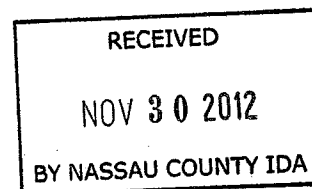


NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

APPLICATION FOR FINANCIAL ASSISTANCE  
(Straight Lease)



APPLICATION OF:

JESCO LIGHTING GROUP, 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.

November 19, 2012  
DATE

**PART I. APPLICANT**

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

Name: **Jesco Lighting Group, LLC**

Address: **66-25 Traffic Avenue, Glendale, NY 11385**

Primary Contact: **Richard Kurtz**

Phone: **(718) 366-3211** Fax: **(718) 366-3646**

E-Mail: **rkurtz@jescolighting.com**

NY State Dept. of  
Labor Reg #:

Federal Employer ID #:

NAICS Code #: **551112**

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 \_\_\_\_\_

State and Year of Incorporation/Organization: **Delaware**

Qualified to do Business in New York: Yes **X** No \_\_\_\_\_ N/A \_

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

Name: **Jesco Lighting Inc.**

Relationship to Applicant:

**Affiliated Entity for manufacturing, sales and distribution.**

D. APPLICANT COUNSEL (subject to Agency approval):

Firm name: **Farrell Fritz, P.C.**

Address: **1320 RXR Plaza, Uniondale, NY 11556-1320**

Primary

Contact: **Peter L. Curry, Esq.**

Phone: **(516) 227-0772**

Fax: **(516) 336-2208**

E-Mail: **pcurry@farrellfritz.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
<b>Mina Ma</b>	
<b>Richard Kurtz</b>	
<b>Paulin Tham</b>	

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:

**Jesco Lighting Inc.**

**15 Harbor Park Drive, LLC**

**KMT Associates, LLC**

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

**Three Affiliated Entities: Jesco Lighting Inc., 15 Harbor Park Drive, LLC, and KMT Associates, LLC**

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

**Jesco Lighting, Inc., 15 Harbor Park Drive, LLC and KMT Associates, 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 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

- 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

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>
Mina Ma	Member	Affiliated Entities Listed Above
Richard Kurtz	President/CEO	Affiliated Entities Listed Above
Paulin Tham	Vice President	Affiliated Entities Listed Above
Edward Ma	Manager/Chairman	Affiliated Entities Listed Above

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: **66-25 Traffic Avenue, Glendale, NY 11385**

(b) Number of Employees: Full-Time: **40** Part-Time:

(c) Annual Payroll, excluding benefits: **\$2,069,698.00**

(d) Type of operation (e.g. manufacturing, wholesale, distribution)

and products or services: **lighting manufacturer, wholesale distributor**

(e) Size of existing facility real property

(i.e., acreage of land): \_\_\_\_\_

(f) Buildings (number and square footage of each): **50,000 sf**

(g) Applicant's interest in the facility.

FEE TITLE LEASE  X OTHER (describe below)

\_\_\_\_\_

(h) If Applicant leases, state annual rent

and lease expiration date: **Annual Rent: \$467,984; The Lease expires on October 31, 2019 with the Applicant, As Tenant under the Lease, having the right to early termination of the Lease, or to sublet the leased premises. The Applicant plans to relocate its operations and employees upon completion of renovations to the Port Washington Facility.**

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

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

YES

NO

**Applicant considered relocating to New York City or New Jersey, or consolidating its business operations with an affiliated company, KMT Associates, LLC, located in City of Industry, California. To avoid the business disruption of relocating out-of-state and the negative impacts such a move would have had upon its workforce, the efficiency of its creative design team and the performance of its manufacturing division, the Applicant is considering a move to a larger facility in Nassau County. Such a move will only be feasible with financial assistance from the IDA.**

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

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

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

**A Statement of Applicant's Business Operations is attached hereto.**

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.

## **EXHIBIT**

### **JESCO LIGHTING GROUP, LLC**

#### **Part I. Applicant's Statement of Business Operations**

The Applicant's business, Jesco Lighting, was founded in 1998 and is a New York City-based company with its headquarters in Glendale, New York. Jesco has distribution centers in Glendale, New York, City of Industry, California and Barcelona, Spain. Today, Jesco is one of the nation's fastest growing lighting manufacturers offering a comprehensive selection of contemporary, architectural, energy-efficient lighting fixtures for a broad range of commercial, institutional and residential applications. The entire line of Jesco products may be viewed in their showrooms in Manhattan, Dallas, Las Vegas, and Los Angeles.

The company is very proud of its record-breaking growth over the past three years and attributes its success to strong leadership, the skills and experience of its design and engineering teams and the dedication of all its employees and support staff as well as the their strategic partnerships with highly regarded companies throughout Asia, Europe and Mexico.

Jesco's goal is to become a one-stop solution for the residential, retail, hospitality and commercial markets. Jesco Lighting is dedicated to providing the best products at the best prices with the best possible service levels you have come to expect and enjoy.



**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:

**The acquisition of a thirty-year old 66,526 sf industrial building within the Port Washington Industrial Park; an \$800,000 renovation project to the existing structure, including the office and warehouse areas, the reconstruction of the building façade and roof, the repaving of the parking lot; and the purchase of \$150,000 of furniture and equipment in connection with the relocation to and expansion of the Applicant's manufacturing business in Nassau County.**

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.

**The Applicant's purchase of the Facility and relocation of its operations and employees to Nassau County is dependent upon financial assistance and economic benefits being offered for the Project by the Nassau County IDA. The obligation of the Applicant under the Agreement of Sale for the purchase of the Project Facility is specifically contingent upon the grant of financial assistance from the Nassau County IDA. A copy of the Agreement of Sale is attached hereto.**

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

Street Address: **15 Harbor Park Drive**

City/Village(s): **Port Washington**

Town(s): **North Hempstead**

School District(s): **Port Washington**

Section: **6** Block: **86** Lot: **11**

Census Tract Number: **3014.00/2**

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: **Dri-Mark Magic Marker warehouse.**

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): **\$254,207.65**

Land: \_\_\_\_\_ Building(s): \_\_\_\_\_

(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 \_\_\_ NO X

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

**Ownership will be in the name of 15 Harbor Park Drive, LLC, an affiliated entity of the Applicant.**

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.)

