
APPLICATION FOR FINANCIAL ASSISTANCE

Oneida County Industrial Development Agency

584 Phoenix Drive
Rome, New York 13441-1405
(315) 338-0393 telephone
(315) 338-5694 fax

Shawna M. Papale, Executive Director

A non-refundable application fee of \$500.00 must be submitted at the time of application along with a \$1000 commitment fee that will be submitted at the time of application; the \$1000 commitment fee will be applied at closing.

Please submit the original application, SEQR form and Cost/ Benefit and two (2) copies along with an electronic copy of the application, SEQR form and Cost/ Benefit with the applicable fee.

All applications must be submitted 10 days prior to meeting.

Name of Applicant: Medicare Administrators, LLC Number (to be provided by the agency)

Note to Applicant:

The information requested by this application is necessary to determine the eligibility of your project for Agency benefits. Please answer **all** questions, inserting “none” or “not applicable” where appropriate. If you are providing an estimate, please indicate by inserting “est” after the figure. Attach additional sheets if more space is needed for a response than is provided.

Return the original application and two copies with a check in the amount of \$1500.00 made payable to: **Oneida County Industrial Development Agency (OCIDA)**, 584 Phoenix Drive, Rome, New York 13441-1405, Attn.: Shawna M. Papale, Executive Director. \$1000 will be applied at closing against the IDA legal fees. In addition, an electronic version of the application (signed), SEQR form (signed), and Cost/benefit to spapale@mvedge.org.

Upon the submission of this application to the IDA, this applicant becomes a public document. Be advised that any action brought before the OCIDA is public information. All agenda's for the OCIDA are issued prior to full agency meetings and posted in public domain. If there is information that the applicant feels is proprietary please identify as such and that information will be treated confidentially to the extent permitted by law.

By signing and submitting this Application, the Applicant acknowledges that it received a copy of the Uniform Tax Exemption Policy and the Oneida County IDA Penalty for Failure to Meet Employment Levels as adopted by the Agency and Agency Memorandums pertaining to the benefits of projects financed through the Agency.

A project financed through the Agency involves the preparation and execution of significant legal documents. Please consult with an attorney before signing any documents in connection with the proposed project. You will receive an engagement letter from the OCIDA legal counsel. You will be asked to sign the engagement letter acknowledging you understand the legal fees you will be responsible for them and also acknowledge what the process is. Should you not close and legal services have been rendered by the OCIDA legal counsel, your company will be responsible for those costs.

If your project requires a public hearing, a representative of the applicant is required to be present. A date will be coordinated by the OCIDA legal counsel.

If you have questions how to calculate your companies IDA application fee please consult with the Memorandum to Companies Sale – Leaseback Transactions or please contact the IDA Executive Director.

Part I: Applicant Information

Note: In responding to the following questions, please keep in mind that the Applicant will be party to all of the documents and is the individual or entity which will receive the actual financial assistance from the Agency.

Applicant

1(a) Applicant's Legal Name: Medicare Administrators, LLC

1(b) Principal Address: 587 Main Street, Suite 301

New York Mills, NY 13417

1(c) Telephone/Facsimile Numbers: 315-736-2080

315-736-2162

1(d) Email Address: vscalise@medcareadmin.com

1(e) Federal Identification Number: 74-3072917

1(f) Contact Person: Victor Scalise

1(g) Is the Applicant a Corporation:
If yes, Public Private
If public, on which exchange is it listed?

Subchapter S

Sole Proprietorship

General Partnership

Limited Partnership

Limited Liability Corporation/Partnership

DISC

Other(specify) _____

1(h) State of Organization (if applicable) _____

Applicant's Stockholders, Directors and Officers (or Partners)

2(a) Provide the following information with respect to parties with 15% or more in equity holdings:

| <u>Name</u> | <u>Address</u> | <u>Percentage of Ownership</u> |
|-----------------|---|--------------------------------|
| Matthew J. Ross | 16 Mulberry Court, Whitesboro, NY 13492 | 100% |

2(b) Is the Applicant, or any of the individuals listed in 2(a) above, related directly or indirectly to any other entity by more than 50% common ownership? If so, indicate name of such entity and the relationship.

