

**NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

APPLICATION FOR FINANCIAL ASSISTANCE
(Straight Lease)



APPLICATION OF:

LIF Industries, Inc. on behalf of its affiliated real estate entity, 22 Harbor Park Drive, LLC

APPLICANT NAME

Please respond to all questions in this Application for Financial Assistance (the "Application") by, as appropriate:

- filling in blanks;
- checking the applicable term(s);
- attaching additional text (with notation in Application such as "see Schedule H, Item # 1", etc.); or
- writing "N.A." or signifying "not applicable".

All attachments responsive to questions found in this Application should be clearly labeled and attached as Schedule H to the Application. If an estimate is given, enter "EST" after the figure. One signed original and one photocopy of the Application (including all attachments) must be submitted.

The following amounts are payable to the Nassau County Industrial Development Agency (the "Agency") at the time this Application is submitted to the Agency: (i) a \$1,000 non-refundable application fee (the "Application Fee"); (ii) a \$3,500 expense deposit for the Agency's Transaction Counsel fees and expenses (the "Counsel Fee Deposit"), (iii) a \$2,500 expense deposit for the cost/benefit analysis with respect to the project contemplated by this Application (the "Cost/Benefit Deposit"), and (iv) a \$500 expense deposit for the real property tax valuation analysis, if applicable, with respect to the project contemplated by this Application (the "Valuation Deposit"). The Application Fee will not be credited against any other fees or expenses which are or become payable to the Agency in connection with this Application or the project contemplated herein (the "Project"). In the event that the subject transaction does not close for any reason, the Agency may use all or any part of the Counsel Fee Deposit, the Cost/Benefit Deposit and/or the Valuation Deposit to defray the cost of Transaction Counsel fees and expenses, the cost of obtaining a cost/benefit analysis and/or the cost of obtaining a real property tax valuation with respect to the Project. In the event that the subject transaction does close, the Counsel Fee Deposit, the Cost/Benefit Deposit and the Valuation Deposit shall be credited against the applicable expenses incurred by the Agency with respect to the Project.

Every signature page comprising part of this Application must be signed by the Applicant or this Application will not be considered complete or accepted for consideration by the Agency.

The Agency's acceptance of this Application for consideration does not constitute a commitment on the part of the Agency to undertake the proposed Project, to grant any Financial Assistance with respect to the proposed Project or to enter into any negotiations with respect to the proposed Project.

Information provided herein may be subject to disclosure under the New York Freedom of Information Law (New York Public Officers Law § 84 et seq.) ("FOIL"). If the Applicant believes that a portion of the material submitted with this Application is protected from disclosure under FOIL, the Applicant should mark the applicable section(s) or page(s) as "confidential" and state the applicable exception to disclosure under FOIL.

February 9, 2018

PART I. APPLICANT

A. APPLICANT FOR FINANCIAL ASSISTANCE (If more than one applicant, copy application and complete for each applicant):

Name: *LIF Industries, Inc. on behalf of its real estate affiliate, 22 Harbor Park Drive, LLC*

Address: *5 Harbor Park Drive, Port Washington, New York 11050*

Primary

Contact: *Vincent Gallo*

Phone: *(516) 390-6840*

Fax: *(516) 590-4939*

E-Mail: *vgallo@lifi.net*

NY State Dept. of

Labor Reg #: [REDACTED] Federal Employer ID #: [REDACTED] *LIF Industries, Inc.*

Federal Employer ID #: [REDACTED]

NAICS Code #: *332321*

B. BUSINESS TYPE (Check applicable status. Complete blanks as necessary):

Privately Held Corporation *LIF Industries, Inc.*

Limited Liability Company *22 Harbor Park Drive, LLC*

Income taxed as: Subchapter S *LIF Industries, Inc.*

Partnership *22 Harbor Park Drive, LLC*

State and Year of Incorporation: *LIF Industries, Inc. was formed in New York in November 1986*

22 Harbor Park Drive, LLC was formed in New York in December 2017

Qualified to do Business in New York: Yes No N/A

C. ANY ENTITY PROPOSED TO BE A USER OF THE PROJECT:

Name: *Applicant*

Relationship to Applicant: *Same*

D. APPLICANT COUNSEL (subject to Agency approval):

Firm name: *Rivkin Radler LLP*
Address: *926 RXR Plaza*
Uniondale, NY 11556
Primary
Contact: *William Cornachio*
Phone: *(516) 357-3111*
Fax: *(516) 357-3333*
E-Mail: *william.cornachio@rivkin.com*

E. Principal stockholders, members or partners, if any (i.e., owners of 10% or more of equity/voting rights in Applicant):

Name	Percentage owned
<i>Vincent Gallo</i>	<i>4.008%</i>
<i>Anthony Gallo</i>	<i>16.66%</i>
<i>Michael Gallo</i>	<i>11.444%</i>
<i>Joseph Gallo</i>	<i>11.444%</i>
<i>Roseanne Gallo</i>	<i>11.444%</i>
<i>Vincent Gallo Grantor Trust f/b/o Joseph V. Gallo</i>	<i>15%</i>
<i>Vincent Gallo Grantor Trust f/b/o Michael Gallo</i>	<i>15%</i>
<i>Vincent Gallo Grantor Trust f/b/o Roseanne Gallo</i>	<i>15%</i>

F. If any of the persons described in the response to the preceding Question, or a group of said persons, owns more than a 50% interest in the Applicant, list all other entities which are related to the Applicant by virtue of such persons having more than a 50% interest in such entities:

Not Applicable

G. Is the Applicant related to any other entity by reason of more than 50% common ownership? If YES, indicate name of related entity and relationship:

YES

NO

Shareholders of Applicant own limited liability company membership interests in several properties where Applicant conducts business, and one or more shareholders of Applicant have personal real estate investments, some of which are described in item H below.