**Manufacturing and distribution of contemporary, architectural and energy-efficient lighting fixtures for a broad range of commercial, institutional and residential applications.**

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: **N/A**

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:

**Construction Materials, Office Furniture and Warehouse Equipment**

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

YES X NO

1. Describe present zoning/land use: **Industrial Park**

2. Describe required zoning/land use, if different: **N/A**

3. If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements: **N/A**

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 \_\_\_\_\_ NO **X**

If YES, indicate: N/A

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

If NO, indicate name of present owner of Project site:

**Louis Reichman and Sons, LLC**

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** NO \_\_\_\_\_

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

- (a) Date signed: **9/21/2012**
- (b) Purchase price: **\$5,500,000**
- (c) Closing date: **on or about March 21, 2013**

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 \_\_\_\_\_ NO **X** 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 Project is located in an existing and long-established industrial park, with an existing infrastructure of roads, utilities, public transportation and other amenities consistent with its purpose. The Project will bring an underutilized site back to full use without having any substantive effect on government-provided services.**

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

Architect: **SDG Design**

Engineer: **TBD**

Contractors: **TBD**

- 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 **X**

NO \_\_\_\_\_

**The Applicant manufactures and distributes products that are specialized and clearly distinguishable from those provided by its competitors.**

**PART III. PROJECT COSTS**

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

	<u>Item</u>	<u>Cost</u>
1.	Land Acquisition	\$5,500,000.00
2.	Building Acquisition	\$ _____
3.	Construction or Renovation	\$ 800,000.00
4.	Site Work	\$ _____
5.	Infrastructure Work	\$ _____
6.	Engineering Fees	\$ _____
7.	Architectural Fees	\$ 20,000.00
8.	Applicant's Legal Fees	\$ _____
9.	Financial Fees (incl. lender legal fees)	\$ _____
10.	Other Professional Fees	\$ _____
11.	Furniture, Equipment & Machinery (not included in 3. above)	\$ 150,000.00
12.	Other Soft Costs (describe)	\$ _____
13.	Other (describe)	\$ _____
Total		\$6,470,000.00

B. Source of Funds for Project Costs:

a.	Bank Financing: 90%	\$5,823,000.00
b.	Equity	\$ 647,000.00
TOTAL		\$6,470,000.00

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 X

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 \_\_\_\_\_

E. Construction Cost Breakdown:

Total Cost of Construction: **\$950,000** (sum of 3 and 11 in Question A above)

Cost for materials: **\$550,000**  
% Sourced in County: **50%**  
% Sourced in State: **100%** (incl. County)

Cost for labor: **\$400,000**  
% Sourced in County: **50%**  
% Sourced in State: **100%** (incl. County)

Cost for "other": \$ \_\_\_\_\_  
% Sourced in County: \_\_\_\_\_ %  
% Sourced in State: \_\_\_\_\_ % (incl. County)

**PART IV. COST/BENEFIT ANALYSIS**

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.

	Present	First Year	Second Year	Third Year
Full-time:	\$ N/A	\$2,069,698	\$2,398,263	\$2,634,893
Part-time:		N/A	N/A	N/A
Seasonal:		N/A	N/A	N/A
Total Annual	\$	\$2,069,698	\$2,398,263	\$2,634,893

Payroll: \_\_\_\_\_

What are the average wages of employees (excluding benefits) presently employed by the Applicant in Nassau County? N/A

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? N/A

What are the estimated average wages of the jobs (excluding benefits) to be created by the Applicant upon completion of the Project? \$51,742

What is the estimated average annual value of employee benefits per job, if any, for jobs to be created upon completion of the Project? \$15,600

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 X

NO \_\_\_\_\_

**All current employees will be offered employment at the new Port Washington facility. All who accept will relocate from the Glendale premises.**

(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:

**Although it is difficult to project with certainty the number of construction jobs that will be created, as the applicant has not yet entered into a construction agreement, but a conservative estimate of construction jobs to be created is 10.**

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):

**Sales tax revenues will result from the Applicant's employees and visitors purchasing food and other goods and services locally in the Port Washington area. Further, income tax will be payable by each of the new employees which will be hired in 2013 and 2014.**

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	\$570,000	50%	80%
Year 2	\$ TBD	_____	_____
Year 3	\$ TBD	_____	_____

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:

**It is anticipated that at least three of the new employees will be residents of Nassau County, and will pay sales tax on the goods and services they buy within the County. Further, all of the employees will now purchase goods and services within the County during the workday. Finally, the expenditure of these funds within the County will result in additional ancillary third-party employment with the concomitant income and sales tax paid by those employees.**

F. Costs to the County and affected municipalities:

Estimated Value of Sales Tax Exemption: \$ 47,437

Estimated Value of Mortgage Tax Exemption: \$ 33,967

Estimated Property Tax Exemption: **15 Year PILOT Term with payments TBD**

Existing Property Tax paid on the Land and/or Building: (please provide current tax bills) \$ 254,208

Estimated new Real Property Tax Revenue if the Project did not receive Real Property Tax exemption: \$ 254,208



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:

**Building permit application fees**

**PART V. PROJECT CONSTRUCTION SCHEDULE**

- A. Has construction work on the Project begun? If YES, indicate the percentage of completion: **Purchasing and Renovating an Existing Structure**

- |                               |     |     |    |              |
|-------------------------------|-----|-----|----|--------------|
| 1. (a) Site clearance         | N/A | YES | NO | % complete   |
| (b) Environmental Remediation | N/A | YES | NO | % complete   |
| (c) Foundation                | N/A | YES | NO | % complete   |
| (d) Footings                  | N/A | YES | NO | % complete   |
| (e) Steel                     | N/A | YES | NO | % complete   |
| (f) Masonry                   | N/A | YES | NO | % complete   |
| (g) Interior Renovation       | YES | NO  | X  | 0 % complete |
| (h) Other (describe below)    | YES | NO  | X  | 0 % complete |
- Building Façade, Roof, Parking Lot**

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

**Spring, 2013**

- 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): **6 months.**

**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 \_\_\_\_\_

NOX \_\_\_\_\_

- 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.

