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
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 SOMCO, LLC
   Current Address 3015 Veterans Memorial Highway, Ronkonkoma, New York 11779

2. Company Officer certifying this application
   Name Howard Somberg
   Mailing Address 3015 Veterans Memorial Highway, Ronkonkoma, New York 11779
   Telephone Fax

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 Howard Somberg
   Title Managing Member

6. Principal Stockholders
   Name
   Title

7. Owner’s Legal Counsel
   Name Bram D. Weber, Esq.
   Firm Name Weber Law Group LLP
   Address 290 Broadhollow Road, Suite 200E, Melville, New York 11747
   Telephone Fax

8. Bank References
   Chase Bank, 730 Veterans Memorial Highway, Hauppauge, NY 11787. Account# 022059356. Contact Stuart Berman.
   Telephone

9. Major Trade References
   Not Applicable

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 Not Applicable
    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: Morris Rothenberg & Son, Inc. d/b/a ROTHCO  
   Current Address: 3015 Veterans Memorial Highway, Ronkonkoma, New York 11779

2. Company Officer certifying this application  
   Name: Howard Somberg  
   Mailing Address: 3015 Veterans Memorial Highway, Ronkonkoma, New York 11779  
   Telephone: [Redacted] Fax: [Redacted]  
   Email: [Redacted]

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

4. State of Incorporation: [Redacted]

5. Principal Officers  
   Name: Mr. Howard Somberg  
   Title: President  
   Name: Mr. Milton Somberg  
   Title: Chairman of the Board

6. Principal Stockholders  
   Name: [Redacted]  
   Title: [Redacted]

7. User's Legal Counsel  
   Name: Bram D. Weber, Esq.  
   Firm Name: Weber Law Group LLP  
   Address: 290 Broadhollow Road, Suite 200E, Melville, New York 11747  
   Telephone: [Redacted] Fax: [Redacted]  
   Email: [Redacted]

8. Bank References  
   Citibank, 730 Veterans Memorial Highway, Hauppauge, NY 11787. Account#: 022059356. Contact Stuart Berman.

9. Major Trade References  
   Zippo Manufacturing Co. 33 Barbour Street, Bradford, PA 16701  
   Wigwam Mills, Inc, PO Box 818, Sheboygan, WI 53082. [Redacted]

10. Nature of Business  
    (i.e. “manufacturer of ___ for ___ industry” or “warehouse distributor of ___” or “real estate holding company”)  
    Warehouse distributor of military apparel, outdoor clothing and accessories,

11. NAICS Code: [Redacted]

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

A. Location

1. Street Address: Veterans Memorial Highway and 13th Avenue, Ronkonkoma, New York 11779

2. Tax Map

   District # 125.00  Section # 01.00  Block # 017.017  Lot #

3. Acreage: +/- 4

4. Municipal Jurisdictions

   Town Islip
   Village
   School District Connetquot UFSD

B. Description (Check all that apply)

   □ New Construction  □ Addition to Existing Facility  □ +/- 60,000 Square Feet
   □ Acquisition of Existing Facility  □ Acquisition & Renovation of Existing Facility  □ Square Feet
   □ Purchase of New Machinery & Equipment  □ Other (specify)
   □ Square Feet

C. Related Facilities

1. Are other facilities or related companies located within the state? □ Yes □ No

   Address: 3015 Veterans Memorial Highway, Ronkonkoma, New York 11779

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 sough 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:

E. Present Owner

1. Who is the current legal owner of the site? SOMCO, LLC

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):

   1. Existing Lease with the Islip IDA dated June 1, 2006. Expires November 30, 2016 (Pre-expansion)

   2. Existing Sublease to Morris Rothenberg & Son, Inc. dated June 1, 2006.

      Expires November 30, 2016 (Pre-expansion)
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

   A. Warehousing and distribution of apparel.
   B. Product line includes: military apparel, outdoor clothing and accessories, law
      enforcement and workforce clothing. Growing market demands require additional
      warehouse space.
   C. Applicant is seeking to expand warehouse to satisfy growing business and
      market demand.
   D. The present facility is comprised of +/- 145,582 sq.ft. of warehouse facilities
      and office space on just over 8 acres.
   E. The new square footage, including the addition to the existing building, will be
      +/- 205,125 sq.ft. The addition is +/- 59,543 sq.ft.
   F. Warehouse.
   G. Major equipment purchases include: one (1) generator, three (3) Stock Pickers,
      four (4) Pallet Jacks and two (2) Fork Lifts.

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

   A. Sediment erosion and run-off control.
   B. Stabilized construction entrance and straw bale erosion control perimeter
      around the construction area.
   C. Not Applicable.
### III. EMPLOYMENT/SALES DATA

#### A. Employees

<table>
<thead>
<tr>
<th></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>140*</td>
<td>148</td>
<td>156</td>
</tr>
<tr>
<td>Part time</td>
<td>15</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>Seasonal</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>160</td>
<td>170</td>
<td>180</td>
</tr>
</tbody>
</table>

#### B. Payroll

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>First year upon completion</th>
<th>Second year upon completion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong> $</td>
<td>13,035,561.00</td>
<td>13,994,000.00</td>
<td>15,010,024.00</td>
</tr>
</tbody>
</table>

#### C. Average Annual Wages

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>First year upon completion</th>
<th>Second year upon completion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong> $</td>
<td>81,472.26</td>
<td>82,317.65</td>
<td>83,389.02</td>
</tr>
</tbody>
</table>

#### D. Sales

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>First year upon completion</th>
<th>Second year upon completion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong> $</td>
<td>78,699,000.00</td>
<td>83,420,940.00</td>
<td>88,426,196.40</td>
</tr>
</tbody>
</table>

*Please note in anticipation of the building project we have employed 7 more employees from Jan 1-May 1 2013.

