



INTERNET:
www.presberg.com

100 Corporate Plaza, Suite B102
Islandia, NY 11749

(631) 232-4444



November 22, 2013

Town of Islip IDA
Attn: William Mannix
40 Nassau Avenue
Islip, New York 11751

Re: Application of
FHJ Enterprise, LLC/AA Technology Inc.
Project

Dear Mr. Mannix:

I am pleased to enclose an Application for Financial Assistance in connection with the new construction of a facility at the Islip Foreign Trade Zone, Ronkonkoma, New York. The project consists of the construction of an approximately 36,000 square foot building at 100 Trade Zone Plaza, Ronkonkoma, New York. The Facility would be constructed on an approximately 3.6 acre site which is to be leased by the Company from the Town of Islip Foreign Trade Zone Authority, pursuant to a land lease for a term of 40 years.

The Company is a contract manufacturer and distributor primarily of circuit boards, wire harnesses, cables and similar electronic components. The Company started in December 1994 when the three, now partners, who had worked together for an electronics company leaving Long Island, decided to join together and start their own business. The three partners, Henry Tang, Frank Rosselli and Jim Stapleton, started their enterprise performing electrical testing services in an 1,800 square foot space in Bohemia, New York. Slowly, the Company grew, they acquired more testing equipment and in 2000, the Company acquired a small, Long Island based circuit board company whereby they now expanded their testing company to include the manufacturing of electronic circuit boards. In anticipation of this acquisition, they had expanded their existing leased space from 1,800 square feet into 3,600 square feet in the same facility.

In 2002, the Company acquired yet another small circuit board manufacturer, increased their equipment investment and broadened their customer base. In 2004, the Company relocated to the Islip Foreign Trade Zone, occupying a total of 8,500 square feet and began performing contract manufacturing of circuit boards for regional electronics companies.

In 2007, the Company made large capital investments in automation equipment and further expanded its facility at the Islip Foreign Trade Zone, where it now occupies 17,000 square feet pursuant to a Lease from Staller Associates.

In 2012, the Company acquired LNY Electronics (located within the Trade Zone) and expanded their product lines to include electronic cables, wire harnesses and box built

Town of Islip IDA
Attn: William Mannix
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components. Today the Company employs approximately 50 people and intends to construct its new facility at the Foreign Trade Zone.

The proposed, new facility will be a one story steel, block and brick building located at the Town of Islip Foreign Trade Zone on 3.61 acres of vacant land. They have negotiated the terms of the Land lease with the Authority, which Land Lease will be entered into by their affiliated, real estate holding company known as FHJ Enterprise, LLC.

This new facility will allow the Company to double its existing space and permit the much needed expansion needs of the Company. This expansion will, hopefully, enable the Company to increase its sales by approximately 20 percent within two years from the completion of the proposed project. Many of the Company's customers are locally based and include B.E. Aerospace, Janus Elevator, Ellman Medical and Brookhaven National Laboratory (to name a few).

Inasmuch as the Company is entitled to real estate tax exemptions from the Trade Zone Authority based upon their specific requirements, we are not asking the Agency for a real estate PILOT Agreement; rather, we are asking the Agency for limited assistance in connection with the construction and equipping of the new facility. We would ask that the Agency grant sales tax exemptions for the Company with respect to the materials to be purchased in connection with the construction, and for the fixtures and equipment that will be purchased with respect to fitting up the new facility.

The project is expected to be financed with a construction loan from Chase Bank and thereafter, a permanent mortgage loan from Chase Bank and a second mortgage loan from Empire State Certified Development Corp. and the U.S. Small Business Administration. These would involve placing leasehold mortgage on the real property, and we would ask that the Agency grant Mortgage Tax Exemptions with respect to three mortgage loans, including the building loan, the permanent first mortgage and the SBA loan.

The Company has submitted its application for site plan approval to the Town and, thereafter, will submit appropriate building plans and secure the necessary approvals and SEQRA determinations.

I have included two years of financial statements by the Company and, if you should require anything further, please don't hesitate to contact the undersigned.