No.

2(c) Is the Applicant affiliated with any other entity, directly or indirectly, other than as listed in the response to 2(a) above? If yes, please indicate name and relationship of such other entity and the address thereof:

Partner: Quadsimia Internet Presence, 587 Main Street, Suite 200, New York Mills, NY 13417

Applicant's Counsel and Accountant

3(a). Applicant's Attorney

Name/Title: Camille Kahler, Attorney

Firm: Saunders Kahler

Address: 185 Genesee Street
Utica, NY 13501

Telephone/Fax: 315-733-0419
315-724-8522 (fax)

3(b) Applicant's Accountant

Name/Title: Scott Miller, CPA

Firm: D'Arcangelo & Co., Certified Public Accountants

Address: 120 Lomond Ct.
Utica, NY 13502

Telephone/Fax: 315-735-5216
315-735-5210 (fax)

Business Description

4(a) Describe the nature of your business and principal products and/or services. Attach additional sheets if necessary.

Provide medical billing/revenue cycle management services, procedural and diagnosis coding (CPT/ICD), medical practice management and medical practice consulting services to providers of all medical specialties, and institutions including hospitals, nursing homes and other facilities throughout New York State. We have expanded into Florida earlier this year.

Part II: Project Information

5(a) Explain your project in detail. This description should include explanation of all activities which will occur due to this project. Attach additional sheets if necessary.

Purchase, repair, renovation and build-out, for change of use to professional office space, of former Volkswagen Dealership located at 9372 River Road, Marcy, NY. Facility has been vacant for approximately 3 years. The project includes: environmental assessments, replacement of roof, structural repairs, environmental remediation, landscaping, update HVAC, update electrical, update plumbing, parking lot repairs, build-out to convert to professional office space, and installation of workstations.

Reasons for Project

6(a) Please explain in detail why you want to undertake this project.

Medcare Administrators is experiencing increased demands for our services with the vast changes in the healthcare marketplace. We have run out of space in our existing facility which is preventing us from effectively and efficiently serving the demands of existing clients, limiting our ability to implement business for new clients and limiting growth and creation of new jobs. The project will allow Medicare Administrators to grow, create new jobs, and retain existing jobs in the Mohawk Valley, and expand services into other states. The project will provide Medicare Administrators with an efficient state-of-the-art facility. It will allow better allocation of resources, ability to take on new work and space (office and parking) to accommodate significant future expansion along with new jobs. MCA is experiencing growth in several counties of NY State. This project will allow MCA to continue growing and keep its facilities and jobs in Oneida County.

6(b) Why are you requesting the involvement of the Agency in your project?

The healthcare market is experiencing tremendous change, unlike anything it has experienced before, far greater than the managed care revolution of the 1990s. With these significant changes comes the need for technical expertise and MCA has positioned itself well to provide knowledge to hospitals, physicians and the healthcare community. Declining governmental and insurance reimbursements impacts the profitability of healthcare facilities and medical practices, which in turn impacts Medicare Administrator's profitability and our ability to compete. The declining reimbursements have resulted in budget deficits at several local hospitals.

Medicare Administrator's current facility does not adequately accommodate existing staff or allow for maintaining quality service levels for current clients, and provides no room for new staff to meet new business demands. Existing staff has grown beyond the current space capacity creating inefficient work areas.

To accomplish this project, Medicare Administrators will require a combination of commercial financing, NYS and NYSEERDA financial assistance and financial assistance from the Oneida County Industrial Development Agency. Commercial financing alone will not be formidable to the success of the project. In our present facility MCA is struggling with the management of its growth and is presently using its capital resources ineffectively. The involvement of the Agency will allow MCA to focus on strategic planning vs. wasting resources on non-productive outcomes.

6(c) How will the Applicant's plans be affected if Agency approval is not granted?

As is being seen throughout the nation, health care delivery systems (including hospitals) are facing huge challenges on needing to meet the mandated high-quality standards that the government is putting in place. This is in addition to the traditional economic pressures of running a business. This is why the market is experiencing more and more mergers (Faxton-St. Lukes Healthcare and St. Elizabeth Medical Center in Utica is an example) or worse, the closure of practices and facilities in entirety. The reason for the drastic action is that the revenue received for providing services is not keeping pace with the increased costs (government sequestering is another example) while the nation's GNP in healthcare is at 20%.

