

GERMANO & CAHILL, P.C.

Of Counsel to MEYER, SUOZZI, ENGLISH & KLEIN, P.C.

Guy W. Germano
Michael J. Cahill

Meghan Healy
Doris B. Bilotti
G. William Germano, Jr.

June 13, 2018

BY HAND

Mr. William Mannix
Administrative Director
Town of Islip Industrial Development Agency
40 Nassau Avenue
Islip, NY 11751

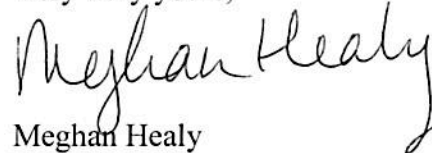
Re: *Application for Financial Assistance of 55 Paradise Lane Realty LLC*

Dear Mr. Mannix:

Enclosed for submission in connection with the above-referenced application are the financial statements of 55 Paradise Lane Realty LLC for the last two fiscal years. Please return the same to us upon completion of your review of the application.

Please call me with any questions.

Very truly yours,


Meghan Healy

Enclosures

cc: Mr. Marc P. Beige



Town of Islip Industrial Development Agency

40 Nassau Ave, Islip, New York

Office - 631-224-5512/Fax – 631-224-5532

www.IslipIDA.com

APPLICATION FOR FINANCIAL ASSISTANCE

DATE: 6/13/18

APPLICATION OF: 55 Paradise Lane Realty LLC
Name of Owner and/or User of Proposed Project

ADDRESS: 40 Harold Court (a.k.a. 55 Paradise Lane)
Bay Shore, NY 11706

Type of Application: ☐ Tax-Exempt Bond ☐ Taxable Bond
☒ Straight Lease ☐ Refunding Bond

APPLICANT INSTRUCTIONS

- In order for the Town of Islip IDA Application to be reviewed in a timely manner, it must be complete. All questions must be answered and all required attachments must be included.
- Use "None" or "Not Applicable" where necessary
- All applicants must submit an original and two (2) copies of all documents to the Agency
- All applications must be accompanied by a \$1,000 non-refundable application fee made out to the **Town of Islip Industrial Development Agency**, and a \$500 non-refundable fee made out to the **Town of Islip** for the EAF Review, which is required by the State Environmental Quality Review Act (SEQRA). *If the project has already undergone a SEQRA review during the preview process, then applicant can submit the completed EAF in lieu of the fee*

APPLICANT CHECKLIST

- I have completed all sections of the application
- I have signed and notarized the Certification Section (Part IX)
- I have signed Schedule A regarding the Fee Structure for all IDA transactions
- I have attached all company financial information required by Part VIII
- I have completed and signed the Environmental Assessment Form required by SEQRA (if the project has already undergone SEQRA review, submit completed EAF)
- I have completed Form RP485-b as required by Real Property Tax Law
- I have submitted the original and two (2) copies of all application materials to the Agency for review
- I have submitted an application fee check for \$1000 payable to the **Town of Islip IDA**
- I have submitted a \$500 check payable to the **Town of Islip** for the SEQRA review, or the completed EAF

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Part I: Owner & User Data

1. Owner Data:

A. Owner (Applicant for assistance): 55 Paradise Lane Realty LLC

Address: One Rubie Plaza
Richmond Hill, NY 11418

Federal Employer ID # [REDACTED] Website: _____

NAICS Code: _____

Owner Officer Certifying Application: Marc P. Beige

Title of Officer: Managing Member

Phone Number: [REDACTED] E-mail: _____

B. Business Type:

Sole Proprietorship ☐ Partnership ☐ Privately Held ☒

Public Corporation ☐ Listed on _____

State of Incorporation/Formation: NY/LLC

C. Nature of Business:

(e.g., "manufacturer of _____ for _____ industry"; "distributor of _____"; or "real estate holding company")

Real Estate Holding Company

D. Owner Counsel:

Firm Name: Germano & Cahill, P.C.