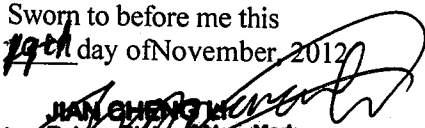
Name of Applicant: **JESCO LIGHTING GROUP, LLC**

Signature: 

Name: **Richard Kurtz**

Title: **President/CEO**

Date: 11/19/12

Sworn to before me this  
19th day of November, 2012  
  
**HAN CHENG LI**  
Notary Public, State of New York  
No. 0116166927  
Claitor, Queens County  
Commission Expires June 18, 2015

**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: **Jesco Lighting Group, LLC**

By: 

Name/Title: **Richard Kurtz, President/CEO**

**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: **Richard Kurtz**  
Title: **President/CEO**

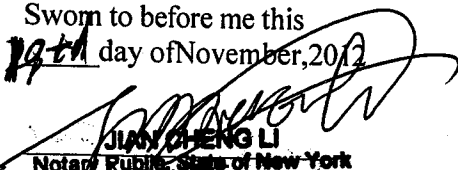
Sworn to before me this  
19th day of November, 2012  
  
**JIAN CHENG LI**  
Notary Public, State of New York  
No. 0116100927  
Qualified in Queens County  
Commission Expires June 18, 2015

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

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: **Jesco Lighting Group, LLC**

Signature: 

Name: **Richard Kurtz**  
Title: **President/CEO**

Date: **November 19, 2012**



**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: **Jesco Lighting Group, LLC**  
 Address: **66-25 Traffic Avenue, Glendale, NY 11385**  
 Type of Business: **Lighting Manufacturing and Distribution**  
 Contact Person: **Richard Kurtz** Tel. No.: **718-366-3211**

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

<u>Current and Planned Occupations</u> <u>years</u> (provide NAICS Code for each)	<u>Estimated Number of Full Time Equivalent Jobs in the County After Completion of the Project:</u>				
	<u>Current Number Full Time Equivalent Jobs Per Occupation</u>		<u>1 year</u>	<u>2 years</u>	<u>3</u>
	<u>County</u>	<u>Statewide</u>			
<u>551112</u>		<u>40</u>	<u>40</u>	<u>45</u>	<u>48</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: **10**

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

YES \_\_\_\_\_ NO **X**

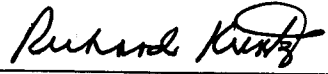
IF YES, Union Name and Local: N/A

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: **Jesco Lighting Group, LLC**

Signature:   
Name: **Richard Kurtz**  
Title: **President/CEO**  
Date: **November 19, 2012**

**ANTI-RAIDING QUESTIONNAIRE**

(To be completed by Applicant if Applicant checked "YES" in Part I, Question Q.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

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

Address of the to-be-removed plant or facility N/A

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

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

Addresses of the to-be-abandoned plants or facilities: **Applicant's Current Location at: 66-25 Traffic Avenue, Glendale, New York**

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

**Jesco Lighting Group, LLC and Jesco Lighting Inc.**

- 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?

YESX

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?

YESX

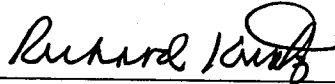
NO \_\_\_\_\_

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: **Jesco Lighting Group, LLC**

Signature: \_\_\_\_\_



Name:

**Richard Kurtz**

Title:

**President/CEO**

Date:

**November 19, 2012**

### **ANTI-RAIDING ADDENDUM**

**The facility we currently occupy in Glendale, New York is no longer feasible for the Company's operations. We are at the forefront of our industry, but the building we are in is outmoded and no longer meets our needs. We cannot bring customers to the site, and find that the layout does not offer us discrete areas for our various departments to efficiently complete their tasks. We cannot effectively expand our operations at the current location, and believe that the creativity of our designers and the productivity of our manufacturing division are negatively impacted. The decision has been made to either move to a larger facility in the area or relocate our operations outside of New York State. We have considered relocation opportunities in New York City and New Jersey or, perhaps, merging operations with our affiliated company, KMT Associates, LLC in City of Industry, California. The Port Washington facility in Nassau County offers us a location that meets our need to expand and more efficiently operate our business, but relocation is dependent upon the financial assistance of the Nassau County IDA to bring our 40 current employees to the new facility and create new job opportunities for local residents.**

**RETAIL QUESTIONNAIRE**

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

N/A

- 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. 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: \_\_\_\_\_ %

F. State percentage of Project premises utilized for same:

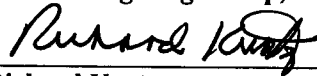
Retail Sales: \_\_\_\_\_ %

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: **Jesco Lighting Group, LLC**

Signature: \_\_\_\_\_



Name:

**Richard Kurtz**

Title:

**President/CEO**

Date:

**November 19, 2012**

APPLICANT'S FINANCIAL ATTACHMENTS



**FIRST AMERICAN INTERNATIONAL BANK**

4101 8<sup>th</sup> Avenue, 2<sup>nd</sup> Floor

Brooklyn, NY 11232

Tel: 718-715-7838 Fax: 718-715-7836

**CORPORATE FINANCIAL STATEMENT**

**CONFIDENTIAL**

As of Sept. 30, 2012

NAME OF COMPANY <b>JESCO LIGHTING GROUP, LLC JESCO LIGHTING, INC.</b>		TYPE OF BUSINESS <b>LIGHTING MANUFACTURERS</b>
ADDRESS <b>66-25 TRAFFIC AVE. GLENDALE, NY 11385</b>		TYPE OF COMPANY <b>CORPORATION / LLC</b>
TELEPHONE <b>718-366-3211</b>	EIN	OFFICER NAME AND TITLE <b>EDWARD MA - CHAIRMAN RICHARD KURTZ - PRES. &amp; CEO</b>
		DATE OF INCORPORATION <b>01/12/10 12/09/98</b>

ASSETS		LIABILITIES	
Cash	\$ _____	LOANS FROM FAIB	_____
Bank accounts	_____	Notes payable to banks	_____
Fixed Assets	_____	secured	_____
Inventory	_____	unsecured	_____
Accounts Receivables	_____	Other notes payable	_____
Securities	_____	Accounts & bills payable	_____
Real estate est. market value	_____	(incl. Credit cards & other	_____
(original cost \$	_____	installment payments)	_____
Other assets (describe briefly)	_____	Mortgages payable	_____
<b>PREPAID RENT</b>	_____	Unpaid taxes	_____
_____	_____	Other debts (describe briefly)	_____
_____	_____	_____	_____
_____	_____	TOTAL LIABILITIES	_____
TOTAL ASSETS	\$ _____	NET WORTH	_____
		TOTAL LIABILITIES & NET WORTH	\$ _____


