Application

for

Financial Assistance

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

Updated 4-2015
**FOR TOWN OF ISLIP IDA OFFICE USE ONLY**

IDA Project Summary

A. General
   Name of Project: Freepoint Paper
   Project Location: 50 Windsor Place, Central Islip and 120 Windsor Place, Central Islip
   Contact Person & Phone Number: Marcia Lazo

B. Key Dates
   Application Submitted: 6/6/16
   Projected Inducement
   Agenda Closing

C. Project Type
   □ Industrial  □ Not-for-profit  □ Commercial
   □ Office  □ Housing  □ Other

D. Project Size
   Acreage 2  New construction  ———  Rehabed 19,000 sf
   Total Project Cost: $2,200,000

E. Type of Assistance
   □ Sale Leaseback  □ Tax Exempt Bonds  □ Taxable Bonds

F. PILOT
   □ 485-b  □ Double 485-b  □ Affordable Housing  □ Empire Zone
   □ 10 Year Existing  □ 12 Year Existing  □ Not-for-profit  □ Other

G. Jobs/Payroll
   Retained Jobs: 120  New Jobs: 30
   Current Payroll: $3.4 million  New Payroll: $4.3 million
   Average Annual Wage: $29,000
   New Average Annual Wage: $31,000

H. Projected Agency Fee
   $13,000

I. Additional Notes
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 $1,000 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 theFee 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 $1,000 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: Avco Industries Inc.
   Current Address: 200 Windsor Place, Central Islip, NY 11722

2. Company Officer certifying this application
   Name: Gil Kore
   Mailing Address: 200 Windsor Place, Central Islip, NY 11722
   Telephone: Fax: Email:

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


5. Principal Officers
   Name: Gil Kore
   Title: President

6. Principal Stockholders
   Name: Gil Kore
   Title: President

7. Owner's Legal Counsel
   Name: Elisa Trengia
   Firm Name: Elisa Trengia, Esq
   Address: 395 Fulton Street, Farmingdale, NY 11735
   Telephone: Fax: Email: N/A

8. Bank References
   Valley National Bank: 2 Jericho Plaza, Jericho, NY 11753

9. Major Trade References
   Ak Associates: 7 Vanderbilt Parkway, Huntington Station, NY 11746
   Pizza Box Inc: 41 East Barclay Street, Hicksville, NY 11801

10. Nature of Business
    (i.e. "manufacturer of __ for __ industry" or "warehouse distributor of __" or "real estate holding company")

  Branding and Printing of Paper Products

11. NAICS Code: [Blank]
    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 Not Applicable
   Current Address
2. Company Officer certifying this application
   Name
   Mailing Address
   Telephone Fax
   Email
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
5. Principal Officers
   Name Title
   ____________________________ __________________________
   ____________________________ __________________________
6. Principal Stockholders
   Name Title
   ____________________________ __________________________
   ____________________________ __________________________
7. User’s Legal Counsel
   Name
   Firm Name
   Address
   Telephone Fax
   Email
8. Bank References
   ____________________________
9. Major Trade References
   ____________________________
10. Nature of Business
    (i.e. "manufacturer of ___ for ___ industry" or "warehouse distributor of ___" or "real estate holding company")
    ____________________________
11. NAICS Code
    For help determining your NAICS code, please visit http://www.naics.com
II. PROJECT DATA

A. Location

1. Street Address: 120 Windsor Place, Central Islip, NY 11722
2. Tax Map
   
<table>
<thead>
<tr>
<th>500</th>
<th>122</th>
<th>3</th>
<th>56</th>
</tr>
</thead>
<tbody>
<tr>
<td>District</td>
<td>Section</td>
<td>Block</td>
<td>Lot</td>
</tr>
</tbody>
</table>
3. Acreage: 1.81
4. Municipal Jurisdictions
   Town:
   Village:
   School District: Central Islip

B. Description (Check all that apply)

☐ New Construction
☐ Addition to Existing Facility
☐ Acquisition of Existing Facility
☐ Acquisition & Renovation of Existing Facility
☐ Purchase of New Machinery & Equipment
☐ Other (specify)

C. Related Facilities

1. Are other facilities or related companies located within the state? ☐ Yes ☐ No
   Address: 50 Windsor Place, Central Islip, NY 11722

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:

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:

   Pennsylvania and Georgia

E. Present Owner

1. Who is the current legal owner of the site? Gil Karine
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

   Purchase additional equipment to manufacture paper plates. Especially targeting the pizza industry, we will also purchase equipment to print paper bags for the take out food industry.