Address: 4250 Veterans Mem Hwy, Suite 275

Holbrook, NY 11741

Individual Attorney: Guy W. Germano

Phone Number: [REDACTED] E-mail: [REDACTED]

E. Principal Stockholders, Members or Partners, if any, of the Owner (5% or more equity):

Name	Percent Owned
Marc P. Beige	1/3
Howard J. Beige	1/3
Maxine Beige	1/3

F. Has the Owner, or any subsidiary or affiliate of the Owner, or any stockholder, partner, member, officer, director or other entity with which any of these individuals is or has been associated with:

- i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (if yes, please explain)

No.

- ii. been convicted of a felony, or misdemeanor, or criminal offense (other than a motor vehicle violation)? (if yes, please explain)

No.

G. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the Owner, list all other organizations which are related to the Owner by virtue of such persons having more than a 50% interest in such organizations.

N/A

H. Is the Owner related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

No.

I. List parent corporation, sister corporations and subsidiaries:

See Addendum.

- J. Has the Owner (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

Yes; see Addendum.

- K. List major bank references of the Owner:

HSBC Bank USA, NA, - contact Philip Panarelli

2. User Data

*** (for co-applicants for assistance or where a landlord/tenant relationship will exist between the owner and the user) ***

- A. User (together with the Owner, the "Applicant"): To be determined

Address: _____

Federal Employer ID #: _____ Website: _____

NAICS Code: _____

User Officer Certifying Application: _____

Title of Officer: _____

Phone Number: _____ E-mail: _____

- B. Business Type:

Sole Proprietorship ☐ Partnership ☐ Privately Held ☐

Public Corporation ☐ Listed on _____

State of Incorporation/Formation: _____

- C. Nature of Business:

(e.g., "manufacturer of _____ for _____ industry"; "distributor of _____"; or "real estate holding company")

D. Are the User and the Owner Related Entities? Yes ☐ No ☐

i. If yes, the remainder of the questions in this Part I, Section 2 (with the exception of "F" below) need not be answered if answered for the Owner.

ii. If no, please complete all questions below.

E. User's Counsel:

Firm Name: _____

Address: _____

Individual Attorney: _____

Phone Number: _____

E-mail: _____

F. Principal Stockholders or Partners, if any (5% or more equity):

Name

Percent Owned

G. Has the User, or any subsidiary or affiliate of the User, or any stockholder, partner, officer, director or other entity with which any of these individuals is or has been associated with:

i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (if yes, please explain)

ii. been convicted of a felony or criminal offense (other than a motor vehicle violation)? (if yes, please explain)

- H. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the User, list all other organizations which are related to the User by virtue of such persons having more than a 50% interest in such organizations.

- I. Is the User related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

- J. List parent corporation, sister corporations and subsidiaries:

- K. Has the User (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

- L. List major bank references of the User:

Part II – Operation at Current Location

***** (if the Owner and the User are unrelated entities, answer separately for each) *****

1. Current Location Address: 40 Harold Court (55 Paradise Lane), Bay Shore

2. Owned or Leased: Owned

3. Describe your present location (acreage, square footage, number buildings, number of floors, etc.):

10.75-acre parcel; Industrial 1 zone; 30,745-square-foot one-story vacant office building

-
4. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services:

The building at the present location was a vacant office building, was demolished in February.

5. Are other facilities or related companies of the Applicant located within the State?
Yes ☒ No ☐

A. If yes, list the Address: See response to Part 1(1)(J) above.

6. If yes to above ("5"), will the completion of the project result in the removal of such facility or facilities from one area of the state to another OR in the abandonment of such facility or facilities located within the State? Yes ☐ No ☒

A. If no, explain how current facilities will be utilized: The existing building was demolished
and will be replaced with a 180,000 square-foot warehouse for development of this Industrial 1 site.

- B. If yes, please indicate whether the project is reasonably necessary for the Applicant to maintain its competitive position in its industry or remain in the State and explain in full:

N/A

7. Has the Applicant actively considered sites in another state? Yes ☐ No ☒

A. If yes, please list states considered and explain: _____

8. Is the requested financial assistance reasonably necessary to prevent the Applicant from moving out of New York State? Yes ☐ No ☒

A. Please explain: The purpose of the application is to obtain financial assistance for Owner to develop the subject property
and construct a modern 180,000 square-foot building with a 34,560 square-foot mezzanine to replace the existing vacant office building.

