

I. OWNER & USER DATA

A. Owner Data

1. Company Name Heartland Rental Properties Inc
Current Address 1 Executive Drive, Edgewood, NY 11717
2. Company Officer certifying this application
Name Gerald Walkoff
Mailing Address 1 Executive Drive, Edgewood, NY 11717
Telephone [REDACTED] Fax [REDACTED]
Email [REDACTED]
3. Business Type
 Sole Proprietorship General Partnership
 Limited Partnership Limited Liability Company
 Not-for-profit Corporation Privately Held Corporation
 Education Corporation Other
 Public Corporation—Listed on _____ Exchange
4. State of Incorporation New York
5. Principal Officers Name Gerald Walkoff Title President
6. Principal Stockholders Name Gerald Walkoff Title President
7. Owner's Legal Counsel
Name Howard Vinger
Firm Name _____
Address 1 Executive Drive, Edgewood, NY 11717
Telephone [REDACTED] Fax [REDACTED]
Email [REDACTED]
8. Bank References
Capital One 275 Broad Hollow Road, Melville, NY
9. Major Trade References
John Paul Electric 149 Comac Street, Ronkonkoma NY
10. Nature of Business
(i.e. "manufacturer of ___ for ___ industry" or "warehouse distributor of ___" or "real estate holding company")
Real Estate Holding Company

11. NAICS Code [REDACTED]
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 PARAMOUNT Beauty Distributing Associates INC
Current Address 41 Mercedes Way Unit 34, Edgewood, NY 11717
2. Company Officer certifying this application
Name Jeffrey Hagler
Mailing Address 41 Mercedes Way Unit 34
Telephone [REDACTED] Fax [REDACTED]
Email [REDACTED]
3. Business Type
 Sole Proprietorship General Partnership
 Limited Partnership Limited Liability Company
 Not-for-profit Corporation Privately Held Corporation
 Education Corporation Other
 Public Corporation—Listed on _____ Exchange
4. State of Incorporation New York
5. Principal Officers

Name	Title
<u>Alan Hagler</u>	<u>Chairman</u>
<u>Jeffrey Hagler</u>	<u>CEO</u>
<u>EVAN Feingold</u>	<u>President</u>
6. Principal Stockholders

Name	Title
<u>Alan Hagler</u>	<u>Chairman</u>
<u>Jeffrey Hagler</u>	<u>CEO</u>
<u>EVAN Feingold</u>	<u>President</u>
7. User's Legal Counsel
Name will advise
Firm Name _____
Address _____
Telephone _____ Fax _____
Email _____
8. Bank References
Capital One Bank / Citibank
2050 Jericho Tpk | 7300 Veterans Hwy
Sydney, NY 11725 | Hempstead, NY 11788
9. Major Trade References
See attached reference letter
10. Nature of Business
(i.e. "manufacturer of ___ for ___ industry" or "warehouse distributor of ___" or "real estate holding company")
warehouse distributor of beauty products

ii. NAICS Code [REDACTED]

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

II. PROJECT DATA

A. Location

1. Street Address 60 Heartland Blvd Edgewood, NY 11717
 2. Tax Map 0500 133.00 03.00 006.000
 District # Section # Block # Lot #
 3. Acreage 4.
 4. Municipal Jurisdictions
 Town of Islip
 Village _____
 School District Brentwood

B. Description (Check all that apply)

- New Construction _____ Square Feet
- Addition to Existing Facility _____ Square Feet
- Acquisition of Existing Facility _____ Square Feet
- ~~Acquisition~~ & Renovation of Existing Facility 59,000 Square Feet
- Purchase of New Machinery & Equipment
- Other (specify) office equipment, furniture, software - shelving, racking, conveyors, equipment etc

C. Related Facilities N/A

1. Are other facilities or related companies located within the state? Yes No
 Address _____
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: Florida

E. Present Owner

1. Who is the current legal owner of the site? Heartland Rental Properties Inc.
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):
lease in negotiation