As a service provider to health delivery systems, MCA is equally subject to managing its capital resources to balance needed staff vs. business expenses. These increased costs either need to be shared by MCA's clients with higher rates (which will impede growth and decrease MCA's current client base, providing less of a competitive advantage) and/or result in compensation levels to staff that are less than adequate, which will prevent new hiring or loss of existing jobs. If the Agency's approval is not granted the project is in serious risk of not happening. If the project does not happen, existing jobs will be jeopardized and future growth along with new jobs will not occur.

6(d) Is the proposed project reasonably necessary to discourage the Applicant from removing such other plant or facility to a location outside the State of New York?

[X] Yes [] No **If yes**, please explain briefly.

MCA has outgrown our current facilities, preventing our ability to grow. The work we perform does not need to be done in New York State. Clients can be served from virtually any location. Many offshore and out-of state billing services have emerged (and repeatedly solicit MCA to outsource many of our own internal work processes) of which MCA has been and wants to remain against. As profit margins shrink and competition drives down pricing along with the escalation of operational costs, including property taxes, financing, wages, etc., the long-term survival of the company may require different thinking and the geographic location to operate a cost-effective business will need to be evaluated. Agency involvement will help make Oneida County more competitive and retain the tax base of these jobs.

Is the proposed project reasonably necessary to preserve the competitive position of the Applicant in its respective industry? Yes No **If yes**, please explain briefly.

Please reference 6b, 6c, and 6d above. Without the project advancing, the increased costs and inefficiencies MCA is subject to will have a direct impact upon the rate it charges for service and the quality service it offers. In a highly competitive market, as more healthcare service businesses develop, price and quality will play an even bigger part in the decision process having both short and long-term impacts of survivability and sustainability.

6(e) Will financing by the Agency result in the removal or abandonment of a plant or other facility of the applicant or any related entity presently located in another area of New York State?
 Yes No **If yes**, please explain briefly the reason for the move.

6(f) Has the Applicant or any related entity previously secured financial assistance in Oneida County (whether through the Agency, the Empire State Development Corporation, or any other entity)? Yes No
If yes, please explain (indicate date of benefit, location of facility and outstanding balance).

6(g) Has the Applicant or any related entity secured financial assistance anywhere within the United States within the last 90 days or does the Applicant or any related entity anticipate receiving financial assistance within the next 90 days? Yes No
If yes, please explain.

We anticipate receiving financial assistance through a combination of traditional lending, and governmental loans, grants and tax abatements, in order to make this project feasible.

6(h) Check all categories best describing the **type of project**:

- Manufacturing
- Industrial Assembly or Service
- Research and Development
- Warehousing
- Commercial or Recreational
- Pollution Control (specify) _____

Other (specify) Administrative and professional services

6(i) Check all categories best describing the **scope of the project**:

Acquisition of land

Acquisition of existing building

Renovations to existing building

Construction of addition to existing building

Demolition of existing building

Construction of a new building

Acquisition of machinery and/or equipment

Installation of machinery and/or equipment

Other (specify) _____

6(j) Please indicate the financial assistance you are requesting of the Agency, and provide the estimated value of said assistance.

| Assistance | Estimated Value |
|---|------------------------|
| <input checked="" type="checkbox"/> Real Property Tax Abatement | \$96,386 |
| <input checked="" type="checkbox"/> Mortgage Tax Exemption | \$ 9,000 |
| <input checked="" type="checkbox"/> Sales and Use Tax Exemption | \$ 63,000 |
| <input type="checkbox"/> Issuance by the Agency of Tax Exempt Bonds | NONE |

Part III: Facility Information

Facility (Physical Information) If multiple locations please provide information on all.

7(a) Street Address of Facility:

9372 River Road

7(b) City, Town and/or Village:

Town of Marcy

*(Note: It is important that you list **all** incorporated municipalities in which the facility lies. This information will be used in scheduling a public hearing as required by statute.)*

7(c) School District:

Whitesboro Central School

7(d) Tax Account Number(s):

NA _____

Attach copies of the most recent real property tax bills. Include copies for all taxing jurisdiction for the site/ facility that IDA assistance is being sought.