H. List parent corporation, sister corporations and subsidiaries, if any:

Applicant is affiliated by common ownership with the following real estate holding companies:

*22 Harbor Park Drive, LLC
Ten HP Drive, LLC
VG Realty Holding Company, LLC
11-05 Clintonville Street, LLC
151-04 12th Avenue, LLC
32-15 Downing Street, LLC
32-27 Downing Street, LLC*

I. Is the Applicant (including any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities involved in any litigation or aware of any threatened litigation that would have a material adverse effect on the Applicant's financial condition or the financial condition of said principal(s)? If YES, attach details.

YES

NO

J. Has the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, ever been involved, as debtor, in bankruptcy, creditors rights or receivership proceedings or sought protection from creditors? If YES, attach details.

YES

NO

K. Has the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, ever been convicted of any felony or misdemeanor (other than minor traffic offenses), or have any such related persons or principal(s) held positions or ownership interests in any firm or corporation that has been convicted of a felony or misdemeanor (other than minor traffic offenses), or are any of the foregoing a defendant in a pending criminal proceeding? If YES, attach details.

YES

NO

L. Has the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, been cited for (or is there pending proceeding or investigation with respect to) a civil violation of federal, state or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution, taxation, or other operating practices? If YES, attach details.

YES

NO

M. Is the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, delinquent or have any of the foregoing persons or entities been delinquent on any New York State, federal or local tax obligations within the past five (5) years? If YES, attach details.

YES ___ NO X

N. Complete the following information for principals (including, in the case of corporations, officers and members of the board of directors and, in the case of limited liability company, members and managers) of the Applicant:

<u>Name</u>	<u>Title</u>	<u>Other Business Affiliations*</u>
<i>Vincent Gallo</i>	<i>President and Director</i>	
<i>Anthony Gallo</i>	<i>Vice President and Director</i>	
<i>Joseph V. Gallo</i>	<i>Vice President and Director</i>	
<i>Michael Gallo</i>	<i>Vice President and Director</i>	
<i>Roseanne Gallo</i>	<i>Secretary, Treasurer and Director</i>	

Do any of the foregoing principals hold elected or appointive public positions? If YES, attach details.

YES ___ NO X

Are any of the foregoing principals employed by any federal, state or local municipality or any agency, authority, department, board, or commission thereof or any other governmental or quasi-governmental organization?

YES ___ NO X

O. Operation at existing location(s) (Complete separate Section O for each existing location):

1. (a) Locations: *5 Harbor Park Drive and 22 Harbor Park Drive, Port Washington, New York*

(b) Number of Employees: Full-Time: *323* Part-Time: *0*

(c) Annual Payroll, excluding benefits: *Estimated amount is \$20.6 million*

* None other than personal real estate investments.

(d) Type of operation: manufacturing and distribution of doors, door frames and related hardware

(e) Size of existing facility real property

22 Harbor Park Drive 6.59 Acres

(f) Buildings (number and square footage of each):

22 Harbor Park Drive 90,336 Square Feet

(g) Applicant's interest in the facility.

Applicant is the contract vendee of the real property at 22 Harbor Park Drive. Applicant will assign its contract rights to its real estate holding company affiliate, 22 Harbor Park Drive, LLC, which will acquire fee simple title to the property.

(h) If Applicant leases, state annual rent and lease expiration date: *Not Applicable*

2. If any of the facilities described above are located within the State of New York (other than in Nassau County), is it expected that any of the described facilities will be closed or be subject to reduced activity? If YES, complete the attached Anti-Raiding Questionnaire (Schedule D).

YES ___ NO X

P. Has the Applicant considered moving to another state or another location within New York State? If YES, explain circumstances.

YES ___ NO X

Q. Does any one supplier or customer account for over 50% of Applicant's annual purchases or sales, respectively? If YES, attach name and contact information for supplier and/or customer, as applicable:

YES ___ NO X

R. Does the Applicant (including any related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, have any contractual or other relationship with the Agency or the County of Nassau? If YES, attach details.

YES ___ NO X

S. Attach a brief history of the Applicant and its business/operations at Schedule H.

By signing this Application, the Applicant authorizes the Agency to obtain credit reports and other financial background information and perform other due diligence on the Applicant and/or any other entity or individual related thereto, as the Agency may deem necessary to provide the requested financial assistance.

PART II. PROPOSED PROJECT

A. Description of proposed Project (check all that apply):

- New Construction
- Addition to Existing Facility
- Renovation of Existing Facility
- Acquisition of Facility
- New machinery and equipment
- Other (specify): _____

B. Briefly describe the proposed Project, the reasons why the Project is necessary to the Applicant and why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations:

Applicant operates in a highly competitive industry, and to date, has maintained its competitive position through its ability to provide prompt service to hollow metal door customers doing business in the New York metropolitan area. The service element, however, is less relevant to the distribution side of Applicant's business, and competing companies operating in Canada, China and domestically in the Carolinas and other lower cost areas are making serious inroads in the manufacturing segment of Applicant's business. Applicant needs to expand to maintain its position, and also requires the certainty of a PILOT arrangement to permit it to budget and plan for a substantial investment in the subject property, which will be used as an additional warehouse, distribution and fulfillment facility.

C. If the Applicant is unable to obtain financial assistance for the Project, what will be the impact on the Applicant and Nassau County? Would the Applicant proceed with the Project without Agency financial assistance? Describe.

In the absence of financial assistance, the Applicant will not be in the financial position to acquire the 22 Harbor Park Drive property, which is necessary to fulfill management's plans to increase Applicant's warehouse and distribution capacities. As noted above, Applicant serves the local construction and development industry, and faces considerable competition from others in a similar line of business operating in lower cost areas. If Applicant's plans for expansion were curtailed by the lack of financial assistance from the Agency, its pattern of consistent job growth in both the skilled and unskilled areas would diminish and level off prematurely.

