APPLICATION OF

DESIGNS FOR VISION, INC./
FEINBLOOM MURPHY LTD./
DFV REALTY LLC

to

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

for

FINANCIAL ASSISTANCE

JULY, 2016
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July 13, 2016

Town of Islip Industrial Development Agency  
40 Nassau Avenue  
Islip, NY 11751

Ladies and Gentlemen:

Thank you for considering our Application to the Town of Islip Industrial Development Agency.

As you may recall, in or about 1986, Designs for Vision, Inc. and Feinbloom Murphy Ltd., a related real estate entity, applied to, and received assistance from, you to acquire, build, equip and finance our current facility at 760 Koehler Avenue, Ronkonkoma, New York 11779. At the time, Designs for Vision employed about 100 persons and we promised we would increase our employment to at least 125 persons. We are pleased that Designs for Vision far exceeded our expectations. Currently, Designs for Vision employs more than 155 persons (148 full time, and 7 part time) in Ronkonkoma, another 5 persons in other parts of New York State, and, in total, 184 persons throughout the United States (in addition to being represented by agents throughout the world).

Designs for Vision Background

Designs for Vision designs, engineers and manufactures optical and illumination devices to enhance the vision of clinical specialists and persons with partial vision. Designs for Vision was founded in 1961 by William Feinbloom, OD to manufacture optical devices to enhance the vision of patients who had partial or low vision. Dr. Feinbloom was the pioneer of this field and Designs for Vision carries on the work of Dr. Feinbloom. As the world wide population ages, the need for low vision optical devices will expand. Designs for Vision has recently licensed new technology to enhance the night vision of low vision patients (which is another example of our need for larger and more efficient space from which to meet the future demand for these products).

Designs for Vision started to meet the visual enhancement needs of surgeons in the 1970s, dentists in the 1980s, and dental hygienists in the early 2000s, and, within the last decade, surgical mid-level providers. Designs for Vision has been designing illumination equipment for these markets since 1972 and, in 2006, married our optical expertise with emerging technologies to introduce clinical LED illumination devices. Increases in demand across our product line and introduction of new optical and electro-optical devices has stressed our ability to meet the demand for our products with our current workforce and multiple location operation.

Designs for Vision operates in three distinct markets: Surgery/Operating Room, Dentistry/Dental Hygiene, and Low Vision/Partially Sighted. Designs for Vision both manufactures and markets all of our products. Designs for Vision is recognized as the leader and innovator in each of these three markets. Designs for Vision has been a leader in developing optical, illumination, and electro-optical devices that meet these requirements and currently has over 80 patents assigned to the company.
Town of Islip Industrial Development Agency  
July 13, 2016  
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Designs for Vision proudly designs, engineers, manufactures and distributes our products in the United States and throughout the world. Our international exports represent over 20% of annual sales. Designs for Vision attends over 170 medical & dental trade shows, and our products are recognized throughout the world, including outer space. Designs for Vision has several products in the R&D pipeline, and, in 2015 alone, Designs for Vision introduced a new head mounted HD video camera, two new reduced size/weight optical systems for surgery and dentistry, and a new WireLess LED light for dentistry.

Designs for Vision’s customers are constantly demanding more functions, greater efficiency and smaller packaging. The expansion of medical procedures and increased graduates of dental schools have increased the markets for our products in both of those markets. The aging of the baby boomers will cause a demand for optical devices for partially sighted/low vision patients as most causes for these conditions are age related. Designs for Vision is engineering and designing new products to meet the changing demands and demographics.

Designs for Vision’s Existing Facility

Designs for Vision’s current facility at 760 Kiebler Avenue, which is owned by Feinbloom Murphy Ltd. (the Agency), contains 30,000 square feet, and, at present, Designs for Vision also leases from an unrelated third parties an additional 18,000 square feet over an additional three locations; 710, 750 and 751 Kiebler Avenue. The management of our operations over multiple buildings has proven to be a challenge, a hindrance to our ability to meet the growing domestic and international demand for our products, limited our ability to expand our product lines, and has diminished our efficiency. In order to manage the company, improve effectiveness and meet the expectations of our customers, Designs For Vision requires more space so that we may combine our manufacturing, research, engineering, design, finance, administration, sales, and marketing, under one roof. We have identified a new location within the Town of Islip for that purpose at 4000 Veterans Memorial Highway, Bohemia, NY 11716.