Very truly yours,



ANDREW D. PRESBERG

ADP:sef
Enclosures



TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT
AGENCY

**Application
for
Financial
Assistance**

Town of Islip IDA
40 Nassau Avenue
Islip, New York 11751
Phone 631.224.5512
Fax 631.224.5532

APPLICANT INSTRUCTIONS

- ◆ In order for a 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.
- ◆ Part VI—Bond Information, need only be completed by applicants for Taxable or Tax Exempt Industrial Development Bonds.
- ◆ All applicants must submit an original and two (2) copies of all documents to the Agency.
- ◆ All applications must be accompanied by a \$500 non-refundable fee to the Town of Islip Industrial Development Agency, and a \$500 non-refundable fee to the Town of Islip for the EAF Review 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 for the one attached to the application).

APPLICANT CHECKLIST

- I have completed all sections of the attached application.
- I have signed and notarized the Certification Section (Part VII-A).
- I have signed Part VII-B regarding the Fee Structure for all IDA transactions.
- I have attached all company financial information required by Part VIII-A.
- I have completed and signed the Environmental Assessment Form required by SEQRA. (If the project has already undergone a SEQRA review during a previous process, substitute the completed EAF for the one that was attached to this application).
- I have completed and signed 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 \$500 payable to the Town of Islip IDA.
- I have submitted a \$500 check payable to the Town of Islip for the SEQRA review. (If the project has already undergone a SEQRA review during a previous process, and the applicant substitutes the completed EAF for the one attached to the application, the \$500 SEQRA fee is waived).

PART I Company (Owner/User) Data

PART II Project Data

PART III Employment/Sales Data

PART IV Construction Schedule

PART V Project Costs/Financing

PART VI Certifications

PART VII Required Attachments
1. Financial Information
2. EAF
3. RP 485-b

I. OWNER & USER DATA

A. Owner Data

1. Company Name FHJ Enterprise, LLC
Current Address 101 Trade Zone Drive, Ronkonkoma, NY

2. Company Officer certifying this application
Name Henry Tang
Mailing Address 101 Trade Zone Plaza, Ronkonkoma, NY 11779
Telephone [REDACTED] Fax [REDACTED]
Email [REDACTED]

3. Business Type
- | | |
|--|---|
| <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> General Partnership |
| <input type="checkbox"/> Limited Partnership | <input checked="" type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Not-for-profit Corporation | <input type="checkbox"/> Privately Held Corporation |
| <input type="checkbox"/> Education Corporation | <input type="checkbox"/> Other |
| <input type="checkbox"/> Public Corporation—Listed on _____ Exchange | |

4. State of Incorporation New York

5. Principal Officers	Name	Title
	<u>Henry Tang</u>	<u>member</u>
	<u>Frank Roselli</u>	<u>member</u>
	<u>Jim Stapleton</u>	<u>member</u>

6. Principal Stockholders Name _____ Title _____

7. Owner's Legal Counsel
Name Andrew D. Presberg
Firm Name Law Offices of Andrew Presberg PC
Address 100 Corporate Plaza, Islandia, NY 11749
Telephone [REDACTED] Fax [REDACTED]
Email [REDACTED]

8. Bank References
Chase Bank

9. Major Trade References
See Next page

10. Nature of Business
(i.e. "manufacturer of ___ for ___ industry" or "warehouse distributor of ___" or "real estate holding company")
Realty holding company - See User data for operating company info

11. NAICS Code _____
For help determining your NAICS code, please visit <http://www.naics.com>

I. OWNER & USER DATA

B. User Data

For co-applicants, where a tenant/landlord relationship will exist between the owner and the user, the user must occupy at least 50% of the square footage of the facility

1. Company Name AA Technology Inc.
Current Address 101 Trade Zone Drive, Ronkonkoma, NY 11779

2. Company Officer certifying this application
Name Henry Tang
Mailing Address 101 Trade Zone Plaza, Ronkonkoma, NY 11779
Telephone [REDACTED] Fax [REDACTED]
Email [REDACTED]

3. Business Type
 Sole Proprietorship General Partnership
 Limited Partnership Limited Liability Company
 Not-for-profit Corporation Privately Held Corporation
 Education Corporation Other
 Public Corporation—Listed on _____ Exchange

4. State of Incorporation New York

Principal Officers	Name	Title
	Henry Tang	President
	Frank Roselli	V.P.

