

SECTION A: FORMS TO COMPLETE

APPLICATION COVER PAGE

**New York City Industrial Development Agency
Not-for-Profit [501(c)(3)]
Special Needs Facilities Pooled Program**

Application date: 03/28/2003

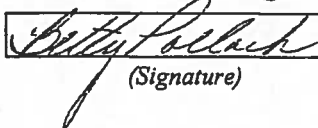
Agency's Name: **Otsar Family Services Inc.**

Address: **234 West 13th Street, Brooklyn, N.Y. 11223**

Contact for this financing: **Betty Pollack**

Phone #: [REDACTED] Ext. 207 Fax #: (718) 946-7966 e-mail: **OTSARinc@aol.com**

Executive Director: **Betty Pollack**
(Type Name)


(Signature)

Chief Financial Officer: **Betty Pollack**

Applicant's Attorney: **Robert Wakeman** Phone:

Address: **39 No. Pearl Street, Albany, NY** Fax: **518-432-3123**

Applicant's Accountant: **Solomon Kaufman** Phone: [REDACTED]

Accountant Address: **1404 Coney Island Avenue, Brooklyn, NY 11230** Fax: **(718) 338-1591**

In-House Attorney: **Steven Prager** Phone: [REDACTED]

In-House Insurance Broker: **Shel-Bern Insurance** Phone: **(718) 851-7000**

IRS Employer ID #: [REDACTED] SIC Code:

NYS Dept. of Labor Number (if applicable):

Applicant's State of Incorporation or Registration: **New York**

Type of Organization (e.g., private school, human services, etc.)

501 (C) (3) Social Services Agency

Brief description of services (e.g., special education, residential, foster care, vocational, etc.)
Educational and therapuetic services for learning disabled and autistic children

(Application Cover, Page 2)

NOTE: PLEASE FAX THIS PAGE TO IAC IMMEDIATELY UPON COMPLETION:

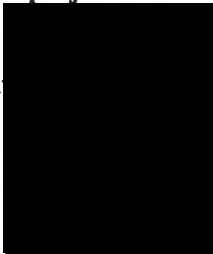
212-645-6360

Project Address	block & Lot #	square footage	property cost
Project #: 1 2324 West 13 th Street Brooklyn, NY 11223	Block 7160 Lot 15,16	Building: 11,475 Land: 8,000.	██████████
Project #: 2	Block Lot	Building: Land: .	\$
Project #: 3	Block Lot	Building: Land: .	\$
Project #: 4	Block Lot	Building: Land: .	\$
Project #: 5	Block Lot	Building: Land: .	\$
Project #: 6	Block Lot	Building: Land: .	\$
Project #: 7	Block Lot	Building: Land: .	\$
Project #: 8	Block Lot	Building: Land: .	\$
Project #: 9	Block Lot	Building: Land: .	\$
		TOTAL	██████████

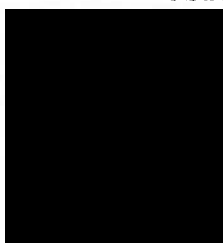
PROJECT INFORMATION SUMMARY: Complete a separate set for each project**PROJECT #: 1**Project Address: **2324 West 13th Street, Brooklyn, NY 11223**Cross Streets: **Avenue W and Avenue X**

Title Company Used for Initial Purchase: tele#:

Architect: **John Baumgarten Architect P.C. Tele#: (516) 939-2333**Number of floors including basement: **3** Zoning category: **C1-2/R-5**Services Provided in Facility: **Special Education Preschool**Gov't Funding Source(s)(select one, enter additional sources in "other"):
SED Other: **NYSDOH , ACS****If owned**, initial closing date: **(49% owned as of 12/31/1998**is this a mortgage? **no**outstanding principal due (est.): **\$n/a**maturity date: **n/a**any pre-payment penalties? **n/a**Lending facility name & address: **n/a****If leased**: lease term (state and end dates and available options): **51% unended term of use agreement with full conveyance of Title to Otsar when lessor fails to maintain current 9% utilization of facility.**Landlord Name & Address: **Marlboro Jewish Center
2324 West 13th Street, Brooklyn, New York 11223**Date Program became (or is projected to become) operational: **Existing Program****Estimates for all COSTS involved in project:**

Land & building acquisition	
New Construction	
Renovations/Building Improvement	
Machinery/Equipment	
Fees/Other Soft Costs	
Other (Explain)	
Total Project Costs	

Proposed SOURCES to finance the COSTS

Bonds (i.e., this financing)	
Loans from other sources	
Fund Balance	
Capital Campaigns	
Other Sources	

Total Project SourcesLOAN AMOUNT REQUESTED: 

Project Information Summary, Page 2

Provide brief responses to the following questions on a separate page and attach to the corresponding Project Information Summary, Page 1