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

N/A
III. EMPLOYMENT/SALES DATA

A. Employees
   - Current
     Full time: 120
     Part time:  
     Seasonal:  
   - First year upon completion
     Full time: 130
     Part time:  
     Seasonal:  
   - Second year upon completion
     Full time: 150
     Part time:  
     Seasonal:  

Total: 120 130 150

B. Payroll
   - Current
     Total $: Apx. 3.4 Million
   - First year upon completion
     Total $: Apx. 3.7 Million
   - Second year upon completion
     Total $: Apx. 4.3 Million

C. Average Annual Wages
   - Current
     Total $: Apx. 29K
   - First year upon completion
     Total $: Apx. 30K
   - Second year upon completion
     Total $: Apx. 31K

D. Sales
   - Current
     Total $: Est. 28 Million
   - First year upon completion
     Total $: Est. 29 Million
   - Second year upon completion
     Total $: Est. 32 Million

IV. PROJECT CONSTRUCTION SCHEDULE

A. Key Dates (proposed)
   Month & Year
   - 1. Construction commencement: July 2016
   - 2. Construction completion: August 2016

B. Please check if any of the following applications/permits have been filed for the project:
   (Check all that apply)
   - Change of Zone
   - Special Use
   - Variance
   - Interior Alterations
   - Building
   - Site plan
V. PROJECT COSTS/FINANCING

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

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Land</td>
<td>$N/A</td>
</tr>
<tr>
<td>2. Site Work</td>
<td>Apx. 105,000</td>
</tr>
<tr>
<td>3. Building (new construction)</td>
<td>N/A</td>
</tr>
<tr>
<td>4. Building (rehabilitation)</td>
<td>Apx. 45,000</td>
</tr>
<tr>
<td>5. Engineering &amp; Architectural Fees</td>
<td>Apx. 7,500</td>
</tr>
<tr>
<td>6. Machinery &amp; Equipment</td>
<td>Apx. 325,000</td>
</tr>
<tr>
<td>7. Other (specify)</td>
<td>N/A</td>
</tr>
</tbody>
</table>

TOTAL PROJECT COST*  
Apx. 482,500.

B. Please provide the amount of sales tax exemptions that your project requires  
$Apx. 140,000.

B1. If your project has a landlord/tenant arrangement, please provide the breakdown of the number above N/A

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

<table>
<thead>
<tr>
<th>Amount</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Tax Exempt IDB*</td>
<td>N/A</td>
</tr>
<tr>
<td>2. Taxable IDB*</td>
<td>N/A</td>
</tr>
<tr>
<td>3. Conventional Mortgage (with IDA sale/leaseback)</td>
<td>N/A</td>
</tr>
<tr>
<td>4. Owner/User Self-Financing (with IDA sale/leaseback)</td>
<td>N/A</td>
</tr>
<tr>
<td>5. JDA/SBA</td>
<td>N/A</td>
</tr>
<tr>
<td>6. Other loans</td>
<td>N/A</td>
</tr>
<tr>
<td>7. Company/Owner Equity contribution</td>
<td>N/A</td>
</tr>
</tbody>
</table>

TOTAL AMOUNT FINANCED  $N/A

D. Please estimate when the above amounts will be required  
N/A  Month & Year

* The Agency Fee of one-half of a basis point (.006) will be applied against the total project cost or, where applicable, against the amount of the IDB issuance. For low-cost projects, there will be a minimum fee of $5,000.
VI. CERTIFICATIONS

A. Applicant Responsibilities

Gil Koren

(name of representative of entity submitting application or name of individual submitting application) deposes and says that s/he (choose and complete one of the following two options) (a) is a/the President (title) of Avco Industries 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: Gil Koren
Title: President

Sworn to before me this day of May, 2014.

[Signature]

Notary Public in the State of New York
Commission Expired: 6/24/14
VI. CERTIFICATIONS

B. Fee Structure

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 (for low-cost project, there will be a minimum fee of $5,000)
   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.
VI. CERTIFICATIONS

B. Fee Structure

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 ___________________________  pres.
VII. REQUIRED ATTACHMENTS

A. Financial Information
   (Attach the following financial information of the owner and user)

1. Financial statements for the last two fiscal years (unless included in the Owner's or User's Annual Report)

2. Owner’s or User’s Annual Reports (or Form 10-k’s) 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, if applicable, please attach the financial information described above in items A, B and C, of any expected guarantor of the proposed bond issue other that the Owner or the User

5. Upon request of the Applicant, the Agency will review the information submitted pursuant to this Section VIII and return all copies to the Applicant within two weeks after the inducement date. Please indicate whether you require the information to be returned.
   ■ Yes       □ No

B. Environmental Assessment Form

   Please complete the attached EAF as required by the State Environmental Quality Review Act (SEQRA).