### IV. PROJECT CONSTRUCTION SCHEDULE

#### A. Key Dates (proposed)

1. Construction commencement  
   - **Month & Year**  
     - April 1, 2013
2. Construction completion  
   - **Month & Year**  
     - December 10, 2013
3. Building Occupancy  
   - **Month & Year**  
     - December 10, 2013

#### B. Please check if any of the following applications/permits have been filed for the project:

- 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>$3,650,000.00</td>
</tr>
<tr>
<td>2. Site Work</td>
<td>$858,840.00</td>
</tr>
<tr>
<td>3. Building (new construction)</td>
<td>$3,822,895.00</td>
</tr>
<tr>
<td>4. Building (rehabilitation)</td>
<td>N/A</td>
</tr>
<tr>
<td>5. Engineering &amp; Architectural Fees</td>
<td>$20,000.00</td>
</tr>
<tr>
<td>6. Machinery &amp; Equipment</td>
<td>$415,000.00</td>
</tr>
<tr>
<td>7. Other (specify)</td>
<td></td>
</tr>
<tr>
<td>$121,000.00 for insurance</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL PROJECT COST $8,887,735.00

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

<table>
<thead>
<tr>
<th>Amount</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<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></td>
</tr>
<tr>
<td>4. Owner/User Self-Financing (with IDA sale/leaseback)</td>
<td></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></td>
</tr>
</tbody>
</table>

TOTAL AMOUNT FINANCED $6,000,000

C. Please estimate when the above amounts will be required

Not Applicable

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

(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.

[Signature]

Notary Public, State of New York
No. 0150667900
Qualified in Suffolk County
Commission Expires Dec. 31, 2013

Notary
Sworn to before me this 6th day of May, 2013

Print Name: Howard Somberg
Title: Managing Member
VI. CERTIFICATIONS

B. Fee Structure

1. Application Fee—$1,000.
An application for IDA assistance must be accompanied by a non-refundable fee of $1,000.
A $500 fee for the Town of Islip review of an Environmental Assessment Form as required by
the State Environmental Quality Review Act (SEQRA). (The $500 fee will be waived if the
applicant’s project has already undergone a SEQRA review during a previous process, i.e. site
plan, building permit, change of zone, etc.)

2. Agency Fee—.006
Upon closing of any IDA project, the Agency will assess a fee of 6/10 of one per cent (.60
basis points) against the size of the project. For IDB projects, the .006 will be measured
against the final bond amount. For straight-lease transactions, the .006 will be measured
against the projected total costs.

3. Agency Counsel—$250 per hour
The Town of Islip Town Attorney’s Office acts as counsel to the Town of Islip IDA and
must be reimbursed for time spent on IDA-related transactions. The Agency counsel bills all
time spent on IDA matters at $250 per hour. For IDA closings up to $5 million, the Agency
counsel bills a minimum of $3,500. For projects greater than $5 million, the Agency counsel
bills a minimum of $5,000. For all other activities, i.e. terminations, simple consents and
waivers, transfer of assets, etc., the Agency counsel will bill at the aforementioned $250 per
hour.

4. Processing Fee—$500
During the course of IDA ownership/involvement, the Agency may occasionally be
required, by the company, to consent to a variety of items, i.e. pre-payment of bonds, second
mortgages, additional secured financing, etc. The Agency will charge a $500 processing fee
for each of these requests.

5. Assignments & Assumptions—$1,500
Occasionally, the IDA is asked to transfer benefits that were assigned to the original
company, i.e. PILOT or mortgage recording tax benefits, to a different company, typically
upon a sale of the IDA property. The new company often wishes to continue IDA
involvement with the property in order to retain the IDA incentives. The Agency will
charge a $1,500 fee for each of these transactions.

6. PILOT Extensions/Modifications—.006
Occasionally, the Agency is asked to extend or modify an existing Payment In Lieu of Taxes
Agreement (PILOT). The .006 will be measured against the projected increase of the PILOT
benefit.
7. Annual Administrative Fee - $1,000
An Annual Administrative Fee of $1,000 will be charged to all projects to cover the cost of all reporting and monitoring of the transaction. This fee is subject to periodic review and may be adjusted at the discretion of the Agency.

8. Bond/Transaction Counsel—fee negotiated separately
While the Town of Islip IDA is represented locally by the Town of Islip Town Attorney’s Office, a separate Bond/Transaction Counsel is also necessary on any IDA project. Bond/Transaction counsels render “third party” opinions that the bond or straight lease transaction is authorized under all federal, state and local statutes. Bond/Transaction counsel also prepares all documents related to IDA transactions and coordinates all activities leading up to closing. The Town of Islip IDA has designated the firm of Nixon Peabody, LLP as its Bond/Transaction counsel and all fees are separately negotiated with them.

I have read and understand the aforementioned explanation of the fees associated with all Town of Islip Industrial Development Agency Transactions.

SOMCO, LLC

Signature

Howard Somberg, Managing Member
VII. REQUIRED ATTACHMENTS

A. Financial Information
(Append 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