Principal Stockholders	Name	Title
	Henry Tang	
	Frank Roselli	
	Jim Stapleton	Secy/Treasurer

7. User's Legal Counsel
Name Andrew D. Presberg, Esq.
Firm Name Law Offices of Andrew Presberg PC
Address 100 Corporate Plaza, Islandia, NY 11749
Telephone [REDACTED] Fax [REDACTED]
Email [REDACTED]

8. Bank References
Chase Bank
Suffolk County National Bank

9. Major Trade References
Arrow, Digi-Key, Avnet

10. Nature of Business
(i.e. "manufacturer of ___ for ___ industry" or "warehouse distributor of ___" or "real estate holding company")
contract manufacturer and distributor of circuit boards & electrical components, including cables, wire harnesses & box-built components

11. NAICS Code [REDACTED]
For help determining your NAICS code, please visit <http://www.naics.com>

II. PROJECT DATA

A. Location

1. Street Address 100 Trade Zone Drive, Ronkonkoma, NY 11779 (Islip Foreign Trade Zone)
2. Tax Map

<u>0500</u>	<u>150</u>	<u>1</u>	<u>08</u>
District #	Section #	Block #	Lot #
3. Acreage 3.61
4. Municipal Jurisdictions
Town Islip
Village _____
School District Ronkonkoma

B. Description (Check all that apply)

- New Construction 36,000.00 Square Feet
- Addition to Existing Facility _____ Square Feet
- Acquisition of Existing Facility _____ Square Feet
- Acquisition & Renovation of Existing Facility _____ Square Feet
- Purchase of New Machinery & Equipment _____
- Other (specify) _____

C. Related Facilities

1. Are other facilities or related companies located within the state? Yes No
Address 101 Trade Zone Drive, Ronkonkoma, NY
2. If yes to above (C-1), will any of these facilities close or be subject to reduced activity? Yes No
3. If yes to above (C-2), please describe:
Existing facility is leased and shall expire October 2014. Leased facility will be vacated to allow to relocate into newly constructed facility.

D. Real Estate Search

1. Has the company actively sought sites in another state or outside the New York metropolitan region? Yes No
2. If yes to above (D-1), please list the states/regions considered:
Looked at part of former Grumman facility in Nassau County, and Teaneck, NJ

E. Present Owner

1. Who is the current legal owner of the site? Town of Islip
2. Is there a purchase option or other legal or common control in the project? Yes No
3. Is there an existing or proposed lease for the project? Yes No
4. If yes to either above (E-2 or E-3), please explain (i.e. purchase price, term of lease):

II. PROJECT DATA

F. Project Narrative

1. Describe the project in detail, emphasizing the following:
 - A. Specific operations of the company to be conducted at the project premises
(product manufactured/warehoused, services rendered)
 - B. Proposed product lines and market demands
 - C. Need for the new facility
 - D. Square footage of the old facility
 - E. Square footage of the new facility
 - F. Type of building to be constructed
 - G. Major equipment to be purchased

2. For pollution controls, also describe:
 - A. Type of pollution to be abated
 - B. Method of abatement
 - C. Existing orders of environmental agencies

III. EMPLOYMENT/SALES DATA

A. Employees			
	Current	First year upon completion	Second year upon completion
Full time	46	46	52
Part time	6	6	8
Seasonal	2	2	2
Total	54	54	62

B. Payroll			
	Current	First year upon completion	Second year upon completion
Total \$	2,500,000	2,500,000	2,800,000

C. Average Annual Wages			
	Current	First year upon completion	Second year upon completion
Total \$	46,000	46,000	46,000

D. Sales			
	Current	First year upon completion	Second year upon completion
Total \$	8,000,000	9,000,000	10,000,000

IV. PROJECT CONSTRUCTION SCHEDULE

A. Key Dates (proposed)

	Month & Year
1. Construction commencement	<u>May 2014</u>
2. Construction completion	<u>April 2015</u>
3. Building Occupancy	<u>June 2015</u>

B. Please check if any of the following applications/permits have been filed for the project:
(Check all that apply)

- | | |
|---|---|
| <input type="checkbox"/> Change of Zone | <input type="checkbox"/> Interior Alterations |
| <input type="checkbox"/> Special Use | <input type="checkbox"/> Building |
| <input type="checkbox"/> Variance | <input checked="" type="checkbox"/> Site plan |

V. PROJECT COSTS/FINANCING

A. Estimate the costs necessary for the construction, acquisition, rehabilitation, improvement and/or equipping of the project.