Designs for Vision’s New Facility

4000 Veterans Memorial Highway is an approximately 66,000 square foot building with approximately 56,000 square feet on the first floor and approximately 10,000 square feet on the second floor. The building was built in 1975 and is currently owned by the Town of Islip Industrial Development Agency in connection with a lease arrangement with 4000 Veterans Hwy LLC.

We understand that the property to be purchased by us has recently been the subject of subdivision, site plan modification and a floor area ratio variance approvals before the Town of Islip and its departments so that the existing building and approximately 3.94 acres of land constitutes a separate and distinct parcel that will be conveyed to us. At present, the property is the subject of a variance hearing before the Suffolk County Department of Health Service’s Board of Review for a “change of use” to allow for the use by Designs for Vision of 40,000 square feet of the building for offices (and research and development) and the remainder for industrial use.
After the acquisition of the property, the building will require substantial renovations to meet our needs. As an example, we intend to reconfigure the first floor manufacturing area to accommodate and install clean rooms, machine shops, inventory management systems, surface and telescoping manufacturing facilities, an elevator, new HVAC, revamped electrical distribution, as well as a new roof and renovated offices. We estimate that the renovation costs at $5,000,000, and the renovation period at about six months.

As part of the relocation, Designs for Vision will also be investing in our operations by purchasing about $1,200,000 of new equipment, such as, approximately $370,000 for two lathes and milling machines.

Designs for Visions’ has been unable to delay taking necessary steps to accommodate our continued growth while this new project is under development. For instance, Designs for Visions recently rented from a third party approximately 5,000 square feet of space to begin it resurfacing operations (the 5,000 square feet is included in the 18,000 square feet Designs for Vision rents from third parties described above), although the setup of temporary facilities for this purpose is expensive and inefficient. Also, in the past year, Designs for Vision has hired 13 new full time employees and one part time employee for the new facility who, in ordinary circumstances, would not have been hired until the new facility had been acquired, renovated and operating.

To date, we have incurred $345,000 for the new facility by virtue of the contract deposit under the sale and purchase agreement between DFV Realty LLC and the seller; however, the deposit is refundable if, among other reasons, we do not receive the support from the Agency as anticipated.

Ownership

Feinbloom Murphy Ltd is exploring a tax free exchange of its 760 Koehler Avenue property with an interest in the 4000 Veterans Memorial Highway property. Either Feinbloom Murphy Ltd or DFV Realty LLC, or both (as tenants in common) will be the owners of the 4000 Veterans Memorial Highway property. The sole shareholder of Feinbloom Murphy Ltd is Richard Feinbloom, and the members of DFV Realty LLC are Richard Feinbloom, Herbert Schwartz and John Walsh (the three of whom are also the shareholders of Designs for Vision).

Financing Arrangements

We are considering alternative and combinations of financing structures, such as, tax-exempt and taxable bonds (including variable rate demand bonds credit enhanced with letters of credit from institutional lenders), and traditional mortgages. We have the support of many banks, including HSBC, Capital One Bank, TD Bank, Signature Bank, and Suffolk County National Bank.

Assistance of the Town of Islip Industrial Development Agency
We are seeking your continued assistance, including the issuance of taxable and/or tax-exempt bonds for a bond transaction, or entering into a straight lease transaction, exemption from mortgage recording taxes and sales and use taxes, and real estate tax abatements.

We mentioned above that the Agency currently owns the proposed new facility. We request that the Agency permit the seller’s existing lease arrangements to be assigned to us (and then amended and restated in their entirety) so that the property will not be restored to the tax rolls upon a fee conveyance (and subsequently, on December 1, after the next tax status date, removed from the tax rolls), and will continue to be treated as exempt property (subject to a PILOT agreement).