D. Location of Project (attach map showing the location):

Street Address:

22 Harbor Park Drive, Port Washington

City/Village(s):

Town:

North Hempstead

School Districts:

22 Harbor Park Drive – Port Washington

<u>Property</u>	<u>Section</u>	<u>Block</u>	<u>Lot</u>	<u>Census Tract</u>
<i>22 Harbor Park Drive</i>	<i>06</i>	<i>058</i>	<i>105 and 106</i>	<i>3014</i>

<u>Property</u>	<u>Acres</u>	<u>Building Area</u>
<i>22 Harbor Park Drive</i>	<i>6.59</i>	<i>90,336</i>

E. Describe the present use of the Project site:

Applicant uses its facility at 5 Harbor Park Drive for the manufacture and distribution of hollow metal doors, wood doors, door frames and related hardware, with ancillary space for executive and administrative offices, and offices and work spaces for project managers, sales staff, engineers and programmers.

22 Harbor Park Drive: The current owner uses the facility as office space, and for warehouse purposes. Applicant plans to acquire and use this property to create more storage, warehouse, distribution and fulfillment space.

F. (a) What are the current real estate taxes on the Project site? (If amount of current taxes is not available, provide assessed value for each):

<u>Property</u>	<u>School</u>	<u>General</u>	<u>Village</u>
<i>22 Harbor Park Drive</i>	<i>\$214,500</i>	<i>\$209,500</i>	<i>N/A</i>

(b) Are tax certiorari proceedings currently pending with respect to the Project real property? If YES, attach details including copies of pleadings, decisions, etc.

YES X

NO ___

G. Describe Project ownership structure (*i.e.*, Applicant or other entity):

22 Harbor Park Drive – To be acquired by Applicant's affiliate, 22 Harbor Park Drive, LLC

- H. To what purpose will the building or buildings to be acquired, constructed or renovated be used by the Applicant? (Include description of goods to be sold, products to be manufactured, assembled or processed and services to be rendered.)

The 22 Harbor Park Drive property will be used as a storage, warehouse and distribution facility for Applicant's hollow metal doors, wood doors, door frames and related hardware.

- I. If any space in the Project is to be leased to or occupied by third parties, or is currently leased to or occupied by third parties who will remain as tenants, provide the names and contact information for each such tenant, indicate total square footage of the Project to be leased to each tenant, and describe proposed use by each tenant:

Not Applicable

- J. Provide, to the extent available, the information requested, in Part I, Questions A, B, E and O, with respect to any party described in the preceding response.

Not Applicable

- K. List principal items or categories of equipment to be acquired as part of the Project:

Applicant may in the future acquire additional manufacturing machinery and other production equipment.

- L. Will Project meet zoning/land use requirements at proposed location?

YES

NO

1. Describe present zoning/land use: *PIP – Planned Industrial Park*
2. Describe required zoning/land use, if different: *Not Applicable*
3. If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements:

Not Applicable

- M. Does the Applicant, or any related entity or person, currently hold a lease or license on the Project site? If YES, please provide details and a copy of the lease/license.

YES

NO

N. Does the Applicant, or any related entity or person, currently hold fee title to (i.e. own) the Project site?

YES ____

NO X (*title to be acquired*)

If YES, indicate:

- (a) Date of purchase:
- (b) Purchase price:
- (c) Balance of existing mortgage, if any:
- (d) Name of mortgage holder:
- (e) Special conditions:

If NO, indicate name of present owner of Project site: *Koch Realty L.P.*

O. Does the Applicant or any related person or entity have an option or a contract to purchase the Project site and/or any buildings on the Project site?

YES X *22 Harbor Park Drive* NO ____

If YES, attach copy of contract or option and indicate:

- (a) Date signed: *November 1, 2017*
- (b) Purchase price: *\$14,000,000*
- (c) Closing date: *On or about February 15, 2018*

Is there a relationship legally or by virtue of common control or ownership between the Applicant (and/or its principals) and the seller of the 22 Harbor Park Drive property?

If YES, describe:

YES ____

NO X

P. Will customers personally visit the Project site for either of the following economic activities? If YES with respect to either economic activity indicated below, complete the attached Retail Questionnaire (Schedule E).

Sales of Goods: YES ____ NO X

Sales of Services: YES ____ NO X

- Q. Describe the social and economic conditions in the community where the Project site is or will be located and the impact of the proposed Project on the community (including impact on infrastructure, transportation, fire and police and other government-provided services):

The Town of North Hempstead is a relatively affluent area, with the local school district of Port Washington known and rated high for the quality of education and student achievement. The immediate area is a planned industrial park, with a variety of manufacturing and distribution companies. A Hilton Garden Inn hotel recently opened at 3 Harbor Park Drive at a site that was many years vacant and had previously been used as a health and fitness center.

- R. Identify the following Project parties (if applicable):

Applicant has not yet selected the project architect, engineer or contractors.

- S. Will the Project be designed and constructed to comply with Green Building Standards? (if YES, describe the LEED green building rating that will be achieved):

YES ____

NO X

- T. Is the proposed Project site located on a Brownfield? (if YES, provide description of contamination and proposed remediation)

YES ____

NO X

- U. Will the proposed Project produce a unique service or product or provide a service that is not otherwise available in the community in which the proposed Project site is located?