1. Describe in detail the nature of the proposed project. Describe the site and any improvements on it. Describe proposed construction/renovation, if any.
2. What is the purpose of this project? What services are/will be provided?
3. Indicate, if applicable, the estimated dates for construction/renovation start and completion and financing drawdowns.
4. When is payment due date for improvements /construction costs ? (i.e. contractors)
What source of funds is the Applicant intending to use to pay for these improvements if the proceeds of a tax exempt bond issue are not available right away ?
If the project costs have already been paid, please identify what source of funds was applied to these costs in the first instance, when the cost was initially paid.
5. Will any entity/person other than the Applicant use the project facility?
Does the applicant intend to lease any portion of the project facility. List all present tenants including Name, contact person and telephone, square feet and floor(s) occupied, and lease expiration/renewal dates. In addition, indicate if additional space will be leased out and to what extent.
6. Will the project facility be operated by the Applicant or by someone else ?
If the operator is expected to be an entity other than the Applicant, who will operate the facility ?

If applicable, please provide a copy of the contract pursuant to which the operator will be present.
7. If any of the present or proposed tenants in this project are related to, or affiliated with the Applicant, please identify and indicate the percentage of occupancy.
8. If any of the present or proposed tenants in this project are related to, or affiliated with the seller of the property, please identify and indicate the percentage of occupancy.
9. Is there a relationship, legally, by virtue of common control, or through related personnel, directly or indirectly, between the Applicant and the present owner of the project site"?
if so, please provide details.
10. Has the Applicant, any existing or proposed tenant of the proposed project facility, or any person related to any of the foregoing, received or benefited 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.

A2. Project Summary Information: Otsar Early Childhood Center

1. The proposed project envisions a comprehensive renovation of Otsar's Early Childhood Center Facility located at 2324 W. 13th St. Brooklyn, NY. The Center, now serving approximately 100 handicapped children (learning disabled, neurologically impaired and mildly developmentally disabled) is housed in a two-story (along with a usable cellar space) fifty-year old facility that now requires major upgrading. Otsar's plans are to provide a new roof, new air-conditioning and heating systems (both are failing, replacement parts are often unavailable leading to days without heat or air-conditioning as well as costly repairs) a refurbished kitchen, improved lighting, replacement of the exterior classroom walls and new flooring (the flooring now presents a tripping hazard due to years of patching and the use of different materials.) Additionally ceilings will need to be redone to allow for proper ducts and the plan includes a reconfiguration of some of the common space areas to create an upgraded physical/occupational therapy area and two additional classrooms. For safety, sprinklers will be installed throughout the main and cellar areas along with an upgraded fire alarm system. The facility will be made handicapped accessible via a hydraulic elevator.

2. The purpose is to provide a safer facility, one more conducive to learning (the existing rooms are often either too hot or too cold, have inadequate sound barriers, lack proper ductwork and some are not adequately equipped with electrical outlets.) The site will be upgraded to conform to codes allowing handicapped access, will have a modern kitchen and appropriately coded toilet facilities. Otsar's Early Childhood Center provides an early intervention learning experience to handicapped children and will continue to do so with the renovations permitting expansion of services.

3. Currently the project is dependant on the acquisition of bond financing although the roof repair is of such magnitude that replacement may be initiated as soon as weather permits. Otsar would like to begin work during the summer of 2003 and envisions a phased renovation plan over the course of a twelve month period. Financing drawdowns are estimated to begin in September of 2003 at about 25% of project costs with the balance spread roughly equally over the following eleven months.

4. No agreement has been established as yet as to payment due dates for contractor(s). Assuming the aforementioned timetable the architect fees to begin preparation of working drawings will be required by June of 2002. (see question #3)

There are at this time no "contingency plans" to initiate improvements until there are assurances of receiving proceeds from a tax exempt bond. The renovation costs exceed the agencies ability to self-finance and borrowing can only be explored when the time frame for, and amount of, resource becomes known.

5. No

6. The Facility will be exclusively operated by Otsar Early Childhood Center.

7. N/A

8. N/A

9. N/A

10. Yes, the applicant has filed, simultaneously, for tax exempt financing for its Adult Day Habilitation Facility with the InterAgency Council of Mental Retardation and Developmental Disabilities Agencies, Inc.

