

**NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

APPLICATION FOR FINANCIAL ASSISTANCE
(Straight Lease)

APPLICATION OF:

3 Grace 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.", 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 9 copies 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.

DATE

PART I. APPLICANT

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

Name: 3 Grace LLC

Address: 3 Grace Avenue, Great Neck Plaza, NY 11021

Primary Contact: Ephraim Namdar

Phone: 212 398 9564 Fax: 212 575 1020

E-Mail: effy@hjnmdar.com

NY State Dept. of
Labor Reg #: _____ Federal Employer ID #: _____

NAICS Code #: _____

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

Sole Proprietorship _____ General Partnership _____ Limited Partnership _____

Limited Liability Company X Privately Held Corporation _____

Publicly Held Corporation _____ Exchange listed on _____

Not-for-Profit Corporation _____

Income taxed as: Subchapter S _____ Subchapter C _____
501(c)(3) Corporation _____ Partnership X

State and Year of Incorporation/Organization: New York 2013

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

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

Name: _____

Relationship to Applicant: _____

D. APPLICANT COUNSEL (subject to Agency approval):

Firm name: Harras Bloom & Archer LLP

Address: 445 Broad Hollow Road, Suite 127
Melville, NY 11747

Primary

Contact: Paul J. Bloom/Stacy E. Jacobson

Phone: 631 393 6220

Fax: 631 393 6229

E-Mail: pbloom@hba-law.com; sjacobson@hba-law.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
<u>Ephraim Namdar</u>	<u> </u> %
<u>Namdar Family Limited Partnership</u>	<u> </u> %

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:

- 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 ☒

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

N/A

- 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 charged with or 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 charged or convicted of a felony or misdemeanor (other than minor traffic offenses)? 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 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 X

- 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:

Name

Title

Other Business Affiliations

Ephraim Namdar

Manager

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) Location: 3 Grace Avenue, Great Neck, NY 11021
- (b) Number of Employees: Full-Time: _____ Part-Time: 2
- (c) Annual Payroll, excluding benefits: _____
- (d) Type of operation (e.g. manufacturing, wholesale, distribution)
and products or services: commercial building
- (e) Size of existing facility real property
(i.e., acreage of land): _____
- (f) Buildings (number and square footage of each): 1 building, 22,500 sq.ft.

(g) Applicant's interest in the facility.

FEE TITLE (i.e. own)

LEASE

OTHER (describe below)

Fee Owner

(h) If Applicant leases, state annual rent
and lease expiration date: _____

2. If any of the facilities described above are located within the State of New York, 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.

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.

Applicant is a single-purpose entity established to acquire and operate the Property. The Property was purchased in March, 2013.

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:

See Schedule H.

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.

See Schedule H.

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

Street Address:

3 Grace Avenue, Great Neck, NY 11021

City/Village(s):

Incorporated Village of Great Neck Plaza

Town(s):

North Hempstead

School District(s):

Great Neck

Section: 02 Block: 195 Lot: 0020

Census Tract Number: Unknown

Size of proposed facility real property
(i.e., acreage of land): 9,776 square feet

If exact street address is not available, please provide a survey and the most precise description available.

E. Describe the present use of the Project site: office building

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):

Land: \$ _____ Building(s): \$130,000.00 (approximately)

(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):

Limited Liability Company made up of two (2) members

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.)

Building will be renovated for use by Launchpad Long Island (approximately 7,600 sq. ft.), bank, and office/medical office space. See Attached Schedule H.

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:

Launchpad of Long Island – Peter Goldsmith – 631 224 4400 – peter@listnet.org

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.

N.A.

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

N.A.

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

YES X

NO

1. Describe present zoning/land use: business district
2. Describe required zoning/land use, if different: NA
3. If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements:

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 X

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

YES X

NO

If YES, indicate:

- (a) Date of purchase: March 15, 2013
- (b) Purchase price: \$3,000,000.00
- (c) Balance of existing mortgage, if any: \$ None.
- (d) Name of mortgage holder: N.A.
- (e) Special conditions: N.A.

If NO, indicate name of present owner of Project site: N.A.

- 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 ____

NO X

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

(a) Date signed: N.A.

(b) Purchase price: \$N.A.

(c) Closing date: N.A.

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 Project (and/or its principals)?

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).

Retail Sales: YES X NO ____

Services: YES X NO ____

- 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):

See Attached Schedule H.

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

Architect: _____

Engineer: _____

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 ☒

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

YES ☐NO ☒

- 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 ☐

See Schedule H for detailed response.