YES ____

NO X

PART III. PROJECT COSTS

A. Provide an estimate of cost of all items listed below:

	<u>Item</u>	<u>Cost</u>
1.	Land and Building Acquisition	\$14,000,000
2.	Building Acquisition	[Included in 1 above]
3.	Construction or Renovation	N/A
4.	Site Work	N/A
5.	Infrastructure Work	N/A
6.	Engineering Fees	N/A
7.	Architectural Fees	N/A
8.	Applicant's Legal Fees	N/A
9.	Financial Fees	N/A
10.	Other Professional Fees	N/A
11.	Furniture, Equipment & Machinery (not included in 3. above)	*
12.	Other Soft Costs (closing and title costs)	\$70,000
13.	Other (miscellaneous)	
	Total	\$14,070,000**

**Applicant may in the future acquire additional manufacturing and production equipment, but since those acquisitions would be exempt from sales and uses taxes, Applicant is not requesting assistance with respect to it.*

***Does not include costs associated with this application.*

B. Source of Funds for Project Costs:

a.	Bank Financing:	\$11,200,000 (for real estate acquisition)
b.	Equity	\$2,870,000
	TOTAL	\$14,070,000**

C. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? If YES, describe particulars on a separate sheet.

YES NO

Contract deposit for 22 Harbor Park Drive of \$700,000

D. Has the Applicant made any arrangement for the provision of third party financing? If YES, indicate with whom (subject to Agency approval) and provide a copy of any term sheet or commitment letter issued with respect to such financing.

YES X NO ____

Signature Bank; see attached loan commitment letter.

E. Construction Cost Breakdown:

Total Cost of Construction: *Not Applicable*

Cost for materials: \$ _____
% Sourced in County: _____ %
% Sourced in State: _____ % (incl. County)

Cost for labor: \$ _____
% Sourced in County: _____ %
% Sourced in State: _____ % (incl. County)

Cost for "other":
% Sourced in County: _____ %
% Sourced in County: _____ % (incl. County)

PART IV. COST/BENEFIT ANALYSIS

- A. If the Applicant presently operates in Nassau County, provide the current annual payroll, excluding benefits. Estimate payroll, excluding benefits, in First Year, Second Year and Third Year after completion of the Project.

	<u>Present</u>	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>
Full-time:	\$19,601,000	\$19,691,000	\$20,375,000	\$21,076,000
Part-time:	0	0	0	0
Seasonal:	0	0	0	0
Total Annual Payroll:	\$19,601,000	\$19,691,000	\$20,375,000	\$21,076,000

What are the average wages of employees (excluding benefits) presently employed by the Applicant in Nassau County? \$58,355

What is the average annual value of employee benefits paid per job, if any, for the employees presently employed by the Applicant in Nassau County? \$23,100

What are the estimated average wages of the jobs (excluding benefits) to be created by the Applicant upon completion of the Project? \$45,320

What is the estimated average annual value of employee benefits per job, if any, for jobs to be created upon completion of the Project? \$17,600

Estimate the percentage of jobs to be created by the Applicant upon completion of the Project that will be filled by County residents: 50%

Please note that the Agency may utilize the foregoing employment projections and the projections set forth in Schedule C, among other things, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs, types of occupations and amount of payroll with respect to the Project set forth in this Application.

- B. (i) Will the Applicant transfer current employees from existing location(s)? If YES, describe, please describe the number of current employees to be transferred and the location from which such employees would be transferred:

YES NO

Applicant will relocate some of its employees from existing facilities in the immediate area (i.e., 5 Harbor Park Drive, 10 Harbor Park Drive and 18 Industrial Park Drive) to the 22 Harbor Park Drive building.

- (ii) Describe the number of estimated full time equivalent construction jobs to be created as a result of undertaking the project, to the extent any:

Not Applicable

- C. What, if any, is the anticipated increase in the dollar amount of production, sales or services rendered as a result of the Project?

Although any increase in productivity is necessarily dependent on the strength of the economy and continuation of robust construction activities in the New York metro area, Applicant projects that the expansion of its warehouse and distribution facilities to 22 Harbor Park Drive will enable Applicant to increase its revenue by \$12.0 million or 10%.

What percentage of the foregoing amount is subject to New York sales and use tax?

Approximately 67% of Applicant's sales are subject to state and local sales taxes

Describe any other municipal revenues that will result from the Project (excluding the above and any PILOT payments):

Applicant will pay permit and inspection fees to the Town of North Hempstead and the County of Nassau.

- D. What is the estimated aggregate annual amount of goods and services to be purchased by the Applicant for each year after completion of the Project and what portion will be sourced from businesses located in the County and the State (including the County):

	<u>Amount</u>	<u>% Sourced in County</u>	<u>% Sourced in State</u>
Year 1	\$71,447,000	4.3	40%
Year 2	\$75,627,000	4.3	40%
Year 3	\$78,606,000	4.3	40%

- E. Describe, if applicable, other benefits to the County anticipated as a result of the Project, including a projected annual estimate of additional sales tax revenue generated, directly and indirectly, as a result of undertaking the project:

Applicant anticipates sufficient job growth for its business that will generally increase economic activity for the County and in the immediate area. Applicant's job pool draws in part from the County.

F. Costs to the County and affected municipalities:

Estimated Value of Sales Tax Exemption:	\$	*
Estimated Value of Mortgage Tax Exemption:	\$84,000	
Estimated Property Tax Exemption:	\$	**
Existing Property Tax paid on the Land and/or Building: (please provide current tax bills)	\$	**
Estimated new Real Property Tax Revenue if the Project did not receive Real Property Tax exemption:	\$	**
Estimated new Real Property Tax Revenue if the Project does receive Real Property Tax exemption:	\$	**

*Any equipment which Applicant will purchase is manufacturing equipment and as such has an existing exemption from New York State and local sales taxes.

**Pending certiorari proceedings respecting 22 Harbor Park Drive are expected to be resolved by stipulation.

G. Describe any other one-time municipal revenues (not including fees payable to the Agency) that the Project will create:

See item C above regarding permitting and inspection fees.

