in an Empire Zone or in an Empowerment Zone, the abatement equals 100 percent of the land tax amount. If your client's operations at the Premises are to be start-up, there will be an adjustment to the abatement if the employee count falls short of what your client projected in its application.
- With respect to the improvements portion of the Premises, the PILOT payment is frozen at the assessed value and tax rate applicable, respectively, as of the May 25 and the July 1 prior to closing.

Finally, both PILOT components incrementally increase to a full-tax equivalent during the last four years of the 25-year exemption term. (The increase annually equals 20 percent of the difference between PILOT and the full-tax equivalent.)

The mechanics for obtaining the Financial Assistance are described in Section VIII below.

IV. The Project Team and Bond Documents

The NYCEDC Project team with which you will be working consists of the following individuals:

- **A Project Manager:** The NYCEDC businessperson who has originated the transaction and will manage the transaction through closing. The Project Manager is your client's contact with NYCEDC and the Agency.
- **Agency Counsel:** The NYCEDC staff attorney who will represent the Agency through closing. This attorney will be your main contact with NYCEDC and the Agency.
- **Bond Counsel:** The outside firm designated by the Agency to act as Bond Counsel for the Bonds. Bond Counsel will draft all authorizing instruments and all Bond and other transaction documents. Bond Counsel will also be responsible for delivering an opinion of counsel on behalf of the Agency, and for opining that the Bonds will be tax-exempt. The Bond documents will include the "Tax Regulatory Agreement" and the "Financing Lease" or "Installment Sale Agreement," the "Bond Indenture," the "Sublease" and the "Guaranties," all of which will be described below.
- **Bond Trustee and Bond Trustee's Counsel:** The trust institution that the Agency has designated to act as trustee for the Bonds. The Agency and the Bond Trustee enter into a contract and security agreement (the "Bond Indenture") whereby the Agency pledges to the Bond Trustee, as security for the payment of the Bonds, the Agency's interest in the Financing Lease or Installment Sale Agreement; in addition, the Bond Trustee agrees, under the Bond Indenture, to disburse Bond proceeds and to collect debt service payments. The Bond Trustee retains its own counsel.
- **Underwriter/Placement Agent and its Counsel:** Any organization that your client has retained to sell the Bonds, whether publicly offered or privately placed. The Underwriter/Placement Agent retains its own counsel. For a public offering, Underwriter's counsel will be responsible for the Official Statement and the Bond Purchase Agreement; for a private placement, the placement agent's counsel will be responsible for the Placement Memorandum.

Memorandum to Counsel - Bond Financing Programs

- **Credit Enhancement Provider and its Counsel:** the institution, if any retained by your client to provide support for the credit rating of the Bonds. The enhancement is usually in the form of a letter of credit or bond insurance. The credit enhancer and its counsel will be responsible for drafting agreements with your client governing the arrangement and for drafting the credit enhancement document.

V. Process³

A. Prior to the Adoption of the Inducement Resolution:

- The Agency publishes a notice and holds a public hearing with respect to the Project. (Both the GML and the Internal Revenue Code require published notice and public hearing. Under the Internal Revenue Code, these requirements are part of what is commonly known as the "TEFRA" requirements.) The Project must be consistent with the text of the public notice. Please review a copy of the public notice; if you don't already have a copy, request one from Agency Counsel.
- Your client and your client's entities complete and submit to the Agency the applicable Internal Background Investigation Questionnaire. A negative result in the answers to the Questionnaire must be resolved to the Agency's satisfaction; absent that, the Agency will not participate in the Project.
- If your client is applying under the Manufacturing Facilities Bond Program, your client completes and submits the Manufacturing Determination Form. (This questionnaire is part of the application package provided to your client.)

B. After the Adoption of the Inducement Resolution:

- Agency Counsel sends to you copies of the Inducement Resolution for your client's signature. By signing that resolution, your client agrees to reimburse the Agency for any costs that it may incur through closing, including the fees of Bond Counsel. In addition, by signing the application, your client had previously agreed to indemnify the Agency for Bond counsel fees in the event closing does not occur.
- To the extent not already done, your client provides to the Project Manager the following:
 - a Phase I environmental assessment report with respect to the Premises (the report must conform to ASTM [i.e., American Society for Testing and Measurement] standards), with a reliance letter addressed to the Agency; under certain circumstances, particularly new construction, a Phase II environmental report may also be required;
 - evidence of site control with respect to the Premises (i.e., a deed, a lease, or a contract of sale); and
 - a copy of the commitment for mortgage financing and credit enhancement, where applicable.
- Project Counsel circulates drafts of the transaction documents.
- NYCEDC staff requests the Agency's Board of Directors to adopt an "authorizing" resolution authorizing (inter alia) the terms of the Bonds. In some instances, the Inducement Resolution and the authorizing resolution are combined.
- As part of the TEFRA requirements, the Agency obtains the written approval for the Bonds (if federally tax-exempt) from the Mayor of the City of New York. Your client and the Underwriter may not circulate the Official Statement, or even a preliminary Official Statement, until the Mayor's written approval is secured.
- Your client provides needed items for closing (see Section IX below).
- The parties close.