Profit & Loss		JAN. 1, 2012 - SEPT. 30, 2012	
(Three Years)		_____	_____
Sales	_____	_____	_____
Cost of Goods Sold	_____	_____	_____
Salaries	_____	_____	_____
Other Expenses	_____	_____	_____
Income Taxes	_____	_____	_____
Net Profit after Tax/Dep.	\$ _____	_____	_____

**ENVIRONMENTAL ASSESSMENT FORM**

## Appendix C

**State Environmental Quality Review**  
**SHORT ENVIRONMENTAL ASSESSMENT FORM**  
**For UNLISTED ACTIONS Only**

**PART I - PROJECT INFORMATION (To be completed by Applicant or Project Sponsor)**

1. APPLICANT/SPONSOR JESCO LIGHTING GROUP, LLC	2. PROJECT NAME 15 HARBOR PARK DRIVE
3. PROJECT LOCATION: Municipality PORT WASHINGTON, NORTH HEMPSTEAD County NASSAU	
4. PRECISE LOCATION (Street address and road intersections, prominent landmarks, etc., or provide map) 15 (East Side) HARBOR PARK DRIVE, PORT WASHINGTON, NY 11050 in the Harbor Industrial Park.	
5. PROPOSED ACTION IS: <input type="checkbox"/> New <input type="checkbox"/> Expansion <input checked="" type="checkbox"/> Modification/alteration	
6. DESCRIBE PROJECT BRIEFLY: Acquisition of an existing 66,526 sf industrial building within the Port Washington Harbor Industrial Park in connection with the relocation of a lighting manufacturer and distributor along with its 40 employees. The project includes the renovation of the office and warehouse areas, the reconstruction of the building facade and roof, and the repaving of the parking lot.	
7. AMOUNT OF LAND AFFECTED: Initially <u>3.833</u> acres    Ultimately <u>3.833</u> acres	
8. WILL PROPOSED ACTION COMPLY WITH EXISTING ZONING OR OTHER EXISTING LAND USE RESTRICTIONS? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No    If No, describe briefly	
9. WHAT IS PRESENT LAND USE IN VICINITY OF PROJECT? <input type="checkbox"/> Residential <input checked="" type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Agriculture <input type="checkbox"/> Park/Forest/Open Space <input type="checkbox"/> Other Describe: A 3.833 acre improved parcel within an existing industrial park.	
10. DOES ACTION INVOLVE A PERMIT APPROVAL, OR FUNDING, NOW OR ULTIMATELY FROM ANY OTHER GOVERNMENTAL AGENCY (FEDERAL, STATE OR LOCAL)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No    If Yes, list agency(s) name and permit/approvals: Nassau County Industrial Development Agency	
11. DOES ANY ASPECT OF THE ACTION HAVE A CURRENTLY VALID PERMIT OR APPROVAL? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No    If Yes, list agency(s) name and permit/approvals:	
12. AS A RESULT OF PROPOSED ACTION WILL EXISTING PERMIT/APPROVAL REQUIRE MODIFICATION? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE TO THE BEST OF MY KNOWLEDGE Applicant/sponsor name: JESCO LIGHTING GROUP, LLC    Date: <u>Nov 28, 2012</u> Signature: <u></u>	

**If the action is in the Coastal Area, and you are a state agency, complete the Coastal Assessment Form before proceeding with this assessment**

**PART II - IMPACT ASSESSMENT (To be completed by Lead Agency)**

A. DOES ACTION EXCEED ANY TYPE I THRESHOLD IN 6 NYCRR, PART 617.4?  Yes  No If yes, coordinate the review process and use the FULL EAF.

---

B. WILL ACTION RECEIVE COORDINATED REVIEW AS PROVIDED FOR UNLISTED ACTIONS IN 6 NYCRR, PART 617.6? If No, a negative declaration may be superseded by another involved agency.  Yes  No

---

C. COULD ACTION RESULT IN ANY ADVERSE EFFECTS ASSOCIATED WITH THE FOLLOWING: (Answers may be handwritten, if legible)

C1. Existing air quality, surface or groundwater quality or quantity, noise levels, existing traffic pattern, solid waste production or disposal, potential for erosion, drainage or flooding problems? Explain briefly:

C2. Aesthetic, agricultural, archaeological, historic, or other natural or cultural resources; or community or neighborhood character? Explain briefly:

C3. Vegetation or fauna, fish, shellfish or wildlife species, significant habitats, or threatened or endangered species? Explain briefly:

C4. A community's existing plans or goals as officially adopted, or a change in use or intensity of use of land or other natural resources? Explain briefly:

C5. Growth, subsequent development, or related activities likely to be induced by the proposed action? Explain briefly:

C6. Long term, short term, cumulative, or other effects not identified in C1-C5? Explain briefly:

C7. Other impacts (including changes in use of either quantity or type of energy)? Explain briefly:

---

D. WILL THE PROJECT HAVE AN IMPACT ON THE ENVIRONMENTAL CHARACTERISTICS THAT CAUSED THE ESTABLISHMENT OF A CRITICAL ENVIRONMENTAL AREA (CEA)?  Yes  No If Yes, explain briefly:

---

E. IS THERE, OR IS THERE LIKELY TO BE, CONTROVERSY RELATED TO POTENTIAL ADVERSE ENVIRONMENTAL IMPACTS?  Yes  No If Yes, explain briefly:

**PART III - DETERMINATION OF SIGNIFICANCE (To be completed by Agency)**

**INSTRUCTIONS:** For each adverse effect identified above, determine whether it is substantial, large, important or otherwise significant. Each effect should be assessed in connection with its (a) setting (i.e. urban or rural); (b) probability of occurring; (c) duration; (d) irreversibility; (e) geographic scope; and (f) magnitude. If necessary, add attachments or reference supporting materials. Ensure that explanations contain sufficient detail to show that all relevant adverse impacts have been identified and adequately addressed. If question D of Part II was checked yes, the determination of significance must evaluate the potential impact of the proposed action on the environmental characteristics of the CEA.