C. Form RP 485-b

   Please complete the attached Form RP 485-b as required by Section 485-b of the Real Property Tax Law
APPLICATION FOR REAL PROPERTY TAX EXEMPTION FOR COMMERCIAL, BUSINESS OR INDUSTRIAL PROPERTY
(Real Property Tax Law, Section 485-b)

(Instructions for completing this form are contained in Form RP-485-b-Ins)

1. Name and telephone no. of owner(s)
   Avco Industries Inc.
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________

   Day No. ________________________________
   Evening No. ____________________________
   Same as above
   ____________________________________________________________
   ____________________________________________________________

   E-mail address (optional) N/A
   ____________________________________________________________

2. Mailing address of owner(s)
   120 Windsor Place
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   Central Islip, NY 11722

3. Location of property (see instructions)
   120 Windsor Place
   Street address
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   Central Islip
   City/Town
   ____________________________________________________________
   ____________________________________________________________

   Village (if any)
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   Central Islip
   School district
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________

   Property identification (see tax bill or assessment roll)
   Tax map number or section/block/lot 500/122/3/56
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________

4. Description of property for which exemption is sought:
   a. □ New construction □ Alteration □ Installation □ Improvement
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________

   b. General description of property (if necessary, attach plans or specifications):
      Industrial Building adding additional machinery with minor alterations to building
      ____________________________________________________________
      ____________________________________________________________
      ____________________________________________________________
      ____________________________________________________________

   c. Type of construction: N/A
      ____________________________________________________________
      ____________________________________________________________
      ____________________________________________________________
      ____________________________________________________________

   d. Square footage: 32,000
      ____________________________________________________________
      ____________________________________________________________
      ____________________________________________________________
      ____________________________________________________________

   e. Total cost: 450,000.
      ____________________________________________________________
      ____________________________________________________________
      ____________________________________________________________
      ____________________________________________________________

   f. Date construction, alteration, installation or improvement was started: August 2016
      ____________________________________________________________
      ____________________________________________________________
      ____________________________________________________________
      ____________________________________________________________

   g. Date completed (attach copy of certificate of occupancy or other documentation of completion):
      N/A
      ____________________________________________________________
      ____________________________________________________________
      ____________________________________________________________
      ____________________________________________________________

   h. Describe any real property replaced or removed in connection with the new construction, alteration, installation or improvement: N/A
      ____________________________________________________________
      ____________________________________________________________
      ____________________________________________________________
      ____________________________________________________________
5. Use of Property.
   a. Describe the primary use of the property and the type of business to be conducted. ___________
      Purchase additional equipment to manufacture paper plates
   b. Describe any other use or uses of the property. Print and manufacture pizza boxes
   c. Is any part of the real property used for a purpose other than buying, selling, storing or developing
      goods or services; the manufacture or assembly of goods or the processing of raw materials; or
      hotel or motel purposes? □ Yes  ☑ No
   d. If yes, describe in detail the other use or uses of the property and state the extent to which the
      property is so used (e.g., 30% of floor space, 25% of income, etc.).

6. Other exemptions.
   a. Is the property receiving or has it ever received any other exemption from real property taxation?
      □ Yes  ☑ No
   b. If yes, what exemption was received? ________________ When? ________________
      Were payments in lieu of taxes made during the term of that exemption? □ Yes  ☑ No
      If yes, attach a schedule showing the amounts and dates of such payments, and the purposes for
      which such payments were made (i.e., school district, general municipal, etc.). Also attach any
      related documentation, such as a copy of the agreement under which such payments were made.

CERTIFICATION

I, Gil Korine __________________, hereby certify that the information on this application and
any accompanying pages constitutes a true statement of facts.

Signature ______________________  6/6/16

FOR ASSESSOR'S USE

1. Date application filed: __________
2. Applicable taxable status date: __________
3. Action on application: □ Approved  □ Disapproved
4. Assessed valuation of parcel in first year of exemption: $ __________
5. Increase in total assessed valuation in first year of exemption: $ __________
6. Amount of exemption in first year:
   County __________
   City/Town __________
   Village __________
   School District __________
   Percent __________
   Amount $ __________

Assessor's signature ______________________  Date __________
PILOT for Freeport Paper (120 Windsor Place, Central Islip NY)

Formula: 10-year abatement starting at 50% decreasing 5% annually

Tax Year

2017/18  100% normal tax on the taxable assessed value of $107,500
2018/19  100% normal tax on the taxable assessed value of $118,250
2019/20  100% normal tax on the taxable assessed value of $129,000
2020/21  100% normal tax on the taxable assessed value of $139,750
2021/22  100% normal tax on the taxable assessed value of $150,500
2022/23  100% normal tax on the taxable assessed value of $161,250
2023/24  100% normal tax on the taxable assessed value of $172,000
2024/25  100% normal tax on the taxable assessed value of $182,750
2025/26  100% normal tax on the taxable assessed value of $193,500
2026/27  100% normal tax on the taxable assessed value of $204,250
2026/27  100% normal tax on the taxable assessed value of $215,000