PART V. PROJECT CONSTRUCTION SCHEDULE

A. Has construction work on the Project begun? If YES, indicate the percentage of completion: *Not Applicable*

- | | | | | |
|----|-------------------------------|---------|--------|---------------|
| 1. | (a) Site clearance | YES ___ | NO ___ | ___% complete |
| | (b) Environmental Remediation | YES ___ | NO ___ | ___% complete |
| | (c) Foundation | YES ___ | NO ___ | ___% complete |
| | (d) Footings | YES ___ | NO ___ | ___% complete |
| | (e) Steel | YES ___ | NO ___ | ___% complete |
| | (f) Masonry | YES ___ | NO ___ | ___% complete |
| | (g) Interior | YES ___ | NO ___ | ___% complete |
| | (h) Other (describe below): | YES ___ | NO ___ | ___% complete |

2. If NO to all of the above categories, what is the proposed date of commencement of construction, renovation or acquisition of the Project?

Not Applicable

B. Provide an estimate of time schedule to complete the Project and when the first use of the Project is expected to occur (attach additional sheet if necessary):

Not Applicable

PART VI. ENVIRONMENTAL IMPACT

A. What is the expected environmental impact of the Project? (Complete the attached Environmental Assessment Form (Schedule G)).

None

B. Is an environmental impact statement required by Article 8 of the N.Y. Environmental Conservation Law (i.e., the New York State Environmental Quality Review Act)?

YES

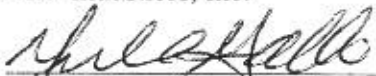
NO

C. Please be advised that the Agency may require at the sole cost and expense of the Applicant the preparation and delivery to the Agency of an environmental report in form and scope satisfactory to the Agency, depending on the responses set forth in the Environmental Assessment Form. If an environmental report has been or is being prepared in connection with the Project, please provide a copy.

D. The Applicant authorizes the Agency to make inquiry of the United States Environmental Protection Agency, the New York State Department of Environmental Conservation or any other appropriate federal, state or local governmental agency or authority as to whether the Project site or any property adjacent to or within the immediate vicinity of the Project site is or has been identified as a site at which hazardous substances are being or have been used, stored, treated, generated, transported, processed, handled, produced, released or disposed of. The Applicant will be required to secure the written consent of the owner of the Project site to such inquiries (if the Applicant is not the owner), upon request of the Agency.

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of Applicant: LIF Industries, Inc.

Signature: 

Name: Michael Galló

Title: Vice President

Date: February 9, 2018

Sworn to before me this 9 day of February , 2018


Notary Public

MARIA BARRY
NOTARY PUBLIC, State of New York
No. 01BA6130836
Qualified in Suffolk County
Commission Expires July 25, 2021

**RULES AND REGULATIONS OF THE NASSAU COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

The Nassau County Industrial Development Agency (the "Agency"), in order to better secure the integrity of the projects it sponsors, declares that it is in the public interest (i) to ensure the continuity of such projects and the jobs created by such projects, (ii) to prevent the conversion of the use of the premises upon which a sponsored project is to be constructed or renovated and (iii) to limit and prevent unreasonable profiteering or exploitation of a project, and does hereby find, declare and determine as follows:

FIRST:

Upon the approval of a sponsored project, the Agency shall take title to, or acquire a leasehold or other interest in, all premises upon which an Agency sponsored project is to be constructed or renovated, and shall lease, sublease, license, sell or otherwise transfer the premises to the Applicant for a term to be determined by the Agency.

At such time as, among other things, the Applicant fails to retain or create the jobs as represented in the Application or changes the use of the project or ownership of the project or the Applicant during the life of the project in a manner inconsistent with the Application, and such employment default or change of use or ownership does not meet with the prior written approval of the Agency, a recapture of benefits may be required to be paid by the Applicant to the Agency. The amount and sufficiency (with respect to a particular applicant) of the applicable recapture of benefits payment shall be determined by the Agency and shall be set forth in the straight lease documents.

SECOND:

At such time as a proposed Project is reviewed, the members of the Agency must disclose any blood, marital or business relationships they or members of their families have or have had with the Applicant (or its affiliates). The Applicant represents that no member, manager, principal, officer or director of the Applicant has any such relationship with any member of the Agency (or any member of the family of any member of the Agency).

THIRD:

All applicants must disclose whether they have been appointed, elected or employed by New York State, any political division of New York State or any other governmental agency.

FOURTH:

All proposed lenders, title companies and their respective attorneys must be satisfactory to and approved in writing by the Agency.

Understood and Agreed to:

Name of
Applicant: LIF Industries, Inc.

By: 
Name/Title: Michael Gallo, Vice President

**CERTIFICATION AND AGREEMENT
WITH RESPECT TO FEES AND COSTS**

The undersigned deposes and says: that I am an authorized representative of the Applicant named in the attached application for financial assistance ("Application") and that I hold the office specified below my signature at the end of this Certification and Agreement, that I am authorized and empowered to deliver this Certification and Agreement and the Application for and on behalf of the Applicant, that I am familiar with the contents of said Application (including all schedules and attachments thereto), and that said contents are true, correct and complete to my knowledge. Capitalized terms used but not otherwise defined in this Certification and Agreement shall have the meanings assigned to such terms in the Application.

The grounds of my belief relative to all matters in the Application that are not based upon my own personal knowledge are based upon investigations I have made or have caused to be made concerning the subject matter of this Application, as well as upon information acquired in the course of my duties and from the books and records of the Applicant.