Check this box if you have identified one or more potentially large or significant adverse impacts which **MAY** occur. Then proceed directly to the FULL EAF and/or prepare a positive declaration.

Check this box if you have determined, based on the information and analysis above and any supporting documentation, that the proposed action **WILL NOT** result in any significant adverse environmental impacts **AND** provide, on attachments as necessary, the reasons supporting this determination

---

Name of Lead Agency \_\_\_\_\_ Date \_\_\_\_\_

---

Print or Type Name of Responsible Officer in Lead Agency \_\_\_\_\_ Title of Responsible Officer \_\_\_\_\_

---

Signature of Responsible Officer in Lead Agency \_\_\_\_\_ Signature of Preparer (If different from responsible officer) \_\_\_\_\_

Reset

~~XXXXXXXXXX~~

**OTHER ATTACHMENTS**



ECONOMIC  
DEVELOPMENT  
RESOURCES

48 WALL STREET, SUITE 1100  
NY, NY 10005

212 285-2495 TEL  
212 285-2599 FAX

446 CLINTON AVENUE  
WYCKOFF, NJ 07481

201 848-4180 TEL  
201 848-0221 FAX

CONNECT@EDRCORP.NET  
WWW.EDRCORP.NET

November 20, 2012

Christopher E. Kent, Esq.  
Farrell Fritz, P.C.  
100 Motor Parkway, Ste. 138  
Hauppauge, NY 11788

Dear Mr. Kent:

Please know that Jesco Lighting Inc. engaged the services of Economic Development Resources, Inc. ("EDR") to identify a facility and pursue out-of-state opportunities in connection with the relocation and expansion of operations currently situated in Queens, NY.

EDR was retained as of June 1, 2012.

Please feel free to call me with any questions.

Sincerely,

*Ara N. Araz*

Executive Director

EXECUTION COPY

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**AGREEMENT OF SALE**

dated September 21, 2012

between

**LOUIS REICHMANN AND SONS, LLC,**

as Seller

and

**JESCO LIGHTING GROUP, LLC**

as Purchaser

Affecting Premises known as 15 Harbor Park Drive, Port Washington, New York  
Nassau County  
Section 6 Block 86 Lot 11

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**AGREEMENT OF SALE**

**THIS AGREEMENT OF SALE** (this "Agreement") made September 21, 2012, between LOUIS REICHMANN AND SONS, LLC, a New York limited liability company, having an address at 15 Harbor Park Drive, Port Washington, New York 11050 ("Seller"), and JESCO LIGHTING GROUP LLC, a Delaware limited liability company, having an address at 66-25 Traffic Avenue, Glendale, New York 11385 ("Purchaser").

**WITNESSETH:**

WHEREAS, Seller is the owner of that certain real property and all buildings and improvements located thereon as more specifically described on the attached Exhibit A and made a part of this Agreement, together with all rights, titles, appurtenances and easements thereto appertaining; and

WHEREAS, Purchaser desires to purchase from Seller, and Seller desires to sell to Purchaser, the Premises (as hereinafter defined), all subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the promises and mutual covenants and agreements herein set forth and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

Seller agrees to sell and Purchaser agrees to purchase, upon the terms and conditions hereinafter set forth,

**ALL** that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Hamlet of Port Washington, the County of Nassau and the State of New York, being more particularly described in Exhibit A attached hereto and made a part hereof,

**TOGETHER** with all right, title and interest, if any, of Seller in and to any streets and roads abutting the above described premises to the center lines thereof,

**TOGETHER** with the appurtenances and all the estate and rights of Seller in and to said premises, including, without limitation, all of Seller's right, title and interest, if any, in and to all air, mineral and water rights, all strips and gores, and all easements, licenses, covenants and other rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the land and improvements, and any guarantees, licenses, approvals, certificates, permits and warranties relating to the land and improvements or the personal property being conveyed hereunder, to the extent assignable,

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(the aforesaid land, buildings, improvements and appurtenances being hereinafter referred to as the "Premises").

The Premises is further identified as Section 6, Block 86 and Lot 11, commonly known as 15 Harbor Park Drive, Port Washington, New York.

This sale includes all right, title and interest, if any, of Seller in and to any land lying in the bed of any streets or roads, opened or proposed, in front of or adjoining the Premises, to the center lines thereof, and all right, title and interest, if any, of Seller in and to any unpaid award made or to be made in lieu thereof or for any change of grade of any such street or road. Seller will deliver at no additional cost to Purchaser, at the Closing, any documents in Seller's possession which Purchaser may reasonably require to collect any such award and damages.

This sale includes all right, title and interest of Seller in and to the buildings, structures and improvements located on the Premises, all tenements, hereditaments and appurtenances thereunto belonging or appertaining, all fixtures, now situate on and appurtenant to the Premises, and the existing racks located in the rear portion of the Premises and the existing mezzanine in the right side of the southern section of the Premises. Seller shall remove the three silos located at the rear of the Premises.

### 1. Purchase Price

The Purchase Price for the Premises is payable as follows:

(a) (the "Down Payment") upon execution of this Agreement, by check subject to collection or wire transfer. The nonpayment of said check and Purchaser's failure to provide a replacement check in certified funds within three (3) days shall give Seller the right to cancel this Agreement, in addition to pursuing all other remedies against Purchaser on said check or as otherwise permitted by law. Said check is payable to the order of the Escrow Agent (hereinafter defined), and the proceeds of said check shall be held in escrow as hereinafter provided.

(b) at the closing by a certified check of the grantee of the deed or a bank official check, drawn to the direct order of Seller or such third party designated by Seller to Purchaser in writing on a bank which is a member of the New York Clearing House Association. At the election of Seller, made no later than forty eight (48) hours prior to the Closing Date (as hereinafter defined), the aforesaid shall be paid by federal funds wired to an account(s) designated by Seller at the closing.

**2. State of Title**

The Premises are sold subject to the following (collectively the "Permitted Exceptions"):

(a) All present and future building, zoning and other restrictions, regulations, requirements, laws, ordinances, resolutions and orders of any state, municipal, federal or other governmental authority, including without limitation all boards, bureaus, commissions, departments and bodies thereof, now or hereafter having or acquiring jurisdiction over the Premises or the use or improvement thereof, provided that the existing improvements do not violate same. This sale includes all rights of Seller to challenge the existence or application of the foregoing.