VI. Real Estate Structure

Structure for Manufacturing Facility Bonds and for Exempt Facility Bonds. To provide the Financial Assistance to your client when it has requested either Manufacturing Facility Bonds or Exempt Facility Bonds, the Agency will require your client to lease the Premises to the Agency. The Agency will simultaneously lease back the Premises to your client for a term equal to the greater of 25 years or the term of the Bonds (the "Financing Lease"). If your client's Project involves the acquisition of the Premises, simultaneously with taking title from its seller, your client will lease to the Agency and the Agency will lease back to your client.

The entity leasing the Premises into the Agency, and then leasing back (i.e., the "Lessee" under the Financing Lease), may be either your client's operating company or a related real estate holding company. If the Lessee is a real estate holding company, then the Lessee will sublease to your client's operating company (respectively, the "Sublease" and the "Sublessee"). The commencement date of all three leases (the lease into the Agency, the Financing Lease and the Sublease) will be the date on which the parties close.

³ There may be some variation in process, particularly as to timing.

The term of the Financing Lease must at a minimum be co-terminus with the 25-year PILOT term because the Agency's leasehold interest is the legal basis for exempting the Premises from real estate taxes. (If the term of the Bonds is longer than the 25-year PILOT term, the term of the Financing Lease will be co-terminus with bond maturity; for the period after the PILOT term expires, the PILOT obligation will be a full-tax equivalent.)

The Lessee (and, where applicable, the Sublessee) will have the use and occupancy of the Premises, and will in every respect be responsible for the Premises.

VII. Legal Requirements (Contractual and Statutory)

A. Under the Financing Lease or Installment Sale Agreement.

General Requirements:

- The Lessee indemnifies and holds the Agency harmless.
- The Lessee releases the Agency from all claims that the Lessee may have against the Agency.
- The Lessee obtains and maintains liability insurance (Commercial General Liability) in the minimum amount of \$5 million throughout the Project term, and causes the Agency and Trustee to be additional insureds on such policies. The Commercial General Liability policy must insure the Lessee against Contractual Liability, and the carrier must be admitted in New York State. During any period of construction or renovation, liability coverage shall be in the form of an Owners and Contractors Protective Liability policy.
- The Lessee and, if applicable, the Sublessee obtain and maintain Workers' Compensation insurance throughout the Project term.
- The Lessee completes the Project by an agreed-upon completion date set forth in the Project Lease.
- The Lessee and, if applicable, the Sublessee will use the Premises only for the purpose described in the application to the Agency.
- The Lessee and, if applicable, the Sublessee are the only occupants of the Premises except to the extent that (i) the Agency consents to other occupants, and (ii) nationally recognized bond counsel delivers an opinion that the subtenancy will not cause the Bonds to lose their tax-exempt status. The Agency, however, will not consent to subtenancies aggregating more than 20 percent of the Premises, or with terms exceeding five years.
- Every subtenancy will diminish (pro rata according to square footage) the Financial Assistance provided to the Lessee.
- If within a 10-year period following completion of the Project the Lessee and/or the Sublessee sells the Premises or substantially changes operations or employment level, the Agency will recapture all or a portion of the Financial Assistance provided. The percentage of Financial Assistance to be recaptured decreases over the 10-year period.

Reporting Requirements:

- To the State of New York:
 - Annual submissions: Report of Sales and Use Tax Exemption
- To the Agency:
 - One-time submission: Project Completion Certificate
 - Annual Submissions:
 - Employment Report
 - Benefit Report
 - Subtenant Survey
 - Contact Information Report
 - Periodic submissions upon expiration: certificates evidencing required insurance coverage

B. Under the Sublease (if applicable). The Sublessee agrees to perform all of the obligations of the Lessee under the Financing Lease if the Lessee fails to perform them.

