

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY

PROJECT APPLICATION

Are you applying for: the Bond Program _____ the Straight Lease Program?

By what date do you wish to close the proposed project financing? July, 1996

I. APPLICANT INFORMATION

Applicant's Name: Air Express International Corporation

Address: 120 Tokeneke Road; Darien, CT 06820

Telephone Number: 203-655-5776 Fax Number: 203-655-5734

IRS Employer ID Number: [REDACTED] S.I.C. Code: 4712

NY State Dept. of Labor Number (if applicable): [REDACTED]

Officer of Applicant completing this application (contact person):

Name: Paul J. Gallagher Title: Treasurer Phone #: 655-5776 Fax #: 655-5734
Vice President (203) (203)

Applicant's operation: () Manufacturing (x) Service () Wholesale () Other _____

Brief description of business: Air freight, ocean freight, customs brokerage, logistics

To describe what kind of entity Applicant is, please check one of the following:

(x) Public Corp. () Private Corp. () General Partnership () Limited Partnership
() C Corp. () S Corp. () Other (specify) _____

Applicant's State of Incorporation or Registration: Delaware

States in which Applicant is qualified to do business: All

Applicant's Attorney: Name Katherine Burgeson Phone # 351-4260 Fax #: 351-4499
Cummings & Lockwood (203) (203)

Firm and Address 4 Stamford Plaza; 107 Elm St.; Stamford, CT 06902-3851

Applicant's Accountant: Name Frank Nusspickle Phone # 708-4143 Fax #: 245-3302
Arthur Andersen LLP (212) (212)

Firm and Address 1345 Avenue of Americas
New York, NY 10105

II. PROJECT INFORMATION

1. **Brief description of the proposed project:**
 Warehouse and office construction on Port Authority leased land -
JFK Airport - Buildings 88+89 → present location

2. Please give best estimates for all costs involved in the proposed project:

Land & Building (acquisition)	\$ _____
New Construction	\$ <u>15,000,000</u>
Renovations/Building improvements	\$ _____
Machinery/Equipment	\$ _____
Fees/Other Soft Costs	\$ <u>500,000</u>
Other (explain)	\$ _____
Total Project Costs	\$ <u>15,500,000</u>

3. Please identify proposed sources and amounts of funds to finance the above project costs:

Bonds	\$ <u>15,500,000</u>	
Loan from other sources	\$ _____	Please identify sources _____
Company funds	\$ _____	
Officer Equity/Loans	\$ _____	
Other Sources	\$ _____	Please identify sources _____
Total Project Sources	\$ <u>15,500,000</u>	

4. Provide the following information relating to the proposed project site.

Street Address & Borough	Block Lot & Section Number	Square Footage of Land	Square Footage of Building	Currently Owned or Leased	Number of Floors Including Basement	Zoning
JFK - Airport a. Warehouse			90,000			
JFK - Airport b. Office			25,000			
c.						
d.						

5. Give the following information with respect to all present tenant(s) and sub-tenants at the proposed project site.

Name, Contact Person & Tel.	Square Feet & Floors Occupied	Lease Expiration/Renewal
N/A	N/A	N/A

II. PROJECT INFORMATION...

6. Will any entity/person other than Applicant use the project facility? Does Applicant intend to lease out a portion of the project facility, and, if so, will there be tenants other than those listed under Question # 5? Provide all details.

No tenants anticipated other than applicant or wholly-owned subsidiary of applicant.

7. Provide street address, borough or town, for premises which you currently own or lease, even if you don't occupy same. Do you plan to terminate/sell/vacate/remain at such premises? Provide all details. With respect to currently leased premises, provide the name and address of the landlord and the expiration date of the lease term.

Current lease: Hangar 5
JFK International Airport
Jamaica, NY 11430

We expect to vacate current premises.
Landlord is The Port Authority of NY/NJ
Lease will be extended pending resolution of this project.

8. If any of the present or proposed tenants in this project are related to, or affiliated with the Applicant, please so indicate and list percentage of occupancy.

(See 6)

II. PROJECT INFORMATION...

9. If any of the present or proposed tenants in this project are related to, or affiliated with the seller of the property, please so indicate and list percentage of occupancy.

N/A

10. Is there a relationship, by virtue of common control or through related persons, directly or indirectly, between the Applicant and the present owner of the project site? If so, please provide details.