Attached. Please note that the Town/County tax bill is pre-subdivision of the property and includes what is now a separate parcel that is no longer a part of this property.

7(e) For what purpose was the facility site most recently used (i.e., light manufacturing, heavy manufacturing, assembly, etc.)?

Automobile dealership, maintenance and repair facility

7(f) Zoning Classification of location of the project:

Industrial (IN)

7(g) Please describe in detail the facility to be acquired, constructed or renovated (including number of buildings, square footage, number of floors, type of construction,) and attach plot plans, photos or renderings, if available. **Please be as specific as possible.**

The facility to be acquired consists of a single building of approximately 15,000 sq. feet located on 2.65 acres. It is primarily one floor but does have a small second floor storage area of approximately 1,600 sq.ft. Attached are: 1) recent survey of the property that includes a plot plan; and 2) architectural drawings of the existing facility.

7(h) Has construction or renovation commenced? [] Yes [X] No

If yes, please describe the work in detail, including the date of commencement.

If no, indicate the estimated dates of commencement and completion:

Construction commencement: Approximately January 15, 2014

Construction completion: Approximately May 31, 2014

7(i) Will the construction or operation of the facility or any activity which will occur at the site require any local ordinance or variance to be obtained or require a permit or prior approval of any state or federal agency or body (other than normal occupancy and/or construction permits)?

[X] Yes [] No

If yes, please describe.

The proposed use is a permitted use under the Town of Marcy Zoning Ordinance. The Zoning Ordinance does, however, require a site plan review by the Town of Marcy Planning Board. In addition, a Short Environmental Assessment form by Oneida County Planning Department and a Building Permit by the Town of Marcy Codes Enforcement Officer are required.

7(j) Will the project have a significant effect on the environment? [] Yes [X] No

Important: please attach Environmental Assessment Form to this Application.

Attached.

7(k) What is the useful life of the facility? 50 years

7(l) Is the site in an Empire Zone? [] Yes [X] No

If yes, which Empire Zone: _____

Is the business Empire Zone certified at this location: [] Yes [X] No

Attached a copy of the last Business Annual Report filed. If not certified, explain why not:

NA

Facility (Legal Information)

- 8(a) With respect to the **present owner** of the facility, please give the following information:
(Note: the present owner is not necessarily the user of the facility, but that party which holds legal title to the facility.)

Legal Name: ANGELA M. LORD and PAUL M. PAOLOZZI, Trustees of the JOSEPH A. PAOLOZZI, JR. TRUST Under the Will of JOSEPH A. PAOLOZZI, JR., and TRUSTEES OF THE JOSEPH A. PAOLOZZI, JR. REVOCABLE TRUST, and ANGELA M. LORD, Executrix of the Estate of Joseph A. Paolozzi, Jr

Address: 19 Toggletown Road, Clinton, New York 13323

Telephone: 315-225-3387

Balance of Mortgage: None

Holder of Mortgage: NA

If the Applicant is not the present owner of the facility, please attach any written agreements and contracts concerning the acquisition of the real property and/or equipment.

The executed purchase agreement is attached.

- 8(b) Is there a legal relationship, directly or indirectly, by virtue of common control or through related persons, between the Applicant and the present owner of the facility?
 Yes No. If yes, please explain.

- 8(c) Will a related real estate holding company, partnership or other entity, be involved in the ownership structure of the transaction?
 Yes No. If yes, please explain.

Property will be held by holding company or LLC

- 8(d) Will the title owner of the facility/ property also be the user of the facility?
 Yes No. If no, please explain.

8(e) Is the Applicant currently a tenant in the facility? Yes No

8(f) Are you planning to use the entire proposed facility?
 Yes No

If no, please give the following information with respect to tenant(s) which will remain in the facility after the completion of the project:

| <u>Name of Tenant</u> | <u>Floors Occupied</u> | <u>Square Feet Occupied</u> | <u>Nature of Business</u> |
|-----------------------|------------------------|-----------------------------|---------------------------|
|-----------------------|------------------------|-----------------------------|---------------------------|

8(g) Are any of the tenants related to the owner of the facility? N/A
 Yes No
If yes, please explain.