A2a

PROJECT COST WORKSHEET: non-PPA Projects
AGENCY: Otsar Family Services Inc. Project: Otsar Early Childhood Center

Costs You Wish to Finance	
	<u>Actual Costs: enter final/projected costs</u>
COSTS	AMOUNT
Purchase Price	N/A
options paid by agency	
Purchase Subtotal	\$0
Rehab/Renovation	
Design	
Rehab Subtotal	
Soft Costs	
closing costs on initial purchase	
short term interest paid on interim financing	
environmental	
appraisals	
other legal and accounting costs	
Soft Costs Subtotal	
Start Up	
furniture	
equipment	
pre-op staffing	
staff training	
perishables	N/A
miscellaneous	
Start Up Subtotal	
GRAND TOTALS	

(Application Cover, Page 2)

NOTE: PLEASE FAX THIS PAGE TO IAC IMMEDIATELY UPON COMPLETION:**212-645-6360**

Project Address	block & Lot #	square footage	property cost
Project #: 1 2302 West 13 th Street Brooklyn, N.Y. 11223	Block 7160 Lot 9	Building:4800 Land: 8067.	██████████
Project #: 2	Block Lot	Building: Land: .	\$
Project #: 3	Block Lot	Building: Land: .	\$
Project #: 4	Block Lot	Building: Land: .	\$
Project #: 5	Block Lot	Building: Land: .	\$
Project #: 6	Block Lot	Building: Land: .	\$
Project #: 7	Block Lot	Building: Land: .	\$
Project #: 8	Block Lot	Building: Land: .	\$
Project #: 9	Block Lot	Building: Land: .	\$
		TOTAL	██████████

PROJECT INFORMATION SUMMARY: Complete a separate set for each project

PROJECT #: 1

Project Address: 2302 West 13th Street , Brooklyn, N.Y. 11223

Cross Streets: Avenue W and Avenue X

Title Company Used for Initial Purchase: Vintage Abstract tele#:

Architect: Harvey Ingersoll Rothenberg Tele#: 212-825-1111

Number of floors including basement: 1 Zoning category: C1-2/R-5

Services Provided in Facility: Day Habilitation

**Gov't Funding Source(s)(select one, enter additional sources in "other":
OMRDD Other:**

If owned, initial closing date: 4/9/2002

is this a mortgage? **yes**
 outstanding principal due (est.): [REDACTED]
 maturity date: **4/9/2017 (15 Year) 4/9/2007 (5 Year)**
 any pre-payment penalties? **none**
 Lending facility name & address: **Citibank, NA**

**CitiMortgage, Inc.
 PO Box 790016
 St. Louis, Mo 63179-0016**

If leased: lease term (state and end dates and available options):

Landlord Name & Address:

Date Program became (or is projected to become) operational: 9/1/2002

Estimates for all COSTS involved in project:

Land & building acquisition [REDACTED]
 New Construction [REDACTED]
 Renovations/Building Improvement [REDACTED]
 Machinery/Equipment [REDACTED]
 Fees/Other Soft Costs [REDACTED]
 Other (Explain) [REDACTED]
Total Project Costs [REDACTED]

Proposed SOURCES to finance the COSTS

Bonds (i.e., this financing) [REDACTED]
 Loans from other sources [REDACTED]
 Fund Balance [REDACTED]
 Capital Campaigns [REDACTED]
 Other Sources [REDACTED]
Total Project Sources [REDACTED]

LOAN AMOUNT REQUESTED: [REDACTED]

Provide brief responses to the following questions on a separate page and attach to the corresponding Project Information Summary, Page 1

1. Describe in detail the nature of the proposed project. Describe the site and any improvements on it. Describe proposed construction/renovation, if any.
2. What is the purpose of this project? What services are/will be provided?
3. Indicate, if applicable, the estimated dates for construction/renovation start and completion and financing drawdowns.
4. When is payment due date for improvements /construction costs ? (i.e. contractors)
What source of funds is the Applicant intending to use to pay for these improvements if the proceeds of a tax exempt bond issue are not available right away ?
If the project costs have already been paid, please identify what source of funds was applied to these costs in the first instance, when the cost was initially paid.
5. Will any entity/person other than the Applicant use the project facility?
Does the applicant intend to lease any portion of the project facility. List all present tenants including Name, contact person and telephone, square feet and floor(s) occupied, and lease expiration/renewal dates. In addition, indicate if additional space will be leased out and to what extent.
6. Will the project facility be operated by the Applicant or by someone else ?
If the operator is expected to be an entity other than the Applicant, who will operate the facility ?

If applicable, please provide a copy of the contract pursuant to which the operator will be present.
7. If any of the present or proposed tenants in this project are related to, or affiliated with the Applicant, please identify and indicate the percentage of occupancy.
8. If any of the present or proposed tenants in this project are related to, or affiliated with the seller of the property, please identify and indicate the percentage of occupancy.
9. Is there a relationship, legally, by virtue of common control, or through related personnel, directly or indirectly, between the Applicant and the present owner of the project site"?
if so, please provide details.
10. Has the Applicant, any existing or proposed tenant of the proposed project facility, or any person related to any of the foregoing, received or benefited from with 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? No If yes, please provide details.