II Project Data

F. Project Narrative

We are a distributor of beauty products and require a larger warehouse facility to accommodate our growth. In the past years, we have taken two additional units at our current location trying to patch our need for additional space due to growth. The additional space in these units can only be used for stock as the cement block dividing walls preclude us from utilizing the space to fit our needs. In addition, with each unit there is office space which is not needed as office but its location precludes it from being used otherwise. We have outgrown our space and need additional space conducive to having a new efficient and much larger pick/pack conveyor system, covering a greater area, as well as line pallet racking system to maximize storage space, narrow aisle material handling equipment, reach trucks, etc. The additional office area will require we purchase additional computer stations, office furniture, etc. The additional space (both office and warehouse) and equipment will enable us to hire additional employees to pick, pack and ship, office personnel to process and solicit orders, as well as additional employees to operate the new equipment. All of those additions will necessitate additional management personnel. The additional square footage in this new facility will not only fit our current needs but will accommodate our growth as demand for beauty products continually increases and the variety of products increases. The building we are looking to move into is 59,000 square feet. Our current location is 38,800 square feet. It is located close to our current location so our current employees will not need to secure additional transportation to continue their employment, and there will be no displaced workers.

II. PROJECT DATA

F. Project Narrative

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

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

III. EMPLOYMENT/SALES DATA

A. Employees	Current	First year upon completion	Second year upon completion
Full time	103	110	118
Part time	51	51	51
Seasonal			
Total	154	161	169

B. Payroll	Current	First year upon completion	Second year upon completion
Total \$	6,660,000	6,980,000	7,336,000

C. Average Annual Wages	Current	First year upon completion	Second year upon completion
Total \$	31,400	\$32,650	\$33,900

D. Sales	Current	First year upon completion	Second year upon completion
Total \$	30,500,000	\$32,800,000	\$35,000,000

In addition the warehouse ships the following volume to our store locations

\$ 8,572,000	\$8,740,000	8,910,000
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IV. PROJECT CONSTRUCTION SCHEDULE

A. Key Dates (proposed)

	Month & Year
1. Construction ^{Renovation} commencement	January 2014
2. Construction completion	
3. Building Occupancy	May 2014

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

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

V. PROJECT COSTS/FINANCING

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

Item	Amount
1. Land	\$ <u>N/A</u>
2. Site Work	_____
3. Building (new construction)	_____
4. Building (rehabilitation)	<u>100,000</u>
5. Engineering & Architectural Fees	<u>160,000</u>
6. Machinery & Equipment	<u>1,000,000</u>
7. Other (specify)	<u>350,000</u>
TOTAL PROJECT COST	<u>1,610,000</u>

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

	Amount	Term
1. Tax Exempt IDB*	<u>N/A</u>	_____
2. Taxable IDB*	_____	_____
3. Conventional Mortgage (with IDA sale/leaseback)	_____	_____
4. Owner/User Self-Financing (with IDA sale/leaseback)	_____	_____
5. JDA/SBA	_____	_____
6. Other loans	_____	_____
7. Company/Owner Equity contribution	<u>500,000</u>	_____
TOTAL AMOUNT FINANCED	\$ _____	

C. Please estimate when the above amounts will be required

_____ 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.

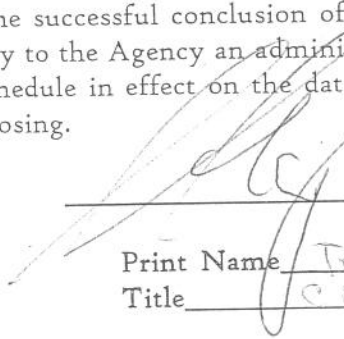
VI. CERTIFICATIONS

A. Applicant Responsibilities

Jeffrey Hagler (name of representative of entity submitting application or name of individual submitting application) deposed and says that s/he (choose and complete one of the following two options) (a) is a/the CEO (title) of PARAMOUNT BEAUTY DISTRIBUTION ASSA. 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 Jeffrey Hagler
Title CEO

NOTARY
Sworn to before me this 11 day of October, 2013

SUSAN E. NICOLETTI
Notary Public, State of New York
No. 01N16023385
Qualified in Suffolk County
Commission Expires April 19, 2015



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



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 than 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