NONE

11. Has the Applicant, or any existing or proposed tenant of the proposed project facility, or any person related to any of the foregoing, received or benefitted from within the past six months, or is contemplating to receive or benefit from within the next six months, tax exempt financing anywhere within the United States? If yes, please provide details.

NO

12. Will a real estate holding company/partnership be formed to own the project premises? Please provide the name and address of same, the kind of entity it is (corporation, partnership, etc.), and its officers/partners/shareholders/percentage ownership, etc.

NO

III. DUE DILIGENCE

This section asks for more specific information about Applicant's operations. Please complete the following questions using attached Due Diligence Sheets, when necessary.

1. How many employees does Applicant employ in New York City at the time of the date of this Application?

Full Time 170 Part Time 1
(minimum 35 hours per week) (minimum 20 hours per week)

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

Full Time 11 Part Time 1
(minimum 35 hours per week) (minimum 20 hours per week)

3. Does Applicant intend to employ new employees at the proposed project site, and/or will Applicant transfer current employees from premises presently being used? Please provide details.

Applicant intends to transfer current employees and employ new employees according to business requirements.

4. List union affiliation, contact person, phone and fax numbers and contract expiration date on attached Due Diligence Sheet.

SEE ATTACHED

5. List bank affiliation, contact person, phone and fax numbers and account number on attached Due Diligence Sheet.

SEE ATTACHED

6. List three largest suppliers, their addresses, contact persons and phone and fax numbers on attached Due Diligence Sheet.

SEE ATTACHED

7. List three major customers, their addresses, contact persons and phone and fax numbers on attached Due Diligence Sheet.

SEE ATTACHED

8. List the principals (owners) of Applicant, their home addresses, titles, percentage of ownership, dates of birth and social security numbers on attached Due Diligence Sheet.

Publicly traded company.

III. DUE DILIGENCE...

9. List name(s), address(es), and phone and fax numbers of any other entity in which, directly or indirectly, Applicant or any of its shareholders, partners, directors, or officers individually or collectively hold 5% or more of the stock or ownership interest in any such entity (an "Affiliate"). Please include real estate holding companies if applicable.

S E E A T T A C H E D L I S T

10. Has Applicant or any of its Affiliates ever received, or is currently receiving, financial assistance or any other kind of discretionary benefit from any governmental entity or agency, including the New York City Industrial Development Agency ? If so, provide all details.

N O

11. Has Applicant, or any stockholder, partner, officer or director, or any entity with which any of the foregoing individuals have been associated, ever been adjudicated bankrupt or placed in receivership, or otherwise been the subject of a bankruptcy or similar proceedings (prior or current)?

YES NO If yes, provide all details on attached sheet.

12. Have any of Applicant's stockholders, partners, officers or directors ever been convicted of any criminal proceedings?

YES NO If yes, provide all details on attached sheet.

13. Is Applicant, or any stockholder, partner, officer or director of Applicant, a plaintiff or defendant in any civil or criminal proceedings?

YES NO If yes, provide all details on attached sheet.

No material proceedings other than normal business matters.

III. DUE DILIGENCE...

14. In what litigation is Applicant, or any of the individuals and entities listed in response to Questions 9 and 10, currently involved, either as plaintiffs or as named defendants? Provide all details on attached sheet. NONE
15. Does Applicant have any contingent liabilities? (*e.g.* pending claims; federal, state or local tax liabilities; judgment liens; other liens, etc.)
 YES NO if yes, provide all details on attached sheet.
Other than normal business contingencies.
16. Has Applicant filed all required tax returns with appropriate governmental jurisdictions entities?
 YES NO

DUE DILIGENCE SHEET

1. Principals PUBLIC COMPANY

Name _____
Address _____

Social Security # _____
Date of Birth _____
Title _____

Name _____
Address _____

Social Security # _____
Date of Birth _____
Title _____

Name _____
Address _____

Social Security # _____
Date of Birth _____
Title _____

Name _____
Address _____

Social Security # _____
Date of Birth _____
Title _____

2. Major Customers

Name Western Ditigal
Address _____
Los Angeles, CA

Phone Number 714-932-5000
Fax No. _____
Contact Person Ms. Cindy Hogan
% of Total Sales Less than 5%

Name Hewlett Packard
Address _____
San Francisco, CA

Phone Number 415 857 1501
408-447-6528 x2126
Fax No. _____
Contact Person Doug Peterson
% of Total Sales Less than 5%

Name Nortel
Address _____
N.E., PA

Phone Number 717 986-7428
Fax No. _____
Contact Person Sandy Pitcairn
% of Total Sales Less than 5%

Name Goodyear Tire
Address _____
Cleveland, OH

Phone Number 216-796-7417
Fax No. _____
Contact Person Gary Coast
% of Total Sales Less than 5%

7419
796
Tel. 330 796 0121

DUE DILIGENCE SHEET...