PART III. PROJECT COSTS

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

	<u>Item</u>	<u>Cost</u>
1.	Land Acquisition	\$
2.	Building Acquisition	\$3,000,000.00
3.	Construction or Renovation	\$750,000.00
4.	Site Work	\$
5.	Infrastructure Work	\$
6.	Engineering Fees	\$20,000.00
7.	Architectural Fees	\$20,000.00
8.	Applicant's Legal Fees	\$50,000.00
9.	Financial Fees (incl. lender legal fees)	\$110,000
10.	Other Professional Fees	\$10,000.00
11.	Furniture, Equipment & Machinery (not included in 3. above)	\$
12.	Other Soft Costs (describe)	\$
13.	Other (describe)	\$
	Total	\$3,960,000.00

B. Source of Funds for Project Costs:

a. Bank Financing: \$ 5,500,000.00
b. Equity \$ _____
TOTAL \$ _____

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 X See Schedule H. NO _____

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 _____ NO X

E. Construction Cost Breakdown:

Total Cost of Construction: \$ 750,000.00 (sum of 3 and 11 in Question A above)

Cost for materials: \$ 375,000
% Sourced in County: _____ %
% Sourced in State: _____ % (incl. County)

Cost for labor: \$ 375,000.00
% 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:	\$ _____	\$ _____	\$ _____	\$ _____
Part-time:	_____	_____	_____	_____
Seasonal:	_____	_____	_____	_____
Total Annual Payroll:	\$ _____	\$ _____	\$ _____	\$ _____

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

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? \$ _____

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

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

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

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 _____

(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:

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

\$ _____

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

_____ %

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

- 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	\$ _____	_____	_____
Year 2	\$ _____	_____	_____
Year 3	\$ _____	_____	_____

- 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:

- F. Costs to the County and affected municipalities:

Estimated Value of Sales Tax Exemption: \$ _____

Estimated Value of Mortgage Tax Exemption: \$ 55,000

Estimated Property Tax Exemption: \$ _____

Existing Property Tax paid on the Land and/or Building: (please provide current tax bills) \$ 130,000

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:

\$ _____

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

PART V. PROJECT CONSTRUCTION SCHEDULE

- A. Has construction work on the Project begun? If YES, indicate the percentage of completion:

- | | | | | |
|----|-------------------------------|----------|------------------|-----------------|
| 1. | (a) Site clearance | YES ____ | NO <u>X</u> ____ | ____ % complete |
| | (b) Environmental Remediation | YES ____ | NO <u>X</u> ____ | ____ % complete |
| | (c) Foundation | YES ____ | NO <u>X</u> ____ | ____ % complete |
| | (d) Footings | YES ____ | NO <u>X</u> ____ | ____ % complete |
| | (e) Steel | YES ____ | NO <u>X</u> ____ | ____ % complete |
| | (f) Masonry | YES ____ | NO <u>X</u> ____ | ____ % complete |
| | (g) Interior | YES ____ | NO <u>X</u> ____ | ____ % complete |
| | (h) Other (describe below): | YES ____ | NO <u>X</u> ____ | ____ % 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?

October 2014

- 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):

Sixty days for construction/renovation. Proposed completion date of Project January, 2015.

PART VI. ENVIRONMENTAL IMPACT

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

- 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: 3 Grace LLC

Signature: _____
Name: Ephraim Namdar
Title: Managing Member
Date: _____

Sworn to before me this _____
day of _____, 2014.

Notary Public

**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: 3 Grace LLC

By: _____

Name/Title: Ephraim Namdar, Managing Member

**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.

Name Ephraim Namdar
Title: Managing Member

Sworn to before me this _____
day of _____, 2014.

Notary Public

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 Q.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 (unless included in Applicant's annual reports).	
	2. Applicant's annual reports (or Form 10-K's) for the two most recent fiscal years.	
	3. Applicant's quarterly reports (Form 10-Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any.	
	4. In addition, attach the financial information described above in items F1, F2, and F3 of any anticipated Guarantor of the proposed transaction, if different than the Applicant, including the personal financial statement of any anticipated Guarantor that is a natural person.	
	5. Dun & Bradstreet report.	
G.	Environmental Assessment Form	All applicants
H.	Other Attachments	As required

Schedule A
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:	<u>3 Grace LLC</u>
Signature:	
Name:	<u>Ephraim Namdar</u>
Title:	<u>Managing Member</u>
Date:	

GUIDELINES FOR ACCESS TO EMPLOYMENT OPPORTUNITIES**INITIAL EMPLOYMENT PLAN**

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

Applicant Name: 3 Grace LLC

Address: 3 Grace Avenue, Great Neck, NY 11021

Type of Business: Office Building Development

Contact Person: Ephraim Namdar Tel.#: 212-398-9564

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

Current and Planned Occupations (provide NAICS Code for each)	Current Number Full Time Equivalent Jobs Per Occupation		Estimated Number of Full Time Equivalent Jobs in the County After Completion of the Project:		
	County	Statewide	1 year	2 years	3 years
<u>Office Jobs</u>	<u> </u>	<u> </u>	<u>50</u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Please indicate the number of temporary construction jobs anticipated to be created in connection with the acquisition, construction and/or renovation of the Project:

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

Construction – Approximately November 2014

Office/Medical jobs – Approximately January 2015

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

YES

NO X

IF YES, Union Name and Local: _____

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) (first page only). 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:	<u>3 Grace LLC</u>
Signature:	_____
Name:	<u>Ephraim Namdar</u>
Title:	<u>Managing Member</u>
Date:	_____

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 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: _____

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 _____

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:	<u>3 Grace LLC</u>
Signature:	_____
Name:	<u>Ephraim Namdar</u>
Title:	<u>Managing Member</u>
Date:	_____

RETAIL QUESTIONNAIRE

(To be completed by Applicant if Applicant checked either "YES" in Part II, Question P of the Application for Financial Assistance)

- 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 XNO

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?

10 %

- 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. Will the Project be operated by a not-for-profit corporation?

YES NO

2. 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

3. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York?

YES NO

4. 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

5. Will the Project be located in one of the following: (a) an area designed as an economic development 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 5 of Question C is YES, attach details.

- D. If the answer to any of the subdivisions 3 through 5 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: _____%

*100% rental income

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

Retail Sales: _____%

Services: _____%

*100% rental income

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:

3 Grace LLC

Signature:

Name:

Ephraim Namdar

Title:

Managing Member

Date:

Schedule F

APPLICANT'S FINANCIAL ATTACHMENTS

11:40 AM

08/29/14

Accrual Basis

3 GRACE LLC
Profit & Loss
January 1 through August 29, 2014

Schedule G

ENVIRONMENTAL ASSESSMENT FORM

Schedule H

OTHER ATTACHMENTS

Doc # 05-391133.2

SCHEDULE H

PART II (B):

The proposed project ("Project") will consist of the renovation of an existing 22,500 square foot office building located at 3 Grace Avenue, Great Neck, New York, and the build-out of office space, including bank, medical and general office. The basement space of 7,500 square feet, will be built-out for use by Launchpad of Long Island. The Project is necessary because it fills a need for an incubator and accelerator of business in Great Neck, and provides necessary revitalization of a downtown office building. The Agency's financial assistance is necessary because the sales and real estate tax savings will help manage Applicant's costs and make the Project viable.

PART II (C):

If the Applicant is unable to arrange financial assistance from IDA, the project becomes cost prohibitive, and Applicant will be forced to abort the Project. The savings from IDA assistance, including real estate and sales tax, would make the project viable. There is a need for refurbished and revitalized office buildings in Great Neck and a need for an incubator and accelerator of business opportunity. If the Applicant is unable to proceed with the Project, Nassau County loses the benefit of Launchpad of Long Island locating to Great Neck, approximately 5 to 7 new construction jobs and approximately 50 full-time and part-time jobs.

PART II (H):

The existing building will be refurbished for Launchpad of Long Island (approximately 7,600 square feet), bank (approximately 3,600 square feet), medical office (approximately 2,300 square feet), and general office (approximately 9,000 square feet).

PART II (Q) and (U):

The subject property is situated within one of the most desirable business locations on Long Island. The Project will provide (i) revitalized office space in Great Neck Plaza; (ii) approximately 5 to 7 construction jobs; and (iii) upon rental stabilization, approximately 50 part-time/full-time jobs. The Project will also impact the community by providing a home in Great Neck Plaza for Launchpad of Long Island and thereby establishing an incubator and accelerator of business in Great Neck Plaza. Launchpad of Long Island presence will result in increased business opportunities in Nassau County.

PART III (C):

The following is a list of current out-of-pocket expenditures, as of August 29, 2014, incurred by the Applicant:

Building Acquisition and closing costs approximately - \$3,120,000.00 (acquisition \$3,000,000, architect \$20, 000, engineering - \$16, 000, attorney fees \$35,000, miscellaneous \$ 50,000).

PART III (D): Applicant is currently seeking financing for the Project.

PART IV (B)(ii): The Applicant estimates that the number of full time equivalent construction jobs to be created as a result of undertaking the project to be 5 to 7 jobs. These job types include plumbers, electricians, carpenters, steel workers, masons, and more.

PART IV (E): There are two major benefits of the Project to Nassau County.

(1) The Project is designed to meet the demand for a revitalized, first class office building in the area, and provide a home to Launchpad of Long Island.

(2) The Project is expected to produce approximately 50 full and part-time jobs for Nassau County residents.