Otsar Family Services Inc., Day Habilitation Project

1. The project began with the acquisition of a one story masonry structure of approximately 5,000 sq. ft. housing a non-commercial club located at 2302 West 13th Street; Brooklyn, NY (block 7160 Lot 9). The site required total or "gut" renovations for use by developmentally disabled adult clients as follows;
 - An 8 person Day Habilitation program area
 - A 12 person Day Habilitation program area
 - A 20 person Day Habilitation area
 - A meeting room
 - A ceramic studio
 - A training kitchen
 - An office/control area, storage space, janitors closer and 2 men's and women's ADA compliant toilet areas
2. The project will provide full-day habilitation services for up to 40 developmentally disabled adults that will include; life-skills training (budgeting, shopping, food preparation, travel skills and education as to community resources). Recreation, such as expressive art, ceramics, music and dance and an array of socialization activities.
3. Interior renovations are complete. Outside (outdoor) renovations i.e. asphaltting, gating and roof security, awaiting appropriate weather. All financing draw downs are complete excepting an amount approximately \$6,200 awaiting completion of the outdoor work and billing.
4. All contractor fees are paid excepting retainage amounts. Source of funds were initially provided by borrowing (the foundation for the Jewish Community) and that loan subsequently paid via Citibank Mortgage.
5. The applicant will be sole user.
6. The facility will be operated by applicant.
7. N/A

8. N/A

9. N/A

10. Yes. The applicant is submitting an application in addition to this one, via the Interagency Council of Mental Retardation and Developmental Disabled Agencies, Inc. for funding via the New York City Industrial Development Agency Civic Facility Revenue Bonds. The second application will be for renovations for Otsar's Early Childhood Center at 2324 West 13th Street; Brooklyn, NY.

PROJECT COST WORKSHEET: OMRDD Projects

AGENCY: Otsar Family Services Inc.

Project: Day habilitation

Costs You Wish to Finance

Initial Costs: enter final projected costs

PPA - General
Accounts

Enter the amounts exactly as they appear in the PPA letter

COSTS	Amount	Total PPA - Purchase				
		Building		Land	Option Paid by OMRDD	
Purchase Price						
options paid by agency (minus OMR paid options)						
Subtotal (available for financing)						
		Total PPA - Rehab			Design	(Asst. Tech)
Rehab/Renovatio			Rehab	Contingency		
Design						
minus Assistive Tech paid by OMR						
Subtotal (available for financing)						
		Total PPA - Soft costs		legal/ accounting	Interest on land	
Soft Costs						
closing costs on initial purchase						
short term interest paid on interim financing						
environmental						
appraisals						
other legal and accounting costs						
Subtotal (available for financing)						
		Total PPA - Start Up				
Start Up						
furniture						
equipment						
pre-op staffing						
staff training						
perishables						
miscellaneous						
Subtotal (available for financing)						
GRAND TOTALS						

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 the space provided below, indicate which information provided in this Application it believes falls into such category and an explanation as to why.

CERTIFICATION

I, the undersigned, request on behalf of **Otsar Family Services Inc.** ("Applicant") that this Application 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. 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 financing.

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, the Board President, Executive Director/CEO, and Fiscal Director/CFO (collectively, the "Executive Management") 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, Executive Management, and Applicant. I, Executive Management, and Applicant agree to give DOI permission to secure all necessary personal data from all relevant sources, public and private, and I, Executive Management, and Applicant further agree to cooperate in all phases of the DOI background and clearance procedure. I, Executive Management, 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.

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 DEC, 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, Executive Management, 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, Executive Management, and Applicant, I authorize IDA to disclose any such information, under such law or where so requested, and I, Executive Management and the Applicant release IDA from any liability to the Applicant, Executive Management and/or myself for such disclosure. I also authorize IDA at its discretion to transmit this Application or any financial data submitted herewith to prospective lenders, such as banks or insurance companies, and to IDA's financial advisors.

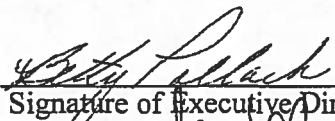
On behalf of Applicant, I acknowledge and agree that IDA reserves the right to require Applicant to submit at Applicant's sole expense, such other documentation as IDA may require in addition to the documentation required hereunder, and that all such documentation, whether requested hereunder or hereafter,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

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 Application fee accompanying this Application is non-refundable, regardless of whether or not this Application is so approved. Applicant acknowledges and accepts that: the Application fee will accrue towards 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.

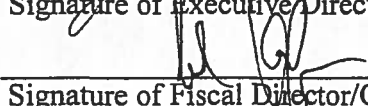
Date: 03/28/2003

Certification By:


Signature of Executive Director/CEO

Betty Pollack
Printed Name

Attested By:


Signature of Fiscal Director/CFO
OTSAR's Accountant

Sol Kaufman
Printed Name