9. Number of full-time employees at current location and average salary: Vacant building
with no employees.
-

Part III – Project Data

1. Project Type:

A. What type of transaction are you seeking?: (Check one)

Straight Lease ☒ Taxable Bonds ☐ Tax-Exempt Bonds ☐

Equipment Lease Only ☐

B. Type of benefit(s) the Applicant is seeking: (Check all that apply)

Sales Tax Exemption ☐ Mortgage Recording Tax Exemption ☐

PILOT Agreement: ☐

2. Location of project:

A. Street Address: 40 Harold Court (a.k.a. 55 Paradise Lane), Bay Shore

B. Tax Map: District _____ Section _____ Block _____ Lot(s) _____
Index Number 778.655

C. Municipal Jurisdiction:

i. Town: Islip

ii. Village: N/A

iii. **School District:** Brentwood School District

D. Acreage: 10.75

3. Project Components (check all appropriate categories):

A. Construction of a new building ☒ Yes ☐ No

i. Square footage: 180,000 plus 34,560 s.f. mezzanine

B. Renovations of an existing building ☐ Yes ☒ No

i. Square footage: _____

C. Demolition of an existing building

i. Square footage: 30,745

D. Land to be cleared or disturbed ☒ Yes ☐ No

i. Square footage/acreage: 100% (Land cleared as a result of prior uses)

E. Construction of addition to an existing building ☐ Yes ☒ No

i. Square footage of addition: _____

ii. Total square footage upon completion: _____

F. Acquisition of an existing building ☐ Yes ☒ No

i. Square footage of existing building: _____

G. Installation of machinery and/or Equipment ☒ Yes ☐ No

i. List principal items or categories of equipment to be acquired: _____

Equipment will be installed necessary to equip the facility for tenant uses.

4. Current Use at Proposed Location:

A. Does the Applicant currently hold fee title to the proposed location? Yes

i. If no, please list the present owner of the site: _____

B. Present use of the proposed location: Vacant one-story office building

C. Is the proposed location currently subject to an IDA transaction (whether through this Agency or another?) ☐ Yes ☒ No

i. If yes, explain: _____

D. Is there a purchase contract for the site? (if yes, explain): ☐ Yes ☒ No

E. Is there an existing or proposed lease for the site? (if yes, explain): ☐ Yes ☒ No

5. Proposed Use:

A. Describe the specific operations of the Applicant or other users to be conducted at the project site: _____

Applicant intends to lease the proposed building to long-term tenants, who are expected to use the facility for warehousing/manufacturing.

B. Proposed product lines and market demands: TBD

C. If any space is to be leased to third parties, indicate the tenant(s), total square footage of the project to be leased to each tenant, and the proposed use by each tenant:

Applicant intends to have three tenant spaces, each lease to be approximately 71,520 square-feet

for a total of 214,560 square-feet (mezzanine included).

D. Need/purpose for project (e.g., why is it necessary, effect on Applicant's business):

Owner is a real estate holding company and the project will be leased to third party tenants for needed industrial and warehouse space in a distressed area with a large number of recent immigrants and will provide jobs important to that community.

E. Will any portion of the project be used for the making of retail sales to customers who personally visit the project location? Yes ☐ No ☒

i. If yes, what percentage of the project location will be utilized in connection with the sale of retail goods and/or services to customers who personally visit the project location? _____

6. Project Work:

A. Has construction work on this project begun? If yes, complete the following:

i. Site Clearance:	Yes ☐	No ☒	% COMPLETE	_____
ii. Foundation:	Yes ☐	No ☐	% COMPLETE	_____
iii. Footings:	Yes ☐	No ☐	% COMPLETE	_____
iv. Steel:	Yes ☐	No ☐	% COMPLETE	_____
v. Masonry:	Yes ☐	No ☐	% COMPLETE	_____
vi. Other:	_____			