We are hopeful that you will continue to assist us to grow our business in the Town of Islip. We believe that the partnership between you and us created more than thirty years ago has been beneficial to the Town and to us.

Very truly yours,

Designs for Vision, Inc.
Feinbloom Murphy Ltd.
DFV Realty LLC

By: [Signature]
Richard Feinbloom
DATE: July 13, 2016

Designs For Vision, Inc.
DFV Realty LLC

APPLICATION OF: Feinbloom Murphy Ltd.
Name of Owner and/or User of Proposed Project

ADDRESS: 760 Koehler Avenue
Ronkonkoma, NY 11779

Type of Application: ☑ Tax-Exempt Bond ☑ Taxable Bond
☑ Straight Lease ☐ Refunding Bond
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EXHIBIT A  Proposed PILOT Schedule
SCHEDULE A Agency’s Fee Schedule
SCHEDULE B Construction Wage Policy
SCHEDULE C Recapture and Termination Policy
Part I: Owner & User Data

1. Owner Data:

   A. Owner (Applicant for assistance): DFV REALTY LLC ("DFV")

   B. Business Type:

      □ Sole Proprietorship □ Partnership □ Privately Held X

      □ Public Corporation □ Listed on _____________

   C. Nature of Business:

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

      Real estate holding companies

   D. Owner Counsel:

      Firm Name: Weinberg, Gross & Pergament LLP

      Address: 400 Garden City Plaza, Suite 403

      Garden City, NY 11530

      Individual Attorney: Howard R. Gross

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Percent Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richard Feinbloom</td>
<td>DFV greater than 50% 100%</td>
</tr>
<tr>
<td>Herbert Schwartz</td>
<td>TBD 0%</td>
</tr>
<tr>
<td>John Walsh</td>
<td>TBD 0%</td>
</tr>
</tbody>
</table>

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.

Designs for Vision, Inc.

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:

Designs for Vision, Inc., common control

I. List parent corporation, sister corporations and subsidiaries:

None
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:

In December, 1985, the Agency issued its 1985 $2,100,00 industrial development bonds to finance the acquisition, construction and equipping of the 760 Koehler Avenue, Ronkonkoma facility for Feinbloom Murphy, owner and Designs for Vision, Inc., tenant.

K. List major bank references of the Owner:

   HSBC (Lynn Zebra), 4040 Veterans Memorial Highway, Bohemia, NY
   TD Bank (Jane Duggan), 324 South Service Road, Melville, NY
   Capital One (Frank Arceri), 275 Broad Hollow Road, Melville, NY

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”): Designs For Vision Inc.

      Address: 760 Koehler Avenue
               Ronkonkoma, NY 11779

      Federal Employer ID # [Redacted]           Website: designsforvision.com
      NAICS Code: [Redacted]

      User Officer Certifying Application: Richard Feinbloom

      Title of Officer: President

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

   B. Business Type:

      Sole Proprietorship ☐        Partnership ☐        Privately Held ☒
      Public Corporation ☐        Listed on ___________

      State of Incorporation/Formation: New York

   C. Nature of Business:

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

   (Redacted)
Manufacturer of optical and electronic products for surgery, dentistry and low vision

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

i. If yes, the remainder of the questions in this Part 1, 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: Please see above

Address: ________________________________

______________________________

Individual Attorney: ______________________

Phone Number: ___________________ E-mail: ______________________

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Percent Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richard Feinbloom</td>
<td>80%</td>
</tr>
<tr>
<td>Herbert Schwartz</td>
<td>10%</td>
</tr>
<tr>
<td>John Walsh</td>
<td>10%</td>
</tr>
</tbody>
</table>

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)

No ________________________________

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

No ________________________________
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.