(b) Any covenants, restrictions, easements and agreements of record provided such other covenants, restrictions, easements or agreements neither prohibit the maintenance of the structure or structures now on the Premises nor contain forfeiture or reversionary language in the event that same are violated.

(c) Any state of facts which would be shown by a current survey or inspection of the Premises; provided the same does not render title unmarketable.

(d) The rights, if any, relating to construction, maintenance and operation of public utility lines, wires, poles, cables, pipes, distribution boxes and other equipment and installations on, over and under the Premises.

(e) Any corporate franchise, corporate income or other corporate taxes owed by any corporation in the chain of title, and any estate, inheritance and other taxes owed any party in the chain of title, provided the Title Company (hereinafter defined) will insure against collection from the Premises.

(f) Encroachments and projections of walls, foundations, stoops, cellar steps, areas, cornices, trim or other improvements or installations onto the Premises or from the Premises onto adjoining property, in either event not to exceed one (1') foot; party walls and party wall rights; and consents for the erection and maintenance of any structures on, under or above any streets or roads in front of or adjoining the Premises, provided the Title Company shall insure the Premises against reversion of title as a result of any of the foregoing and against collection out of or enforcement against the Premises.

(g) Real estate taxes, water charges and sewer rents, if any, subject to adjustment as hereinafter provided.

### 3. Objections to Title

A. Purchaser agrees promptly to apply for and procure a title insurance commitment from and to cause title to the Premises to be searched and examined by a duly licensed title insurance company (the "Title Company"), and to promptly deliver to Seller's attorneys, Meyer, Suozzi, English & Klein, P.C., attention Charles Skop, Esq., 990 Stewart Avenue, Garden City, NY 11530, copies of the Title Company's title commitment and any tax search, departmental searches, and at Purchaser's option, a survey and survey reading, as soon as received but in any event prior to the expiration of the Contingency Period (as hereinafter defined), together with a written statement by Purchaser of any and all objections to or defects in Seller's title. The failure by Purchaser to deliver any of said documents or said statement prior to the expiration of the Contingency Period shall constitute a waiver by Purchaser of any and all objections and defects in Seller's title that would have been disclosed in such documents or statement.

B. Purchaser shall accept such title as the Title Company will insure, in accordance with its standard form of title policy, subject only to the Permitted Exceptions and such other exceptions as the Title Company, without special premium to Purchaser, will omit as exceptions to coverage or will except with insurance against collection out of or enforcement against the Premises.

C. Seller shall have the right to attempt to remedy any objection to or defect in title, and for such purpose shall be entitled to one or more adjournments of the Closing Date, not to exceed ninety (90) days. Notwithstanding any other provisions of this Agreement, Seller shall not be obligated to spend any money in excess of

Dollars, take any measure or bring any action or proceeding to remove any objection to or defect in title or to enable Seller otherwise to comply with the provisions of this Agreement. If for any reason Seller is unable (without expending in excess of ) to remove any objection to or defect in title, or otherwise to comply with this Agreement, Purchaser may elect to accept such title as Seller may be able to convey subject to such objections, defects and noncompliance without any credit or liability on the part of Seller or reduction of the Purchase Price. Notwithstanding the foregoing, Seller shall satisfy any and all mortgages and monetary liens of a liquidated sum, without restriction to such amount. If Purchaser shall not elect to accept title subject to such objections, defects and noncompliance, Seller's only obligation shall be to direct Escrow Agent to refund, without interest, the Down Payment and any other payments made by Purchaser on account of the Purchase Price and Purchaser's expenses for title examination, whereupon this Agreement and all rights of Purchaser hereunder shall terminate, and neither Seller nor Purchaser shall have any further claim against the other pertaining hereto.

D. As used herein, "Purchaser's expenses for title examination" shall mean the reasonable expenses actually incurred by Purchaser, other than attorneys' fees, for examination of title of the Premises, issuance of a title commitment and for survey updating, not to exceed usual charges for similar services by the Title Company where no policy is issued.

#### 4. Condition of Premises

A. Subject to its rights pursuant to Sections 3 and 6 hereof, Purchaser agrees to take the Premises and all such property "as is" and in their present condition, subject to reasonable use, wear, tear and deterioration between now and the Closing Date. Seller shall not be liable for any latent or patent defects in the Premises. Purchaser shall have the right to inspect the Premises during reasonable times and advance reasonable notice and prior to the closing upon reasonable prior notice.

B. Purchaser acknowledges that neither Seller nor any representative or agent of Seller has made any representation or warranty (expressed or implied) as to the physical condition, state of repair, financial matters, income, expenses or operation of the Premises or any matter or thing affecting or relating to the Premises or this Agreement, except as specifically set forth herein. Purchaser has not been induced by or relied upon any statement, representation or agreement, whether express or implied, not specifically set forth in this Agreement. Seller shall not be liable or bound in any manner by any oral or written statement, broker's "set-up", representation, agreement or information pertaining to the Premises or this Agreement furnished by any broker, agent, employee or other person, unless specifically set forth herein.

#### 5. Violations

Seller shall be obligated to comply with any violations noted or issued, with respect to the Premises, by any governmental department having authority as to the Premises ("Violations") provided: (i) such Violation is noted or issued on or prior to the Closing Date; and (ii) the aggregate cost to comply with the Violations does not exceed Purchaser shall, except as noted herein, be responsible for and take title to the Premises subject to any Violations noted or issued after the date hereof. If the cost of curing Violations which Seller may be obligated to comply with exceeds as determined by Seller's contractor, engineer or other consultant, then the following shall apply: (a) Seller shall notify Purchaser of its intent to either comply or not comply with such Violations; (b) if Seller agrees to comply it shall be entitled to reasonable adjournments of the Closing Date to accomplish same; (c) if Seller elects not to comply Purchaser shall have the right to either: (i) terminate this Agreement and receive a refund of the Down Payment; or (ii) take title to the Premises subject to a credit against the Purchase Price. Purchaser must elect within five (5) business days after Seller's notice that it will not comply or Purchaser shall be conclusively deemed to have elected option (ii). If the cost of complying with Violations, which Seller may be obligated to comply with, is or less, Seller shall cure such Violations of record. Seller shall furnish to Purchaser, upon written request, written authorization to make searches for violations.