B. What is the current zoning?: Industrial 1

C. Will the project meet zoning requirements at the proposed location?

Yes ☒ No ☐

D. If a change of zoning is required, please provide the details/status of the change of zone request: N/A

E. Have site plans been submitted to the appropriate planning department? Yes ☒ No ☐

7. Project Completion Schedule:

A. What is the proposed commencement date for the acquisition and the construction/renovation/equipping of the project?

i. Demolition on or about
Acquisition: February 2018

ii. Construction/Renovation/Equipping: on or about June 1, 2018

- B. Provide an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur: on or about January 1, 2020

Part IV – Project Costs and Financing

1. Project Costs:

- A. Give an accurate estimate of cost necessary for the acquisition, construction, renovation, improvement and/or equipping of the project location:

<u>Description</u>	<u>Amount</u>
Land and/or building acquisition	\$ <u>N/A</u>
Building(s) demolition/construction	\$ <u>12,000,000</u>
Building renovation	\$ <u>N/A</u>
Site Work	\$ <u>1,882,500</u>
Machinery and Equipment	\$ <u>N/A</u>
Legal Fees	\$ <u>50,000</u>
Architectural/Engineering Fees	\$ <u>573,000</u>
Financial Charges	\$ <u>50,000</u>
Other (Specify)	\$ <u></u>
Total	\$ <u>14,555,500</u>

2. Method of Financing:

	<u>Amount</u>	<u>Term</u>
A. Tax-exempt bond financing:	\$ <u></u>	<u></u> years
B. Taxable bond financing:	\$ <u></u>	<u></u> years
C. Conventional Mortgage:	\$ <u>14,000,000</u>	<u>10</u> years
D. SBA (504) or other governmental financing:	\$ <u></u>	<u></u> years
E. Public Sources (include sum of all State and federal grants and tax credits):	\$ <u></u>	
F. Other loans:	\$ <u></u>	<u></u> years
G. Owner/User equity contribution:	\$ <u>Vacant Land</u>	<u></u> years

Total Project Costs \$ Land Value (\$14,000,000)

- i. What percentage of the project costs will be financed from public sector sources?

None

3. Project Financing:

- A. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? Yes ☐ No ☒

- i. If yes, provide detail on a separate sheet.

- B. Are costs of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of bond proceeds? Give details:

N/A

- C. Will any of the funds borrowed through the Agency be used to repay or refinance an existing mortgage or outstanding loan? Give details:

N/A

- D. Has the Applicant made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom:

N/A

Part V – Project Benefits

1. Mortgage Recording Tax Benefit:

- A. Mortgage Amount for exemption (include sum total of construction/permanent/bridge financing):

\$ 14,000,000

- B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and $\frac{1.05}{100}$ %):

\$ 147,000 \$105,000 QW

0.75% QW

2. Sales and Use Tax Benefit:

- A. Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax (such amount to benefit from the Agency's exemption):

\$ 3,500,000

- B. Estimated State and local Sales and Use Tax exemption (product of 8.625% and figure above):

\$ 301,875

- C. If your project has a landlord/tenant (owner/user) arrangement, please provide a breakdown of the number in "B" above:

i. Owner: \$ N/A

ii. User: \$ N/A

3. Real Property Tax Benefit:

- A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit: No

- B. Agency PILOT Benefit:

i. Term of PILOT requested: 10 years

- ii. Upon acceptance of this application, the Agency staff will create a PILOT schedule and indicate the estimated amount of PILOT Benefit based on anticipated tax rates and assessed valuation and attached such information to Exhibit A hereto. At such time, the Applicant will certify that it accepts the proposed PILOT schedule and requests such benefit to be granted by the Agency.

*** This application will not be deemed complete and final until Exhibit A hereto has been completed and executed.***

Part VI – Employment Data

1. List the Applicant's and each users present employment, and estimates of (i) employment at the proposed project location at the end of year one and year two following project completion and (ii) the number of residents of the Labor Market Area* ("LMA") that would fill the full-time and part-time jobs at the end of year second year following completion:

	<u>Present</u>	<u>First Year</u>	<u>Second Year</u>	<u>Residents of LMA</u>
Full-Time	<u>0</u>	<u>45</u>	<u>72</u>	<u>90% +/-</u>
Part-Time**	<u>0</u>	<u>10</u>	<u>15</u>	<u>90% +/-</u>

* The Labor Market Area includes the County/City/Town/Village in which the project is located as well Nassau and Suffolk Counties.