8(h) Will there be any other users other than the applicant to the IDA be utilizing the facility?
 Yes No
If yes, please explain. Provide detail of the contractual arrangement including any financial exchange for the use of the site or property.

Equipment

9(a) List the principal items or categories of equipment to be acquired as part of the project. (As soon as one is available but prior to final authorizing resolution, please submit a detailed inventory of said equipment.)

Office Equipment including workstations and furniture, computers and servers, document centers, etc.; HVAC systems; electrical and lighting; elevator; plumbing fixtures; fiber optic high speed internet equipment;

9(b) Please provide a brief description of any equipment which has already been purchased or ordered, attach all invoices and purchase orders, list amounts paid and dates of expected delivery. Attach a sheet if needed.

NONE

9(c) What is the useful life of the equipment? 5-15 years

Part IV: Employment Information

10(a) Estimate how many construction jobs will be created or retained as a result of this project.

Construction Jobs 21

10(b) Estimate how many jobs will be created as a result of this project.

Permanent Jobs to be created by Project at Applicant's facility: 10 FTE

Average Salary of these jobs:
Management/Supervisor (2) \$55,000
Medical Billing (8) \$31,200

10 (c) What is the applicant entity's current level of employment in Oneida County at the time of application. Please indicate in full time equivalents (FTE). 43 FTE

Permanent Jobs to be retained by Project at location to be assisted with the requested IDA benefits 43 FTE

Average Salary of these jobs: \$18.12/hr

Other locations in Oneida County _____ FTE

Average Salary of these jobs: \$ _____

Employment in other NYS locations, list below _____ FTE

Average Salary of these jobs: \$ _____

10(c) Please list the NIC codes for the jobs affiliated with this project. 541

Part V: Estimated Project Cost and Financing

11(a) List the costs necessary for the construction, acquisition or renovation of the facility. Do **not** include working capital needs, moving expenses, work in progress, stock in trade, Applicant's debt repayment, real estate broker fees or your legal fees.

| | |
|---|-------------|
| Acquisition of Land | _____ |
| Acquisition of Building(s) | \$493,000 |
| Renovation Costs | \$445,000 |
| New Construction of Buildings | _____ |
| Machinery and Equipment (other than furniture costs) | \$57,000 |
| Fixtures | \$70,000 |
| Installation Costs | _____ |
| Fees (other than your own broker and legal fees) | _____ |
| Legal Fees (IDA legal fees, Applicant legal fees) | \$17,500 |
| Architectural/Engineering | \$20,000 |
| Interest on Interim Financing | \$18,901 |
| Other (specify) | |
| Demolition & Environmental Remediation | \$160,000 |
| Soft Costs | \$75,000 |
| Subtotal | \$1,356,401 |
| Agency Fee¹ | \$7,000 |

Total Project Cost \$1,363,401

¹See Attached Fee Schedule (Page 19) for Agency Fee amount to be placed on this line

11(b) What amount of the Total Project Cost is the Applicant requesting financing by the Agency?

TBD

Real Estate Taxes

12(a) For each tax parcel which comprises the facility, please provide the following information, using figures from the most recent tax year:

| Tax Acct # | Current Assessed Value (Land) | Current Assessed Value (Building) | Real Estate Taxes |
|--------------|-------------------------------|-----------------------------------|-------------------|
| 292.004-1-37 | | \$442,000 | \$19,472 |
| | | | |
| | | | |
| | | | |

12(b) Address of Receiver of Town and/or Village Taxes:

8801 Paul Becker Road
 Marcy, NY 13403

12(c) Address of Receiver of School Taxes:

8539 Clark Mills Road
 Whitesboro, NY 13492

12(d) Will the completion of the proposed project result in the increase of the assessment of any of the parcels named above? [] Yes [X] No

If yes, please indicate which tax account numbers will be affected.

Financial Information

- 13(a) Has the Applicant contacted any bank, financial/lending institution or private investor with respect to the financing of the proposed project?
 Yes No

If yes, please provide details.