#### 6. Environmental Inspection

A. Purchaser shall have the right, for a period of sixty (60) days commencing on the date of this Agreement (the "Contingency Period") to enter upon the Premises and conduct a Phase I environmental study of the Premises to determine whether any hazardous

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waste(s) or hazardous substance(s) (as such terms are defined under applicable local, state and federal law, collectively, ("Hazardous Waste(s)")) exist on, in or under the Premises; provided, however, that Purchaser's right to enter upon the Premises and conduct such tests shall be conditioned upon Purchaser's obligation to provide Seller to provide coverage in a minimum amount of Two Million (\$2,000,000.00) Dollars for personal injury and One Million (\$1,000,000.00) Dollars property damage, with each such certificate to name Seller as additional insured, to protect Seller against any and all losses and liabilities which may result from Purchaser's entry upon the Premises or Purchaser's conduct of such tests. Purchaser shall obtain all such insurance coverages at Purchaser's sole cost and expense, and Purchaser shall provide Seller with duly issued certificates of insurance confirming and binding coverage to Seller for all such coverages on or before the date on which Purchaser enters upon the Premises pursuant to this Article 6. Purchaser shall deliver a copy of all such test results to Seller promptly upon receipt thereof by Purchaser.

B. In the event that the results of such tests indicate in Purchaser's reasonable determination that any Hazardous Waste(s) or adverse environmental condition exist on, in or under the Premises, Purchaser shall have the right to terminate this Agreement by written notice given to Seller on or before the expiration of the Contingency Period, *TIME BEING OF THE ESSENCE*. In the event that Purchaser shall terminate this Agreement pursuant to this Article 6, the sole liability of Seller shall be to refund the Down Payment to Purchaser. Upon such refund, this Agreement shall be terminated and, except as otherwise provided herein, neither party hereto shall have any further rights or obligations hereunder. Seller shall not be required to bring any action or proceeding or incur any expense to remove any Hazardous Waste(s) which exist or adverse environmental condition on, in or under the Premises.

C. In the event that Purchaser fails to timely deliver a termination notice to Seller, pursuant to, and in accordance with, this Article 6, the terms of this Article 6 shall be deemed to be deleted from this Agreement, as if never contained herein and this Agreement shall otherwise remain unmodified and in full force and effect and Purchaser shall be obligated to proceed with the Closing.

D. Purchaser shall be obligated to repair and restore damage to the Premises caused by Purchaser's performance of tests pursuant to this Article 6, and Purchaser shall indemnify and hold Seller harmless from and against any and all losses, liabilities, costs and expenses (including, without limitation, court costs and attorneys' fees) which Seller may incur or suffer as a result of, or in connection with, Purchaser's performance of any such testing. This Section 6D shall survive the termination of this Agreement.

## 7. Financing Contingency

A. Subject to the provisions of this Article 7, the obligations of Purchaser under this Agreement with respect to the purchase of the Premises is conditioned upon Purchaser's ability to obtain a financing commitment or commitments for an amount not to exceed the lesser of \_\_\_\_\_ of the Purchase Price or \_\_\_\_\_ of the appraised value of the Premises (the "Loan"). The Loan may be given by an institutional or

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conventional lender, or may be an SBA or other governmentally insured loan, or any combination thereof (collectively, "Lender(s)").

B. Purchaser covenants and agrees to (i) make prompt application to Lender(s) for a commitment for the Loan, (ii) furnish accurate and complete information regarding Purchaser and its members, directors, and/or shareholders, as required, (iii) pursue such application with due diligence and (iv) cooperate in good faith with Lender(s) to obtain a commitment for the Loan. Purchaser shall furnish Seller with a copy of the commitment promptly after receipt thereof.

C. The obligation of Purchaser to purchase under this Agreement is further conditioned upon Purchaser receiving an inducement (the "Inducement") from the Nassau County Industrial Development Agency (the "IDA") with respect to Purchaser's anticipated project at the Premises. Purchaser covenants and agrees to (i) make prompt application to the IDA for the Inducement, (ii) furnish accurate and complete information regarding Purchaser and its members, directors, and/or shareholders, as required, (iii) pursue such application with due diligence and (iv) cooperate in good faith with the IDA to obtain an Inducement.

D. If Purchaser is unable to obtain both a commitment or commitments for the Loan, and the Inducement, Purchaser shall have the right to terminate this Agreement by written notice given to Seller on or before the expiration of the Contingency Period, *TIME BEING OF THE ESSENCE*, provided that such notice includes the name and address of the Lender(s) to whom application was made together with a copy of the application and all supporting documents. In the event Purchaser shall terminate this Agreement pursuant to this Article 7, the sole liability of Seller shall be to refund the Down Payment to Purchaser. Upon such refund, this Agreement shall be terminated and, except as otherwise provided herein, neither party hereto shall have any further rights or obligations hereunder.

E. In the event that Purchaser fails to timely deliver a termination notice to Seller, pursuant to, and in accordance with, this Article 7, or in the event Purchaser waives in writing its right to terminate pursuant to this Article 7, the terms of this Article 7 shall be deemed deleted from this Agreement as if never contained herein, this Agreement shall otherwise remain unmodified and in full force and effect and Purchaser shall be obligated to proceed with the Closing.

### 8. Closing Date

Subject to the terms and conditions hereof, the closing of title (herein the "Closing") shall take place at the offices of Seller's attorney on or about one hundred twenty (120) days after the end of the Contingency Period, which date may be adjourned by the Seller for up to an additional sixty (60) days.