** Agency staff converts Part-Time jobs into FTEs for state reporting purposes by dividing the number of Part-Time jobs by two (2).

2. Salary and Fringe Benefits:

Category of Jobs to be Retained and Created	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Salary Wage Earners	\$50,000	\$18,000
Commission Wage Earners	N/A	N/A
Hourly Wage Earners	\$16.50	\$5.50
1099 and Contract Workers	N/A	N/A

Note: The Agency reserves the right to visit the facility to confirm that job creation numbers are being met.

Part VII – Representations, Certifications and Indemnification

1. Is the Applicant in any litigation which would have a material adverse effect on the Applicant's financial condition? (if yes, furnish details on a separate sheet)

Yes ☐ No ☒

2. HAS THE APPLICANT OR ANY OF THE MANAGEMENT OF THE APPLICANT, THE ANTICIPATED USERS OR ANY OF THEIR AFFILIATES, OR ANY OTHER CONCERN WITH WHICH SUCH MANAGEMENT HAS BEEN CONNECTED, BEEN CITED FOR A VIOLATION OF FEDERAL, STATE OR LOCAL LAWS OR REGULATIONS WITH RESPECT TO LABOR PRACTICES, HAZARDOUS WASTES, ENVIRONMENTAL POLLUTION OR OTHER OPERATING PRACTICES? (IF YES, FURNISH DETAILS ON A SEPARATE SHEET)

Yes ☐ No ☒

3. Is there a likelihood that the Applicant would not proceed with this project without the Agency's assistance? (If yes, please explain why; if no, please explain why the Agency should grant the benefits requested)

Yes ☒ No ☐

See Addendum.

-
4. If the Applicant is unable to obtain financial assistance from the Agency for the project, what would be the impact on the Applicant and on the municipality?

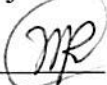
See Addendum.

5. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if financial assistance is provided for the proposed project:

§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

Initial 

6. The Applicant understands and agrees that in accordance with Section 858-b(2) of the General Municipal Law, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the project will be listed with the New York State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300) in which the project is located (collectively, the "Referral Agencies"). The Applicant also agrees, that it will, except as otherwise provided by collective bargaining contracts or agreements to which they are parties, first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the Referral Agencies

Initial 

7. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving financial assistance for the proposed project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

Initial 

8. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.

Initial



9. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

Initial



10. In accordance with Section 862(1) of the New York General Municipal Law the Applicant understands and agrees that projects which result in the removal of an industrial or manufacturing plant of the project occupant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the project occupant within the State is ineligible for financial assistance from the Agency, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the project in its respective industry or to discourage the project occupant from removing such other plant or facility to a location outside the State.

Initial



11. The Applicant represents and warrants that to the Applicant's knowledge neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become a person or entity with who United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List or under any statute, executive order including the September 24, 2001, Executive Order Block Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, or other governmental action and is not and will not assign or otherwise transfer this Agreement to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

Initial



12. The Applicant confirms and hereby acknowledges it has received the Agency's fee schedule attached hereto as Schedule A and agrees to pay such fees, together with any expenses incurred by the Agency, including those of Transaction Counsel, with respect to the Facility. The Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the project.

Initial



13. The Applicant confirms and hereby acknowledges it has received the Agency's [Construction Wage] Policy attached hereto as Schedule B and agrees to comply with the same.

Initial



14. The Applicant hereby agrees to comply with Section 875 of the General Municipal Law. The Company further agrees that the financial assistance granted to the project by the Agency is subject to recapture pursuant to Section 875 of the Act and the Agency's [Recapture and Termination] Policy, attached hereto as Schedule C.