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- C. **Under the Guaranties.** To the extent that other parties to the financing require the Lessee, the Sublessee, or the affiliates and principals of either, to deliver guaranties for repayment of the Bonds, the Agency will, at a minimum, require guaranties from the same entities and individuals. The Agency may also require guaranties in addition to those required by the other parties. The guaranties to the Agency will guaranty the performance of the Lessee's obligations under the Financing Lease, including, most importantly, the payment of PILOT and recapture, and the fulfillment of indemnity obligations. For bankruptcy purposes, the Agency will also require the Lessee to guaranty its own obligations under the Financing Lease in a separate guaranty document.
- D. **Under the Project Mortgage.** There will be no recourse to the Agency, its directors, officers or agents, under the mortgage granted to the Bond Trustee to secure the Bonds (the "Project Mortgage").

VIII. The Mechanics for Receiving Financial Assistance

- A. **Waiver of Mortgage Recording Taxes.** The Lessee and the Agency will both enter into the Project Mortgage as, respectively, mortgagor of the fee and mortgagor of the leasehold estate demised to the Agency under the Financing Lease. At closing the Agency will provide, for presentation at the register's office, an affidavit stating that the Project Mortgage is exempt from mortgage recording taxes.
- B. **Exemption from Sales and Use Taxes.** At closing the Agency will provide the Lessee with a Sales Tax Exemption Letter with an expiration date that will be the same date as the date required for completing Project activities. The Sales Tax Exemption Letter will specify what Project personalty may be exempted from sales and use taxes. (The Agency's exemption will not apply where another basis for the exemption is available; e.g., for manufacturing equipment, or for equipment purchased by not-for-profit corporations.)
- C. **PILOT.** To exempt the Premises from New York City real property taxes if your client would otherwise be liable for real estate taxes, the New York City Department of Finance will remove the Premises from the tax rolls on the first July 1 after the first January 5 following the date on which your client closes with the Agency. That July 1 (the "PILOT Commencement Date") will commence the 25-year PILOT term. Upon an event of default on the part of the Lessee, PILOT will increase to what real property taxes would have been but for exemption. In the event at the time of closing the Premises (whether in part or whole) consists of a partial tax lot, the Premises will not come off the tax rolls until the July 1 following the January 5 that follows the date of tax-lot apportionment. Notwithstanding, the PILOT term will commence on the PILOT Commencement Date.

IX. Requirements before and at Closing

A. Before Closing:

- Lessee's abstract company shall have provided a title report reflecting all matters of record, a full set of municipal departmental searches, and a current certificate of occupancy (if applicable). Copies of the instruments for all encumbrances that will remain against the Premises should be attached to the report.
- Lessee (or Lessee's seller) shall have cleared all violations, etc.
- Lessee shall have provided the Agency with a reliance letter from Lessee's consultant stating that the Lessee may rely upon the Phase I (and, if applicable, the Phase II) as if such report(s) were prepared for the Agency.
- Lessee shall have provided an ACORD certificate evidencing required insurance coverage and a certificate evidencing Workers' Compensation.
- Lessee shall have caused to be provided a survey of the Premises certified to the Agency and the Bond Trustee.
- Lessee shall have provided to Bond Counsel with respect to itself, the Sublessee and Guarantors, the following documents, as applicable: certificates of incorporation; by-laws; good-standing certificates; partnership agreements; franchise tax reports; certificates of limited partnership; doing-business certificates; articles of organization; operating agreement; etc.

B. At Closing:

- Lessee's abstract company shall provide a commitment for leasehold title insurance for the Agency in the minimum amount of \$500,000.
- You, as counsel to the Lessee, Sublessee and Guarantors, shall provide an opinion of counsel addressed to the Agency and to the Bond Trustee. You can obtain the form for this opinion from either Agency Counsel or Bond Counsel.
- If construction and/or renovations are applicable, Lessee's architect and/or Lessee's construction manager shall provide certificates pertaining to Project improvements. You can obtain the forms for these certificates from either Agency Counsel or Bond Counsel.

X. Costs and Fees

- A. **Costs.** Your client will be responsible for all costs and fees in connection with the Bond financing. Depending on the circumstances, these fees may include one or both of two bond issuance fees imposed by the State of New York. Agency Counsel will provide you with more detail.
- B. **Fees.** Charged by the Agency and payable at Closing. Please refer to the Agency fee schedule that the Project Manager has provided to your client, setting forth the fees charged by the Agency, Bond Counsel, the Bond Trustee and the Bond Trustee's counsel. Your client has already remitted to the Agency a non-refundable application fee in the amount of \$2,500; the Agency will apply this amount toward the Project fee payable by your client at closing. Agency Counsel will provide you with more detail.

The foregoing memorandum is an informal guide rather than an exhaustive disclosure; in no way does it purport to replace actual examination of the Agency's transaction documents.