3. Suppliers

Name American Airlines
Address 4255 Amon Carter Blvd.
MD 4449
Ft. Worth, TX 76155
Phone Number 817-967-2452
Fax No. 817-967-2099
Contact Person Tom Stetson

Name Lufthansa Cargo Airlines
Address Bldg 261 North Boundary Rd.
JFK Intl. Airport
Jamaica, NY 11430
Phone Number 718-289-7252
Fax No. 718-289-7235
Contact Person Theodore O. Frobin

Name Federal Express
Address JFK Intl. Airport
Bldg. 75, Suite 213
Jamaica, NY 11430
Phone Number 718-244-3242
Fax No. 718-244-7949
Contact Person Sal Deluca

Name British Airways
Address JFK Intl. Airport
Cargo Bldg. 66
Jamaica, NY 11430
Phone Number 718-553-5067
Fax No. 718-553-5020
Contact Person John F. Veracoechea

4. Unions

Name I.B.T. Local 295
Address 435 Hudson Street
New York, NY 10014
Contact Person Chris Stampe
Phone Number 212-229-0656
Fax No. 212-229-0657
Contract Expiration 8/31/97

Name I.B.T. Local 851
Address 175 N. Central Ave.
Valley Stream, NY 11580
Contact Person Curt Ostrander
Phone Number 516-561-1311
Fax No. 516-825-2991
Contract Expiration 8/31/97
Contract extension through 8/31/99
offered, not yet ratified.

5. Banks

Bank Name The Bank of New York
Contact Person Ms. Janet Wolff
Phone Number 203-967-8000
Fax No. 203-967-8006
Type of Account Concentration
Account Number [REDACTED]
Address One Wall St.
New York, NY 10038

Bank Name Bank of Boston
Contact Person William F. Hamilton
Phone Number 617-434-7889
Fax No. 617-434-0601
Type of Account Concentration
Account Number # [REDACTED]
Address 100 Federal St.
10th Floor
Boston, MA 02110

IV. CONFIDENTIALITY

All information contained in this Application will be treated confidentially to the extent permitted by law (see "Certification" section V of this Application). Since under the New York State Freedom of Information Law, information must be disclosed unless such information contains trade secrets (which, if disclosed, would cause irreparable harm), Applicant must, in a letter addressed to the New York City Industrial Development Agency and accompanying this Application, indicate which information provided in this Application it believes to fall into such category and an explanation as to why. All information set forth in this Application may be released.

V. CERTIFICATION

I, the undersigned, request on behalf of Air Express International Corp. ("Applicant") that this Application, including financial data and any tax returns submitted herewith, be submitted for review by the Board of Directors of the New York City Industrial Development Agency ("IDA"). I hereby certify that the information contained herein and in the attachments hereto, are, to the best of my knowledge and belief, accurate, true and correct. I understand that any intentional misstatements or misleading information contained herein, or the omission of relevant information, could be cause for rescission of IDA approval and IDA benefits. Further, I fully understand and accept the fees associated with the IDA program, including but not limited to the IDA Closing Fee; and I fully understand and accept the benefit package I am to receive under the IDA program; and I acknowledge receipt from the IDA of a memorandum explaining legal, insurance and various real estate related requirements, all of which will be necessary for the contemplated project.

On behalf of Applicant, I hereby acknowledge and agree that Applicant shall be, and is responsible for, and shall promptly pay all costs incurred by IDA, in connection with document negotiations, closing and, where applicable, bond issuance and sale, whether or not closing occurs and whether or not bond issuance and sale occur in applicable instances. The aforesaid costs, and Applicant's obligation hereunder to pay for same, shall include, but not be limited to, attorney's fees. Applicant's obligations hereunder are absolute and shall in no event be contingent upon closing.

