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: Kelco Construction, Inc.
   Current Address: 40 Austin Boulevard, Commack, NY 11725

2. Company Officer certifying this application
   Name: John Kelly
   Mailing Address: 40 Austin Boulevard, Commack, NY 11725
   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
<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Kelly</td>
<td>President</td>
</tr>
</tbody>
</table>

6. Principal Stockholders
<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Kelly</td>
<td>President</td>
</tr>
</tbody>
</table>

7. Owner's Legal Counsel
   Name: Joseph Nemeth Jr.
   Firm Name: Pinks, Arbel & Nemeth
   Address: 140 East Court, Hauppauge, NY 11788
   Telephone:
   Fax: 631-234-4445
   Email:

8. Bank References
   Citibank N.A. - Mr. Anthony Gubitoso
   730 Veterans Memorial Highway
   Hauppauge, NY 11788

9. Major Trade References

10. Nature of Business
    (i.e. "manufacturer of ____ for ____ industry" or "warehouse distributor of ____" or "real estate holding company")
    Largest, most comprehensive landscape installation and construction company in the New York area.

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
   Freckle Face Realty, LLC

2. Current Address
   40 Austin Boulevard, Commack, NY 11725

3. Company Officer certifying this application
   Name: John Kelly

4. Mailing Address
   40 Austin Boulevard, Commack, NY 11725

5. Telephone

6. Email

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

4. State of Incorporation
   New York

5. Principal Officers
   Name: John Kelly
   Title: President

6. Principal Stockholders
   Name: John Kelly
   Title: President

7. User’s Legal Counsel
   Name: Mark Hankin, Esq.
   Firm Name: Hankin & Mazel, PLLC.
   Address: 7 Penn Plaza, Suite 904, New York, NY 10001
   Telephone: [Redacted]
   Email: [Redacted]

8. Bank References
   Citibank N.A.

   730 Veterans Memorial Highway, Hauppauge, NY 11788

9. Nature of Business
   (i.e. “manufacturer of ___ for ___ industry” or “warehouse distributor of ___” or “real estate holding company”)

   Real Estate Holding Company.

10. NAICS Code
    For help determining your NAICS code, please visit http://www.naics.com
II. PROJECT DATA

A. Location

1. Street Address, 25 Newton Place, Hauppauge, NY 11788
2. Tax Map
   
<table>
<thead>
<tr>
<th>District #</th>
<th>Section #</th>
<th>Block #</th>
<th>Lot #</th>
</tr>
</thead>
<tbody>
<tr>
<td>0500</td>
<td>36</td>
<td>0002</td>
<td>025</td>
</tr>
</tbody>
</table>

3. Acreage 2.80
4. Municipal Jurisdictions
   Town Islip
   Village
   School District

B. Description (Check all that apply)

- New Construction
  13,125 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) Purchasing existing 11,000 sq. foot building, to be re-built to a 32,000 sq. foot building (shop/office/basement)

C. Related Facilities

1. Are other facilities or related companies located within the state?  ■ Yes □ No
   Address 40 Austin Blvd., Commack, 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:
   Lease expiring in Commack. Must expand in order for company to grow & create new jobs.

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:
   New Jersey is being considered. A large portion of our business is in NYC and can be done from New Jersey.

E. Present Owner

1. Who is the current legal of owner of the site? Exit 55 Construction Corp.
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

Kelco Construction, Inc. is the largest NYC based landscape contractors in the Metropolitan area. New facility will enable Kelco to expand in a large marketplace and continue our work. Existing storage facility (20,000 sq. feet), office (2,500 sq. feet). New facility will be combining for over 32,000 sq. feet. Maintenance building will be steel, pre-fab structure, office will be two story office will full basement. Property will have all new site improvements, full landscaping, design, improved parking. Kelco will continue to upgrade it's equipment fleet on an annual basis.

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

<table>
<thead>
<tr>
<th>Employment Type</th>
<th>Current</th>
<th>First year upon completion</th>
<th>Second year upon completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>75</td>
<td>85</td>
<td>95</td>
</tr>
<tr>
<td>Part time</td>
<td>5</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Seasonal</td>
<td>25</td>
<td>30</td>
<td>33</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>125</td>
<td>140</td>
</tr>
</tbody>
</table>

B. Payroll

<table>
<thead>
<tr>
<th>Year</th>
<th>Current</th>
<th>First year upon completion</th>
<th>Second year upon completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$6,000,000</td>
<td>$6,300,000</td>
<td>$6,500,000</td>
</tr>
</tbody>
</table>