Adirondack Bank
M&T Bank

- 13(b) Has the Applicant received a commitment letter for said financing?
 Yes No

If yes, please submit a copy of said commitment letter along with this Application.

- 13(c) please complete the Cost/Benefit Analysis form and attach to this Application. As you complete and have questions please call.

REPRESENTATIONS AND CERTIFICATION BY APPLICANT

The undersigned requests that this Application be submitted for review to the Oneida County Industrial Development Agency's Board of Directors.

Approval of the Application can be granted solely by this Agency's Board of Directors. The undersigned acknowledges that Applicant shall be responsible for all costs incurred by the Agency and its counsel in connection with the attendant negotiations whether or not the transaction is carried to a successful conclusion.

The Applicant further understands and agrees with the Agency as follows:

1. **Annual Sales Tax Filings.** In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant.
2. **Annual Employment Reports.** The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site as well as tax benefits received with the action of the OCIDA.
3. **Absence of Conflict of Interest.** The Applicant has consulted the OCIDA website of the list of the Agency members, officers and employees of the Agency. No member, officer, or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as herein after described:
4. **Hold Harmless.** Applicant hereby releases Oneida County Industrial Development Agency and the members, officers, servants, agents and employees thereof (the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects

the Application, or if the Agency or the Applicant are unable to reach final agreement with respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

- 5. The applicant acknowledges that the OCIDA has disclosed that the actions and activities of the OCIDA are subject to the Public Authorities Accountability Act signed into law January 13, 2006 as Chapter 766 of the 2005 Laws of the State of New York.

The Applicant and the individual executing this Application on behalf of the Applicant acknowledge that the Agency will rely on the representations made herein when acting on this Application and hereby represent that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

MEDCARE ADMINISTRATORS, LLC

(Applicant)

By: [Signature]_____

Name: Victoria J. Scaruse_____

Title: C.O.O._____

Date: 10/29/2013_____

If the application has been completed by or in part by other than the person signing this application for the applicant please indicate who and in what capacity:

By: _____

Name: _____

Title: _____

Date: _____

Return the original application and two copies with a check in the amount of \$1500.00 made payable to: **Oneida County Industrial Development Agency (OCIDA)**, 584 Phoenix Drive, Rome, New York 13441-1405, Attn.: Shawna M. Papale, Executive Director. \$1000 will be applied at closing against the IDA legal fees. In addition, an electronic version of the application (signed), SEQR form (signed), and Cost/benefit to spapale@mvedge.org.

Agency Fee Schedule

Commitment Fee: \$1,000 – due following the initial inducement but prior to scheduling of the public hearing; this amount is non-refundable if the applicant fails to close on the project before the IDA. Upon closing with the IDA this amount is applied to the legal closing fees.

Bond Fees: ½ of 1% of total bond amount

IDA Agency Fee: PILOT, Mortgage Recording Exemption, Sales Tax Exemption:

- o Up to a \$1.0 Million project - \$5,000
- o Above \$1.0 Million project up to \$10.0 Million project – ½ of 1% of total project cost.
- o Above \$10.0 Million project – ½ of 1% of total project cost up to \$10.0 Million plus incremental increase of ¼ of 1% of total project above \$10.0 Million.

Agency Counsel fee:

Set by Bond/Transaction Counsel based upon the nature and complexity of the transaction. This applies to bond and non-bond transactions (leasebacks, sale-leasebacks, etc).

Agency Counsel fees in Bond and non bond transactions will not normally exceed the greater of (a) 2% of the Bond amount or project costs or (b) a minimum is in customary transactions \$8,500 to \$10,000.

Annual Fee:

For the term in which the property remains in the IDA's name, an annual lease payment is due in the amount of \$500. The first payment is due at closing. This amount is due on the anniversary date of the first date of the month in which the IDA documents were executed. For annual fees not paid and delinquent, a late charge of \$50 per month will be levied until such time the fee plus late charges are paid.

Other fees:

For an IDA property which requires follow up action – a 1/8 of one percent of the total reissuance, redemption, new or revised mortgage, refinancing, spreading agreement or other transaction requiring action of the IDA shall be 1/8 of one percent of total project amount for a minimum payment to the IDA of \$500.