Initial



Part VIII – Submission of Materials

1. Financial statements for the last two fiscal years (unless included in the Applicant's annual report).
2. Applicant's annual reports (or 10-K's if publicly held) for the two most recent fiscal years.
3. Quarterly reports (form 10-Q's) and current reports (form 8-K's) since the most recent annual report, if any.
4. In addition, please attach the financial information described in items A, B, and C of any expected guarantor of the proposed bond issue.
5. Completed Short Environmental Assessment Form.
6. Most recent quarterly filing of NYS Department of Labor Form 45, as well as the most recent fourth quarter filing. Please remove the employee Social Security numbers and note the full-time equivalency for part-time employees.

(Remainder of Page Intentionally Left Blank)

Part IX – Certification

Marc P. Beige (name of representative of company submitting application) deposes and says that he or she is the Managing Member (title) of 55 Paradise Lane Realty LLC, the corporation (company name) named in the attached application; that he or she has read the foregoing application and knows the contents thereof; and that the same is true to his or her knowledge.

Deponent further says that s/he is duly authorized to make this certification on behalf of the entity named in the attached Application (the “Applicant”) and to bind the Applicant. The grounds of deponent’s belief relative to all matters in said Application which are not stated upon his/her personal knowledge are investigations which deponent has caused to be made concerning the subject matter this Application, as well as in formation acquired by deponent in the course of his/her duties in connection with said Applicant and from the books and papers of the Applicant.

As representative of the Applicant, deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the [Town of Islip] Industrial Development Agency (hereinafter referred to as the “Agency”) in connection with this Application, the attendant negotiations and all matters relating to the provision of financial assistance to which this Application relates, whether or not ever carried to successful conclusion. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act 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 Applicant is unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees to bond or transaction counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion and sale of the transaction contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the Agency in accordance with its fee schedule in effect on the date of the foregoing application, and all other appropriate fees, which amounts are payable at closing.

Marc P. Beige
Representative of Applicant

Sworn to me before this 8

Day of June, 2018

Carol Sussman Ditzkovich
(Seal)

CAROL SUSSMAN DITKOWICH
NOTARY PUBLIC-STATE OF NEW YORK
No. 01DI6285281
Qualified in Nassau County
My Commission Expires 07-01-2021

EXHIBIT A

Proposed PILOT Schedule

Upon acceptance of the Application and completion of the Cost Benefit Analysis, the Agency will attach the proposed PILOT Schedule, together with the estimates of net exemptions based on estimated tax rates and assessment values to this Exhibit.

SCHEDULE A

Agency's Fee Schedule

1. Application Fee—\$1,000.00

An application for IDA assistance must be accompanied by a non-refundable fee of \$1,000 plus a \$500 fee for the Town of Islip review of Environmental Assessment Form as required by the State Environmental Quality Review Act (SEQRA). (The \$500 fee will be waived if the applicant's project has already undergone a SEQRA review during a previous process, i.e. site plan, building permit, change of zone, etc.)

2. Agency Fee—.006

Upon closing of any IDA project, the Agency will assess an administrative fee of one-half of a basis point (.006) against the size of the project. For IDB projects, the .006 will be measured against the final bond amount. For straight-lease transactions, the .006 will be measured against the projected total costs.

3. Agency Counsel—\$250 per hour

The Town of Islip Town Attorney's Office acts as counsel to the Town of Islip IDA and must be reimbursed for time spent on IDA-related transactions. The Agency counsel bills all time spent on IDA matters at \$250 per hour. For IDA closings up to \$5 million, the Agency counsel bills a minimum of \$3,500. For projects greater than \$5 million, the Agency counsel bills a minimum of \$5,000. For all other activities, i.e. terminations, simple consents and waivers, transfer of assets, etc., the Agency counsel will bill at the aforementioned \$250 per hour.

4. Processing Fee—\$500

During the course of IDA ownership/involvement, the Agency may occasionally be required, by the company, to consent to a variety of items, i.e. pre-payment of bonds, second mortgages, additional secured financing, etc. The Agency will charge a \$500 processing fee for each of these requests.