C. Average Annual Wages

<table>
<thead>
<tr>
<th>Year</th>
<th>Current</th>
<th>First year upon completion</th>
<th>Second year upon completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

D. Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Current</th>
<th>First year upon completion</th>
<th>Second year upon completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$25,000,000</td>
<td>$28,000,000</td>
<td>$30,000,000</td>
</tr>
</tbody>
</table>

IV. PROJECT CONSTRUCTION SCHEDULE

A. Key Dates (proposed)

1. Construction commencement
   
   Month & Year
   1st Quarter 2013

2. Construction completion
   
   Mid-Late 2013

3. Building Occupancy
   
   Mid-Late 2013

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>$2,160,000 (includes purchase of existing building)</td>
</tr>
<tr>
<td>2. Site Work</td>
<td></td>
</tr>
<tr>
<td>3. Building (new construction)</td>
<td>2,179,163</td>
</tr>
<tr>
<td>4. Building (rehabilitation)</td>
<td></td>
</tr>
<tr>
<td>5. Engineering &amp; Architectural Fees</td>
<td></td>
</tr>
<tr>
<td>6. Machinery &amp; Equipment</td>
<td></td>
</tr>
<tr>
<td>7. Other (specify)</td>
<td></td>
</tr>
<tr>
<td>Estimated hard &amp; soft costs</td>
<td>$480,837 $719,937</td>
</tr>
</tbody>
</table>

TOTAL PROJECT COST $4,400,769 $1,059,907

B. 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></td>
</tr>
<tr>
<td>2. Taxable IDB*</td>
<td></td>
</tr>
<tr>
<td>3. Conventional Mortgage (with IDA sale/leaseback)</td>
<td>cried</td>
</tr>
<tr>
<td>4. Owner/User Self-Financing (with IDA sale/leaseback)</td>
<td>SBA Term Loan $300,000 25 Years</td>
</tr>
<tr>
<td>5. JDA/SBA</td>
<td></td>
</tr>
<tr>
<td>6. Other loans</td>
<td></td>
</tr>
<tr>
<td>7. Company/Owner Equity contribution</td>
<td>$1,300,100 25 Years</td>
</tr>
</tbody>
</table>

TOTAL AMOUNT FINANCED $3,718,600

C. Please estimate when the above amounts will be required

Early 2013

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

________________________________________ (name of representative of entity submitting application of name of individual submitting application) deposed and says that s/he (choose and complete one of the following two options) (i) is a/the [REPLACE] (title) of [REPLACE] (company name), the entity named in the attached application, or (ii) 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 (i) the representative of said entity, or (ii) 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.

[Signature]

DONALD GALLAGHER
NOTARY PUBLIC, State of New York
No. 01G6058129, Suffolk County
Term Expires December 24, 2013

NOTARY
Sworn to before me this 7 day of July, 2012

(Seal)
B. Fee Structure

1. Application Fee – $500.00
An application for IDA assistance must be accompanied by a non-refundable fee of $500 plus a $500 fee for Town of Islip review of Environmental Assessment Form as required by the State Environmental Quality Review Act (SEQRA). (The $500 SEQRA 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 – .005
Upon closing of any IDA project, the Agency will assess an administrative fee of one-half of a basis point (.005) against the size of the project. For IDB projects, the .005 will be measured against the final bond amount. For straight-lease transactions, the .005 will be measured against the projected total costs.

3. Agency Counsel – $150 per hour
The Law Offices of Mark Cuthbertson act 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 $150 per hour. For IDA closings up to $5 million, Agency counsel bills a minimum of $2,500. For projects greater than $5 million, Agency counsel bills a minimum of $3,500. For all other activities, i.e. terminations simple consents and waivers, transfer of assets, etc., Agency counsel will bill at the aforementioned $150 per hour.

4. Processing Fee – $250
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 $250 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. Bond/Transaction Counsel – Fee negotiated separately
While the Town of Islip IDA is represented locally by the Law Offices of Mark Cuthbertson, 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]

Name:
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
**FOR TOWN OF ISLIP IDA OFFICE USE ONLY**

Project Summary

A. General
   Name of Project

   Location of Project

   Contact Person & Phone Number

B. Key Dates
   Application Submitted
   Projected Inducement
   Agenda Closing

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

D. Project Size
   Acreage
   New construction
   Rehabed
   Total Project Cost

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

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

G. Jobs/Payroll
   Retained Jobs
   New Jobs
   Current Payroll
   New Payroll
   Average Annual Wage
   New Average Annual Wage

H. Projected Agency Fee

I. Additional Notes