Item	Amount
1. Land	\$ Land Lease - Trade Zone Authority
2. Site Work	100,000.00
3. Building (new construction)	2,500,000.00
4. Building (rehabilitation)	
5. Engineering & Architectural Fees	50,000.00
6. Machinery & Equipment	500,000.00
7. Other (specify)	
Soft costs, closing costs	100,000.00
TOTAL PROJECT COST	\$3,250,000.00

B. How does the company propose to finance the project?

	Amount	Term
1. Tax Exempt IDB*		
2. Taxable IDB*		
3. Conventional Mortgage (with IDA sale/leaseback)	1,625,000.00	20 years
4. Owner/User Self-Financing (with IDA sale/leaseback)		
5. JDA/SBA	1,300,000.00	20 years
6. Other loans	Temp: Construction Loan of \$2,925,000	1 year
7. Company/Owner Equity contribution	325,000.00	
TOTAL AMOUNT FINANCED	\$ 2,925,000.00	

C. Please estimate when the above amounts will be required

Initial Construction Advance: 4/2014

Month & Year

* The Agency Fee of one-half of a basis point (.005) will be applied against the total project cost or, where applicable, against the amount of the IDB issuance.

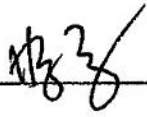
VI. CERTIFICATIONS

A. Applicant Responsibilities

HENRY TANG (name of representative of entity submitting application or name of individual submitting application) deposed and says that s/he (choose and complete one of the following two options) (a) is a/the PRESIDENT (title) of AA TECHNOLOGY INC. (company name), the entity named in the attached application, or (b) is the individual named in the attached application; that s/he has read the foregoing application and knows the contents thereof; and that the same is true of his/her knowledge.

Deponent further says that s/he is duly authorized to make this certification on behalf of her/himself or on behalf of the entity named in the attached application. The grounds of deponent's belief relative to all matters in said application which are not stated upon his/her own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as, if deponent is not an individual applicant, information acquired by deponent in the course of his/her duties in connection with said entity and from the books and papers of said entity.

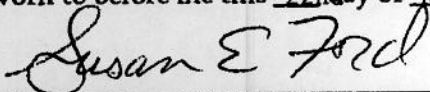
As (a) the representative of said entity, or (b) the individual applicant (such entity or individual applicant hereinafter referred to as the "Applicant"), deponent acknowledges and agrees that the Applicant shall be and is responsible for all costs incurred by the Town of Islip Industrial Development Agency (hereinafter referred to as the "Agency"), acting on behalf of the Applicant in connection with this application and all matters relating to the provision of financial assistance to which this application and all matters relating to the provision of financial assistance to which this application relates. 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, then upon presentation of an invoice, the 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 transaction counsel for the Agency and fees of general counsel for the Agency. Upon the successful conclusion 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, which amount is payable at closing.



Print Name HENRY TANG
Title PRESIDENT

NOTARY

Sworn to before me this 22nd day of November, 2013



SUSAN E. FORD
Notary Public, State of New York
No. 5035026
Qualified in Nassau County
Commission Expires Oct. 24, 2014

VI. CERTIFICATIONS

B. Fee Structure

1. Application Fee—\$1,000.

An application for IDA assistance must be accompanied by a non-refundable fee of \$1,000 a \$500 fee for the Town of Islip review of an 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 a fee of 6/10 of one per cent (60 basis points) 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

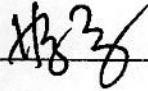
An Annual Administrative Fee of \$1,000 will be charged to all projects to cover the cost of all reporting and monitoring of the transaction. This fee is subject to periodic review and may be adjusted at the discretion of the Agency.

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 counsel also prepares all documents related to IDA transactions and coordinates all activities leading up to closing. The Town of Islip IDA has designated 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 Town of Islip Industrial Development Agency Transactions.

Signature _____

A handwritten signature in black ink, appearing to be 'X 2/3', is written over a horizontal line.