5. Assignments & Assumptions—\$1,500

Occasionally, the IDA is asked to transfer benefits that were assigned to the original company, i.e. PILOT or mortgage recording tax benefits, to a different company, typically upon a sale of the IDA property. The new company often wishes to continue IDA involvement with the property in order to retain the IDA incentives. The Agency will charge a \$1,500 fee for each of these transactions.

6. PILOT Extensions/Modifications—.006

Occasionally, the Agency is asked to extend or modify an existing Payment in Lieu of Taxes Agreement (PILOT). The .006 will be measured against the projected increase of the PILOT benefit.

7. Annual Administrative Fee—\$1,000

An Annual Administrative Fee of \$1,000 will be charged to all projects to cover the cost of all the reporting and monitoring of the transaction. This fee is subject to periodic review and may be adjusted at the discretion of the Agency.

8. Bond/Transaction Counsel—fee negotiated separately

While the Town of Islip IDA is represented locally by the Town of Islip Town Attorney's Office, a separate Bond/Transaction Counsel is also necessary on any IDA project. Bond/Transaction counsels render "third party" opinions that the bond or straight lease transaction is authorized under all federal, state and local statutes. Bond/Transaction counsels also prepare all documents related to IDA transactions and coordinates all activities leading up to closing. The Town of Islip IDA has designed the firm of Nixon Peabody, LLP as its Bond/Transaction counsel and all fees are separately negotiated with them.

I have read and understand the aforementioned explanation of the fees associated with all the Town of Islip Industrial Agency Transaction.

Signature:

A handwritten signature in black ink, reading "Marc P. Berg", is written over a horizontal line. Below this line is a long, sweeping horizontal flourish.

SCHEDULE B

Agency's Construction Wage Policy

CONSTRUCTION WAGE POLICY

Town of Islip Industrial Development Agency

The purpose of the Town of Islip Industrial Development Agency is to provide benefits that reduce costs and financial barriers to the creation and to the expansion of business and enhance the number of jobs in Islip.

The Agency has consistently sought to ensure that skilled and fair paying construction jobs for local residents are encouraged in projects receiving financial assistance from the Agency and that local vendors be used during the construction process.

It is the intent of the Agency that the economic activity created by Agency assisted projects during the construction process primarily benefits local residents and vendors.

- I. The following shall be the policy of the Town of Islip Industrial Development Agency for all applicants for financial assistance:
- II.
 - (A) Employ 90% of the construction workers for the project from within Nassau or Suffolk Counties.
 - (B) Purchase 90% of the building materials from within the bi-County region.

In the event that any of these conditions cannot be met, the applicant shall submit to the Agency an explanation as to the reasons for its failure or inability to comply with such conditions. Furthermore, this policy may be waived, in the sole and final discretion of the Agency, in the event that the applicant demonstrates to the Agency special circumstances or economic hardship to justify a waiver to be in furtherance of the purposes and goals of the Town of Islip Industrial Development Agency.

SCHEDULE C

Agency's Recapture and Termination Policy

TOWN OF ISLIP

INDUSTRIAL DEVELOPMENT AGENCY

EFFECTIVE JUNE 7, 2016

Pursuant to Sections 874(10) and (11) of Title 1 of Article 18-A of the New York State General Municipal Law (the "**Act**"), the Town of Islip Industrial Development Agency (the "**Agency**") is required to adopt policies (i) for the discontinuance or suspension of any financial assistance provided by the Agency to a project or the modification of any payment in lieu of tax agreement and (ii) for the return of all or part of the financial assistance provided by the Agency to a project. This Recapture and Termination Policy was adopted pursuant to a resolution enacted by the members of the Agency on June 7, 2016.

I. Termination or Suspension of Financial Assistance

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to terminate or suspend the Financial Assistance (defined below) provided to a project upon the occurrence of an Event of Default, as such term is defined and described in the Lease Agreement entered into by the Agency and a project applicant (the "**Applicant**") or any other document entered into by such parties in connection with a project (the "**Project Documents**"). Such Events of Default may include, but shall not be limited to, the following:

- 1) Sale or closure of the Facility (as such term is defined in the Project Documents);
- 2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
- 3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
- 4) A material violation of the terms and conditions of the Project Agreements; and
- 5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The decision of whether to terminate or suspend Financial Assistance and the timing of such termination or suspension of Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and shall be subject to the notice and cure periods provided for in the Project Documents.