As an authorized representative of the Applicant, I acknowledge and agree on behalf of the Applicant that the Applicant hereby releases the Nassau County Industrial Development Agency, its members, officers, servants, attorneys, agents and employees (collectively, the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend (with counsel selected by the Agency) and hold the Agency harmless from and against any and all liability, damages, causes of actions, losses, costs or expenses incurred by the Agency in connection with: (A) examination and processing of, and action pursuant to or upon, the Application, regardless of whether or not the Application or the financial assistance requested therein are favorably acted upon by the Agency, (B) the acquisition, construction and/or installation of the Project by the Agency, and (C) any further action taken by the Agency with respect to the Project; including, without limiting the generality of the foregoing, (i) all fees and expenses of the Agency's general counsel, transaction counsel, economic development consultant, real property tax valuation consultant and other experts and consultants (if deemed necessary or advisable by the Agency), and (ii) all other expenses incurred by the Agency in defending any suits, actions or proceedings that may arise as a result of any of the foregoing. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails within a reasonable or specified period of time to take reasonable, proper or requested action or withdraws, abandons, cancels, or neglects the Application or is unable to secure third party financing or otherwise fails to conclude the Project, then upon presentation of an invoice by the Agency, its agents, attorneys or assigns, the Applicant shall pay to the Agency, its agents, attorneys or assigns, as the case may be, all fees and expenses reflected in any such invoice.

As an authorized representative of the Applicant, I acknowledge and agree on behalf of the Applicant that each of the Agency's general counsel, transaction counsel, economic development consultant, real property tax valuation consultant and other experts and consultants is an intended third-party beneficiary of this Certification and Agreement, and that each of them may (but shall not be obligated to) enforce the provisions of the immediately preceding paragraph, whether by lawsuit or otherwise, to collect the fees and expenses of such party or person incurred by the Agency (whether or not first paid by the Agency) with respect to the Application.

Upon successful closing of the "straight lease" transaction, the Applicant shall pay to the Agency an administrative fee set by the Agency (which amount is payable at closing) in accordance with the following schedule:

- (A) Six-tenths (6/10) of one percent (1%) for the first twenty million dollars (\$20,000,000) of total project costs and, if applicable, two-tenths (2/10) of one percent (1%) for any additional amounts in excess of twenty million dollars (\$20,000,000) of total project costs.

- (B) General Counsel Fee – One-tenth (1/10) of one percent (1%) of total project costs, with a minimum fee of \$2,000.
- (C) Two Thousand Five Hundred Dollars (\$2,500) closing compliance fee payable at closing and One Thousand Dollars (\$1,000) per year (or part thereof) administrative fee, payable in advance, at the closing for the first year (or part thereof) and on January 1st of each year for the term of the financing. The annual service fee is subject to periodic review and may be adjusted from time to time in the discretion of the Agency.
- (D) Refinancings – The Agency fee shall be determined on a case-by-case basis.
- (E) Assumptions – The Agency fee shall be determined on a case-by-case basis.
- (F) Modifications – The Agency fee shall be determined on a case-by-case basis.

Transaction counsel fees and expenses are payable at closing and are based on the work performed in connection with the Project.

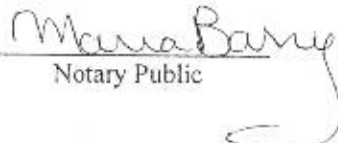
Upon the termination of the Project, Applicant agrees to pay all costs in connection with any conveyance by the Agency to the Applicant of the Agency's interest in the Project and the termination of all related Project documents, including the fees and expenses of the Agency's general counsel, transaction counsel, and all applicable recording, filing or other related fees, taxes and charges.

LIF Industries, Inc.

By: 

Name: Michael Gallo
Title: Vice President

Sworn to before me this 9
day of February 2018


Notary Public

MARIA BARRY
NOTARY PUBLIC, State of New York
No. 01BA6130836
Qualified in Suffolk County
Commission Expires July 25, 2021

TABLE OF SCHEDULES:

<u>Schedule</u>	<u>Title</u>	<u>Complete as Indicated Below</u>
A.	Intentionally omitted	
B.	New York State Financial and Employment Requirements for Industrial Development Agencies	All applicants
C.	Guidelines for Access to Employment Opportunities	All applicants
D.	Anti-Raiding Questionnaire	If Applicant checked "YES" in Part I, Question O.2. of Application
E.	Retail Questionnaire	If Applicant checked "YES" in Part II, Question P of Application (See Page 11)
F.	Applicant's Financial Attachments, consisting of:	All applicants
	1. Applicant's audited financial statements for the last two fiscal years.	
G.	Environmental Assessment Form	All applicants
H.	Other Attachments	As required

Intentionally omitted

**NEW YORK STATE FINANCIAL AND EMPLOYMENT REPORTING
REQUIREMENTS FOR INDUSTRIAL DEVELOPMENT AGENCIES**

- A. Pursuant to applicable law, the Agency requires the completion of an Initial Employment Plan (see Schedule C) and a year-end employment plan status report, both of which shall be filed by the Nassau County Industrial Development Agency (the "Agency") with the New York State Department of Economic Development on January 15. The Project documents will require the Applicant to provide such report to the Agency on or before January 1 of each year, together with such employment verification information as the Agency may require.

Except as otherwise provided by collective bargaining agreements, the Applicant agrees to list any new employment opportunities with the New York Department of Labor Community Services Division and the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (P.L. 97-300), or any successor statute thereto (the "JTPA Entities"). In addition, except as otherwise provided by collective bargaining agreements, the Applicant, where practicable, will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for such new employment opportunities.