Feinbloom Murphy Ltd. and DFV Realty LLC

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:

Feinbloom Murphy Ltd. and DFV Realty LLC, common control

J. List parent corporation, sister corporations and subsidiaries:

None

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:

Please see 1.J. above

L. List major bank references of the User:

Please see 1.K. above

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Part II – Operation at Current Location

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

1. Current Location Address: 710, 750 and 751 Koehler Avenue, Ronkonkoma, NY

2. Owned or Leased: Leased from RAC Industrial Developers, 750 Koehler Realty LLC and Tri-Kay Associates (unrelated)

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

   3 units aggregating 18,000 sq. ft. in multi-tenant, one story buildings

   *In addition, the Agency and Feinbloom Murphy Ltd. lease the 30,000 square foot one story building at 760 Koehler Avenue, Ronkonkoma, NY to Designs for Vision, Inc. (related party).
4. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services:
   Please see 2.c. above

5. Are other facilities or related companies of the Applicant located within the State?
   Yes □      No □
   A. If yes, list the Address:

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:

   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:

7. Has the Applicant actively considered sites in another state? Yes □      No □
   A. If yes, please list states considered and explain:
      Designs for Vision, Inc. has explored moving its operations to Connecticut, New Jersey and a number of southern states, including North Carolina and Louisiana

8. Is the requested financial assistance reasonably necessary to prevent the Applicant from moving out of New York State?  Yes □      No □
   A. Please explain: Designs for Vision, Inc. requires new, larger, more efficient facilities from which to grow its business. The cost of operations in other states are significantly less, while the benefits offered by other states are substantial. The financial assistance from the Agency will partially offset the additional costs in NYS and the loss of the benefits offered by other states.

9. Number of full-time employees at current location and average salary: 148; $48,000/year

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  ☑

      *To be determined

   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:  4000 Veterans Memorial Highway, Bohemia, NY

   B. Tax Map:  District 0500  Section 172.00  Block 01.00  Lot(s) p/o 051.020

   C. Municipal Jurisdiction:
      
      i.  Town:  Islip
      ii. Village:  N/A
      iii. School District:  Connetquot

   D. Acreage:  Approx. 3.94

3. **Project Components (check all appropriate categories):**

   A. Construction of a new building  ☑ Yes  ☑ No
      
      i.  Square footage:  

   B. Renovations of an existing building  ☑ Yes  ☑ No
      
      i.  Square footage:  Approx. 66,000

   C. Demolition of an existing building
      
      i.  Square footage:  

   D. Land to be cleared or disturbed  ☑ Yes  ☑ No
      
      i.  Square footage/acreage:  

   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:  Approx. 66,000

   G. Installation of machinery and/or Equipment  ☑ Yes  ☑ No
      
      i.  List principal items or categories of equipment to be acquired:  manufacturing equipment such as lathes and milling machines
4. **Current Use at Proposed Location:**

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

      i. If no, please list the present owner of the site: **Agency and 4000 Veterans Hwy LLC**

   B. Present use of the proposed location: **currently vacant in anticipation of closing**

   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

      *Sale contract dated June 30, 2016, conditioned upon Agency resolutions and benefits.*

   E. Is there an existing or proposed lease for the site? (if yes, explain):

      ☑ Yes ☐ No

      *Facility is the subject of a lease agreement between the Agency and the Seller*

5. **Proposed Use:**

   A. Describe the specific operations of the Applicant or other users to be conducted at the project site: **Please see attached letter.**

   ____________________________________________

   ____________________________________________

   B. Proposed product lines and market demands: **Please see attached letter.**

   ____________________________________________

   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:

      **N/A**

   ____________________________________________

   D. Need/purpose for project (e.g., why is it necessary, effect on Applicant’s business):
Please see attached letter.


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 Corridor District, Industrial 1 District

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. Acquisition:  10/1/16

   ii. Construction/Renovation/Equipping:  10/1/16
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: 8 months to complete renovation; occupancy anticipated on or about June 1, 2017