For the purposes of this policy, the term "**Financial Assistance**" shall mean all direct monetary benefits, tax exemptions and abatements and other financial assistance, if any, derived solely from the Agency's participation in the transaction contemplated by the Project Agreements including, but not limited to:

- (i) any exemption from any applicable mortgage recording tax with respect to the Facility on mortgages granted by the Agency on the Facility at the request of the Applicant;
- (ii) sales tax exemption savings realized by or for the benefit of the Applicant, including and savings realized by any agent of the Applicant pursuant to the Project Agreements in connection with the Facility; and
- (iii) real property tax abatements granted under the Project Agreements.

II. Recapture of Financial Assistance

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to recapture all or part of the Financial Assistance provided to a project upon the occurrence of a Recapture Event, as such term is defined and described in the Project Documents. Such Recapture Events may include, but shall not be limited to the following:

- 1) Sale or closure of the Facility (as such term is defined in the Project Documents);
- 2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
- 3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
- 4) A material violation of the terms and conditions of the Project Agreements; and
- 5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The timing of the recapture of the Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and is subject to the notice and cure periods provided for in the Project Documents. The percentage of such Financial Assistance to be recaptured shall be determined by the provisions of the Project Documents.

All recaptured amounts of Financial Assistance shall be redistributed to the appropriate affected taxing jurisdiction, unless agreed to otherwise by any local taxing jurisdiction.

For the avoidance of doubt, the Agency may determine to terminate, suspend and/or recapture Financial Assistance in its sole discretion. Such actions may be exercised simultaneously or separately and are not mutually exclusive of one another.

III. Modification of Payment In Lieu of Tax Agreement

In the case of any Event of Default or Recapture Event, in lieu of terminating, suspending or recapturing the Financial Assistance, the Agency may, in its sole discretion, adjust the payments in lieu of taxes due under the Project Agreements, so that the payments in lieu of taxes payable under the Project Agreements are adjusted upward retroactively and/or prospectively for each tax year until such time as the Applicant has complied with the provisions of the Project Agreements. The amount of such adjustments shall be determined by the provisions of the Project Documents.

ADDENDUM

Application of 55 Paradise Lane Realty LLC to Town of Islip IDA

Part I(1)(I)

100 Pineaire Drive LLC
Richmond Associates, L.P.
Paradise Lane Realty LLC
Broadhollow Associates, LLC
Rubie's Costume Company, Inc.
MHM Realty Group, Inc.
Melville Associates, L.P.

Part I(1)(J)

The following is a list of Owner's (or Owner's sister companies') involvement in prior Town of Islip IDA applications:

1. Property: 158 Candlewood Road, Bay Shore, NY (2012)
Applicant: Paradise Lane Realty LLC
Agency: Town of Islip Industrial Development Agency
2. Property: 100 Pine Aire Drive, Bay Shore, NY (2015)
Applicant: 100 Pineaire Drive LLC
Agency: Town of Islip Industrial Development Agency
3. Property: 145 Candlewood Road, Bay Shore, NY (1999)
Applicant: Richmond Associates, L.P.
Agency: Town of Islip Industrial Development Agency

Part VII(3) and (4)

The project is located in the Brentwood School District, Hamlet of Bay Shore, Town of Islip to the west of Fifth Avenue in a smaller and older and out-of-the-way industrial area with many obsolete and deteriorating buildings. The one-story office building previously located on the project site was removed in February because it was functionally obsolete, and Owner/Applicant was unable to find a tenant. The area faces several economic and social challenges including a large immigrant population and violent gang activity. Without the assistance of the Town of Islip IDA, it will be difficult to attract and encourage new tenants to move their businesses and employees to the area.

Part VIII(6)

Not Applicable. Owner/Applicant is a real estate holding company.