- B. The Applicant will be required to file annually a statement with the New York State Department of Taxation and Finance and the Agency of the value of all sales or use tax exemptions claimed in connection with the Project by reason of the involvement of the Agency.
- C. Please be advised that the New York State Industrial Development Agency Act imposes additional annual reporting requirements on the Agency, and the Applicant will be required to furnish information in connection with such reporting, as follows:

The following information must be provided for straight-lease transactions entered into or terminated during the year:

Name, address and owner of the project; total amount of tax exemptions granted (broken out by state and local sales tax, property taxes, and mortgage recording tax); payments in lieu of taxes made; total real estate taxes on the Project prior to exemption; number of jobs created and retained, and other economic benefits realized.

Failure to provide any of the aforesaid information will be constitute a DEFAULT under the Project documents to be entered into by the Agency and the Applicant in connection with the proposed Project.

Please sign below to indicate that the Applicant has read and understood the above and agrees to provide the described information on a timely basis.

Name of Applicant	LIF Industries, Inc.
Signature:	
Name:	Michael Gallo
Title:	Vice President
Date:	February 9, 2018

GUIDELINES FOR ACCESS TO EMPLOYMENT OPPORTUNITIESINITIAL EMPLOYMENT PLAN

Prior to the granting of financial assistance, the Applicant shall complete the following employment plan:

Applicant Name: *LIF Industries, Inc.*

Address: *5 Harbor Park Drive, Port Washington, New York 11050*

Type of Business: *Manufacture and distribution of hollow metal doors, wood doors, door frames and related hardware*

Contact Person: *Vincent Gallo*

Tel. No.: *(516) 390-6840*

Please complete the following table describing the Applicant's projected employment plan following receipt of financial assistance:

<u>Current and Planned Occupations</u> (provide NAICS Code for each)	<u>Current Number Full Time Equivalent Jobs Per Occupation</u>		<u>Estimated Number of Full Time Equivalent Jobs in the County After Completion of the Project:</u>		
	<u>County</u>	<u>Statewide</u>	<u>1 year</u>	<u>2 years</u>	<u>3 years</u>
	<i>332321</i>	<i>323</i>	<i>358</i>	<i>325</i>	<i>327</i>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Please indicate the number of temporary construction jobs anticipated to be created in connection with the acquisition, construction and/or renovation of the Project: *Not Applicable.*

Please indicate the estimated hiring dates for the new jobs shown above and any special recruitment or training that will be required:

The permanent positions with Applicant will be filled between April 1, 2018 and December 31, 2020. No special or recruitment will be required.

Are the Applicant's employees currently covered by a collective bargaining agreement?

YES X

NO ____

IF YES, Union Name and Local: *Local 2790, New York City and Vicinity District Council of Carpenters, and Local 966, International Brotherhood of Teamsters*

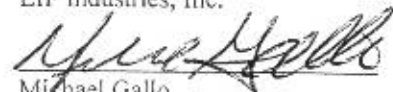
Please note that the Agency may utilize the foregoing employment projections, among other things, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the above number of jobs, types of occupations and amount of payroll with respect to the proposed project.

Attached hereto is a true, correct and complete copy of the Applicant's most recent Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return (Form NYS-45-MN). Upon request of the Agency, the Applicant shall provide such other or additional information or documentation as the Agency may require with respect to the Applicant's current employment levels in the State of New York.

The UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of Applicant LIF Industries, Inc.

Signature:



Name:

Michael Gallo

Title:

Vice President

Date:

February 9, 2018

ANTI-RAIDING QUESTIONNAIRE

(To be completed by Applicant if Applicant checked "YES" in Part I, Question O.2 of the Application for Financial Assistance)

A. Will the completion of the Project result in the removal of a plant or facility of the Applicant or of a proposed occupant of the Project, or a relocation of any employees of the Applicant or of a proposed occupant of the Project, from an area in New York State (but outside of Nassau County) to an area within Nassau County?

YES ____ NO X

If the answer to Question A is YES, please provide the following information:

Address of the to-be-removed plant or facility or the plant or facilities from which employees are relocated: _____

Names of all current occupants of the to-be-removed plant or facility: _____

B. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Applicant, or of a proposed occupant of the Project, located in an area of the State of New York other than in Nassau County?

YES ____ NO X

If the answer to Question B is YES, please provide the following information:

Addresses of the to-be-abandoned plants or facilities: _____

Names of all current occupants of the to-be-abandoned plants or facilities: _____

C. Has the Applicant contacted the local industrial development agency at which its current plants or facilities in New York State are located with respect to the Applicant's intention to move or abandon such plants or facilities?

YES ____ NO X Not Applicable

If the answer to Question C is YES, please provide details in a separate attachment.

IF THE ANSWER TO EITHER QUESTION A OR B IS "YES", ANSWER QUESTIONS D AND E.

D. Is the Project reasonably necessary to preserve the competitive position of the Applicant, or of a proposed occupant of the Project, in its industry?

YES _____

NO _____

E. Is the Project reasonably necessary to discourage the Applicant, or a proposed occupant of the Project, from removing such plant or facility to a location outside of the State of New York?

YES _____

NO _____

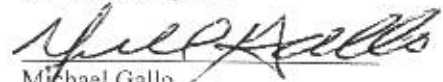
IF THE ANSWER TO EITHER QUESTION D OR E IS "YES", PLEASE PROVIDE DETAILS IN A SEPARATE ATTACHMENT.

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of Applicant

LIF Industries, Inc.

Signature:



Name:

Michael Gallo

Title:

Vice President

Date:

February 9, 2018

RETAIL QUESTIONNAIRE

(To be completed by Applicant if Applicant checked either "YES" in Part II, Question P of the Application for Financial Assistance) Not Applicable

A. Will any portion of the Project (including that portion of the cost to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making retail sales to customers who personally visit the Project?

YES _____ NO _____

For purposes of Question A, the term "retail sales" means (i) sales by a registered vendor under Article 28 of Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

B. If the answer to Question A is YES, what percentage of the cost of the Project (including that portion of the cost to be financed from equity or other sources) will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project?