**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:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and/or building acquisition</td>
<td>$6,900,000</td>
</tr>
<tr>
<td>Building(s) demolition/construction</td>
<td>$</td>
</tr>
<tr>
<td>Building renovation</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Site Work</td>
<td>$</td>
</tr>
<tr>
<td>Machinery and Equipment</td>
<td>$1,200,000</td>
</tr>
<tr>
<td>Legal Fees</td>
<td>$150,000</td>
</tr>
<tr>
<td>Architectural/Engineering Fees</td>
<td>$200,000</td>
</tr>
<tr>
<td>Financial Charges</td>
<td>$65,000</td>
</tr>
<tr>
<td>Other (Specify)*</td>
<td>$650,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$14,165,000</td>
</tr>
</tbody>
</table>

2. **Method of Financing:**

   A. Tax-exempt bond financing:* $9,000,000 20 years
   B. Taxable bond financing:* $        
   C. Conventional Mortgage:* $        
   D. SBA (504) or other governmental financing: $        
   E. Public Sources (include sum of all State and federal grants and tax credits): $        
   F. Other loans: $        
   G. Owner/User equity contribution: or intra company loans $5,165,000 

   *Please see attached.

   **Total Project Costs** $14,165,000
Part IV - Project Costs and Financing

1. Project Costs:

   A.

   “Other” costs include Agency fees, title insurance, permit and inspection fees, construction period interest and insurance, and, depending upon the financing structure, trustee’s trustee’s attorney, underwriters, underwriter’s attorney’s, remarketing agents and rating agency’s fees, and letter of credit fees.

2. Method of Financing:

   A. and B.

   Applicant is exploring either tax-exempt or taxable bonds, or both, aggregating $9,000,000 over twenty (20) years; alternatively, a straight lease transaction in which the mortgage amount is $9,000,000 over twenty (20) years.
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. Please see attached letter.

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:

No

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

No

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

Preliminary discussions with TD Bank and Capital One with respect to taxable/tax-exempt bonds.

Part V – Project Benefits

1. Mortgage Recording Tax Benefit:

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

$ 9,000,000

B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and 1.05 %):

$ 94,500

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):

$ 3,700,000

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

$ 319,125

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

i. Owner: $ ____________________  
   The allocation between the real estate entities and the operating company is to be determined prior to Closing.

ii. User: $ ____________________

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: ___None____

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
For Designs For Vision, Inc.

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:

<table>
<thead>
<tr>
<th></th>
<th>Present</th>
<th>First Year</th>
<th>Second Year</th>
<th>Residents of LMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-Time</td>
<td>148</td>
<td>150</td>
<td>152</td>
<td>141</td>
</tr>
<tr>
<td>Part-Time**</td>
<td>7</td>
<td>8</td>
<td>8</td>
<td>6</td>
</tr>
</tbody>
</table>
* 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:**

<table>
<thead>
<tr>
<th>Category of Jobs to be Retained and Created</th>
<th>Average Salary or Range of Salary</th>
<th>Average Fringe Benefits or Range of Fringe Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary Wage Earners</td>
<td>$76,000</td>
<td>$7,400</td>
</tr>
<tr>
<td>Commission Wage Earners</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hourly Wage Earners</td>
<td>$10/hr to $35.40/hr</td>
<td>$6,500</td>
</tr>
<tr>
<td>1099 and Contract Workers</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

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 ☐

Without the benefits afforded by the Agency, the savings to be realized by relocating to
another state will induce the Applicant to relocate and thus abandon the project.

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?

We anticipate that most, if not all, of the Applicant's employees working at its Ronkonkoma facilities will either relocate to a new facility outside of New York or be terminated. Without this project, whether located in Islip or otherwise, the Applicant cannot maintain its competitive position in its industry.

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.
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 whom 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.
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.

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 Long 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

Richard Feinbloom (name of representative of company submitting application) deposes and says that he or she is the Member (title) of DFV Realty LLC (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.

[Signature]
Representative of Applicant

Sworn to me before this 3rd Day of July, 2016

[Signature]
(Seal)

FRANCES D’ARCEANGELIS
Notary Public, State of New York
No. 5010902
Qualified in Suffolk County
Commission Expires April 12, 2019
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:

[Signature]

Richard Feinbloom
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.
4000 Veterans Memorial Hwy
Bohemia, NY 11716