On behalf of myself, all other principals of Applicant, and Applicant, I hereby authorize New York City Industrial Development Agency and the New York City Department of Investigation (DOI) to initiate their background clearance procedure with respect to myself, all other principals of Applicant, and Applicant. I, all other principals of Applicant, and Applicant agree to give DOI permission to secure all necessary personal data from all relevant sources, public and private, and I, all other principals of Applicant, and Applicant further agree to cooperate in all phases of the DOI background and clearance procedure. I, all other principals of Applicant, and the Applicant agree to hold IDA and the City of New York harmless with respect to any claims for injury, damage, loss or expense which may arise should the above mentioned background clearance procedure not be completed satisfactorily.

V. CERTIFICATION...

On behalf of Applicant and its existing and future affiliates, I authorize any private or governmental entity, including but not limited to The New York State Department of Labor ("DOL"), to release to IDA and/or to the New York City Economic Development Corporation ("EDC"), and/or to the successors and assigns of either (collectively, the "Information Recipients"), any and all employment information under its control and pertinent to Applicant and its existing and future affiliates and the employees of same. In addition, upon IDA's request, Applicant shall provide to IDA any employment information in Applicant's possession or in the possession of any of Applicant's existing and future affiliates, which is pertinent to Applicant and Applicant's existing and future affiliates and the employees of same. Information released or provided to Information Recipients by DOL, or by any other governmental entity, or by any private entity, or by Applicant itself (collectively, "Employment Information"), may be disclosed by the Information Recipients in connection with the administration of the programs of the IDA, and/or EDC, 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 (x) reports prepared by the Information Recipients pursuant to New York City Local Law 69 of 1993, (y) other reports required of IDA, and (z) any other reports required by law. If IDA approves this Application and the IDA Board of Directors approves the financing project which is the subject of this Application, this authorization shall remain in effect through the term of the financing lease which the Applicant and IDA will enter into at closing. If IDA does not approve this Application, and/or the IDA Board of Directors does not approve the financing project which is the subject of this Application, this authorization shall remain in effect through the earlier to occur of the aforesaid decisions not to approve.

I, all other principals of Applicant, and Applicant, understand that IDA may be requested to disclose the information contained in this Application and the attachments hereto, under applicable disclosure laws, or at the request of investigative law enforcement or other governmental bodies. On behalf of myself, all other principals of Applicant, and Applicant, I authorize IDA to disclose any such information, under such law or where so requested, and I, all other principals of Applicant and the Applicant release IDA from any liability to the Applicant, all other principals, and/or myself for such disclosure. I also authorize IDA at its discretion to transmit this Application, including any financial data or tax returns submitted herewith, to prospective lenders, such as banks or insurance companies, and to IDA's financial advisors.

On behalf of Applicant, I acknowledge and agree that IDA reserves the right to require Applicant to submit at Applicant's sole expense, such other documentation as IDA may require in addition to the documentation required hereunder, and that all such documentation, whether requested hereunder or hereafter, shall be provided at Applicant's sole cost and expenses, and shall be in form and substance satisfactory to IDA.

V. CERTIFICATION...

Approval of this Application may only be granted by IDA's Board of Directors through the Board's adoption of an inducement or authorizing resolution for the project described in this Application. Additionally, it is understood and agreed that the \$2,500 Application fee accompanying this Application is non-refundable, regardless of whether or not this Application is so approved. Applicant acknowledges and accepts that: the \$2,500 Application fee will accrue toward payment of the IDA Closing Fee should closing occur; and if and when the IDA's Board of Directors approves this Application, the Agency may additionally require Applicant to pay at such time an amount equal to 10 basis points of the bond/project amount (as applicable), which payment shall also accrue toward payment of the IDA Closing Fee should closing occur.

Date: May 16, 1996

Certification By: [Signature]
Signature of Chief Executive Officer

Guenter Rohrmann
Printed Name

Attested By: [Signature]
Chief Financial Officer/Secretary

Daniel J. McCauley
Vice President,
General Counsel and Secretary
Printed Name

<u>Name</u>	<u>Home Address</u>	<u>SS #</u>	<u>Title</u>
Handrik J. Hartong, Jr.	One Frost Rd. Greenwich, CT 06830	[REDACTED]	Chairman of the Board
Guenter Rohrmann	183 Fairway Dr. Stamford, CT 06903	0 [REDACTED]	President & Chief Exec. Officer
Dennis M. Dolan	48 Thornhill Road Fairfield, CT 06430	[REDACTED]	VP & Chief Financial Officer