_____ %

C. If the answer to Question A is YES, and the amount entered for Question B is greater than 33.33%, indicate whether any of the following apply to the Project:

1. Is the Project likely to attract a significant number of visitors from outside the economic development region (i.e., Long Island) in which the Project is or will be located?

YES _____ NO _____

2. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services?

YES _____ NO _____

3. Will the Project be located in one of the following: (a) an area designated as an empire zone pursuant to Article 18-B of the General Municipal Law; or (b) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (i) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of the households receiving public assistance, and (ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates?

YES _____ NO _____

If the answer to any of the subdivisions 1 through 3 of Question C is YES, attach details.

- D. If the answer to any of the subdivisions 2 through 3 of Question C is YES, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? If YES, attach details.

YES ____

NO ____

- E. State percentage of the Applicant's annual gross revenues comprised of each of the following:

Retail Sales: ____%

Services: ____%

- F. State percentage of Project premises utilized for same:

Retail Sales: ____%

Services: ____%

The UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of
Applicant

Signature: _____

Name:

Title:

Date:

APPLICANT'S FINANCIAL ATTACHMENTS

Applicant's Financial statements for its fiscal years ended December 31, 2015 and 2016 are attached (December 31, 2017 are not yet available). Applicant is a private company and requests that the attached financial information be treated as confidential and not be subject to disclosure under FOIA or otherwise.

ENVIRONMENTAL ASSESSMENT FORM

[Short form EAF attached]

Short Environmental Assessment Form

Part I - Project Information

Instructions for Completing

Part I - Project Information. The applicant or project sponsor is responsible for the completion of Part I. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part I based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part I. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

Part I - Project and Sponsor Information			
Name of Action or Project: LIF Industries, Inc. 22 Harbor Park Drive Project			
Project Location (describe, and attach a location map): 22 Harbor Park Drive, Port Washington, New York			
Brief Description of Proposed Action: Acquisition of warehouse, distribution and fulfillment facility at 22 Harbor Park Drive, Port Washington, New York			
Name of Applicant or Sponsor: LIF Industries, Inc.		Telephone: 516-390-6840	
		E-Mail: vgallo@lifi.net	
Address: 5 Harbor Park Drive			
City/PO: Port Washington		State: NY	Zip Code: 11050
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.			NO <input checked="" type="checkbox"/>
2. Does the proposed action require a permit, approval or funding from any other governmental Agency? If Yes, list agency(s) name and permit or approval: Sponsor is seeking financial assistance from the Nassau County Industrial Development Agency			YES <input checked="" type="checkbox"/>
3.a. Total acreage of the site of the proposed action?		6.59 acres	
b. Total acreage to be physically disturbed?		0 acres	
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor?		6.59 acres	
4. Check all land uses that occur on, adjoining and near the proposed action.			
<input type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input checked="" type="checkbox"/> Industrial <input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Residential (suburban)			
<input type="checkbox"/> Forest <input type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input checked="" type="checkbox"/> Other (specify): <u>planned industrial park</u>			
<input type="checkbox"/> Parkland			

18. Does the proposed action include construction or other activities that result in the impoundment of water or other liquids (e.g. retention pond, waste lagoon, dam)? If Yes, explain purpose and size: _____ _____ _____	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe: _____ _____ _____	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe: _____ _____ _____	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>
I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE		
Applicant/sponsor name: <u>LIF Industries, Inc.</u>		Date: <u>2/9/18</u>
Signature: <u>[Handwritten Signature] Vice President</u>		

OTHER ATTACHMENTS

- Exhibit A* *Applicant History*
- Exhibit B* *Location Map*
- Exhibit C* *Purchase Contract for 22 Harbor Park Drive* Exempt from disclosure pursuant to P.O.L. §87(2)(d)
- Exhibit D* *Signature Bank Loan Commitment Letter* Exempt from disclosure pursuant to P.O.L. §87(2)(d)
- Exhibit E* *Applicant's Form NYS-45-ATT* Exempt from disclosure in part pursuant to P.O.L. §87(2)(b) + (d)

EXHIBIT A
TO
SCHEDULE H

Applicant History

LIF Industries, Inc. was founded in the early 1930s as Long Island Kalamein Door Company. As one of the early distributors of fire resistant doors, the Company was part of the original association that tested and labeled doors for compliance with the New York City fire code. Long Island Kalamein Door Company was among the first developers of the fire resistant door, at the time a revolutionary product that originated in the New York City area.

The Company took on its current identity in 1966, when brothers Vincent and Joseph Gallo purchased it and changed the name to Long Island Fireproof Door. At that time, the Company had just a few employees and its annual sales were a mere \$75,000. The Gallo brothers developed the Company and expanded its product offering in several key areas to include related products. For example, in the late 1980s, the Company began to manufacture hollow metal doors, which had evolved from the original Kalamein door, and the Company became a distributor of wood doors and all manner of door hardware. The Company changed its name to LIF Industries, Inc. in 2006 to reflect its broader product lines and offerings.

Today, the Company has 350 employees, operating in 225,000 square feet of space in multiple locations, with more than \$120 million in annual sales. An experienced organization with a high service standard and a reputation for innovation in the industry, the Company serves the developers and the construction industry throughout the major metropolitan areas, including New York City and vicinity, Boston, Chicago and Washington D.C. Representative developer customers include Silverstein Properties, The Trump Organization, Avalon Bay and the Related Companies. Lend Lease, Tishman Construction and Skanska are among LIF's construction industry customers.

EXHIBIT B
TO
SCHEDULE H

Location Map

[Attached]

Google Maps 22 Harbor Park Dr



Map data ©2018 Google 1000 ft