## 9. Closing Documents

Seller shall deliver to Purchaser at the Closing:

- (a) A bargain and sale deed with covenants against grantor's acts, containing the covenant required by Section 13 of the Lien Law, executed in proper form for recording, and sufficient to convey title to the Premises in accordance with this Agreement.
- (b) A bill of sale, without recourse or warranty, for all right, title and interest of Seller in and to the fixtures, if any, included in this sale, and a blanket assignment and assumption (the "Assignment"), without recourse or representation, of all Seller's right, title and interest, if any, to all contractors', suppliers', materialmen's and builders' guarantees and warranties of workmanship and/or materials in force and effect with respect to the Premises on the Closing date and, to the extent in Seller's possession, a true and complete copy of each thereof.
- (c) If the title examination discloses judgments, bankruptcies or other returns against other persons having names the same as or similar to Seller, Seller shall deliver an affidavit showing that such judgments, bankruptcies and other returns are not against Seller.
- (d) A certificate evidencing that Seller is not a "foreign person" within the meaning of the Internal Revenue Code of 1986, as amended. Based thereon, no portion of the Purchase Price shall be withheld by Purchaser pursuant to the Code.
- (e) The returns (the "Transfer Returns") required by statute, duly signed by the appropriate person or entity as grantor.
- (f) Possession of the Premises vacant and broom clean, free of all tenancies and occupancies, free of debris and in the condition required by this Agreement, and the keys to the Premises, together with any security codes, manuals regarding any equipment which is in the Seller's possession.
- (g) A resolution of Seller's board of managers or members authorizing the sale and delivery of the deed and a certificate executed by a manager or managing member of Seller certifying as to the adoption of such resolution, and the deed referred to herein shall also contain a recital regarding due approval, if necessary, sufficient to permit recording of the deed.

Purchaser shall deliver to Seller at the closing such documents as reasonably may be required to consummate the transactions contemplated herein, including but not limited to the Assignment and the Transfer Returns, which are not inconsistent with this Agreement.

## 10. Adjustments and Costs

A. The following shall be apportioned as of midnight of the day preceding the Closing Date: Real estate taxes, vault charges, water charges and sewer rents, if any, on the basis of the lien period for which assessed. If on the Closing Date the tax rate shall not have been fixed, the apportionment shall be based upon the tax rate for the preceding year applied to the latest assessed valuation; however, adjustment will be made when the actual tax amount is determined. If there are water meters on the Premises, Seller shall endeavor to furnish readings thereof to a date not more than ten (10) business days prior to the Closing Date. Meter charges shall be apportioned on the basis of the last reading. Upon the taking of a subsequent actual reading, such apportionment shall be readjusted. The provisions of this Section shall survive the closing.

B. Purchaser shall reimburse Seller for the cost, including taxes, of all oil or other fuel at the Premises on the Closing Date. The estimate of the supplier thereof shall be conclusive.

C. If the adjustments result in a payment due Seller, such payment shall be made by Purchaser at the Closing by an official bank check or attorney trust account check. Purchaser, however, shall be entitled to pay up to \$1,000 by a business check of Purchaser. If the adjustments result in a payment due Purchaser, such payment shall be credited against the cash portion of the Purchase Price due at the closing.

D. The amount of any unpaid real estate taxes, assessments, water charges and sewer rents which Seller is obligated hereunder to discharge or satisfy, with any interest or penalties thereon, at the option of Seller may be allowed as a credit to Purchaser at the closing, provided official bills therefor are furnished at the closing. If on the Closing Date there are any liens or encumbrances which Seller is obligated hereunder to discharge or satisfy, Seller may use any cash portion of the Purchase Price to discharge or satisfy the same, or may deposit with the Title Company an amount sufficient to discharge or satisfy the same. Purchaser agrees to provide at the Closing, upon request of Seller at least one (1) business day prior to Closing, separate certified checks to facilitate the discharge or satisfaction of items referred to in this paragraph. The existence of liens, encumbrances, real estate taxes, assessments, water charges or sewer rents shall not be an objection to title provided Seller shall comply with the provisions of this paragraph.

E. Seller may not settle or otherwise compromise any protest or reduction proceeding affecting real estate taxes assessed against the Premises without the prior written consent of Purchaser, which shall not be unreasonably withheld, conditioned or delayed. If the real estate taxes affecting the Premises are reduced, because of a reduction of the assessed valuation or tax rate or for any other reason, Seller and Purchaser shall adjust the benefits of the tax savings as of the Closing Date. The provisions of this paragraph shall survive the closing.

F. If on the Closing Date the Premises shall be affected by an assessment which is or may become payable in annual installments, then the installments shall be adjusted as

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of the Closing Date, and all installments allocable to the period following the Closing Date shall be Purchaser's responsibility.

G. Purchaser shall pay all expenses for examination of title, the premium for any title insurance policy issued to Purchaser, and all other title, survey or other expenses incurred by Purchaser in connection with this Agreement or the closing of title hereunder. Seller shall pay or shall credit Purchaser at the closing with an amount equal to any applicable transfer tax or stamp tax payable by reason of the delivery or recording of the deed. Seller and Purchaser agree to execute, swear to, and cause to be filed any applicable transfer tax returns or other returns required in connection with the closing. Purchaser shall pay all taxes, charges, fees and recording costs to be paid in connection with the execution, delivery or recording of any and all documents to be delivered in connection herewith provided that the Seller shall pay for the discharge of any mortgages, assignments of leases and rents and the filing of any UCC-3 termination statements or other liens. Seller and Purchaser each shall pay their own attorneys' fees in connection with this Agreement and the closing of title. This paragraph shall survive the closing.

H. Seller and Purchaser acknowledge that no portion of the Purchase Price is allocable to personal property, if any, transferred hereunder. Purchaser agrees to indemnify and hold Seller harmless from and against any sales tax or similar tax on transfers of personal property. This paragraph shall survive the Closing.

### 11. Escrow Conditions

A. Concurrently with the execution of this Agreement, Purchaser has delivered to Meyer, Suozzi, English & Klein, P.C., having an address at 990 Stewart Avenue, Garden City, NY 11530 ("Escrow Agent") the Down Payment.

B. Escrow Agent, subject to collection of said check, shall hold the Down Payment in its escrow account maintained at Sterling National Bank located at 98 Cuttermill Road, Great Neck, New York in accordance with this Agreement, or a joint instruction signed by Seller and Purchaser, or separate instructions of like tenor signed by Seller and Purchaser, or a final judgment of a court of competent jurisdiction. Escrow Agent hereby is authorized and directed to deliver the Down Payment to Seller if, as and when title closes. If Escrow Agent shall receive an instruction from Seller or Purchaser, Escrow Agent may act in accordance with such instruction if the other party shall fail to notify Escrow Agent not to act in accordance with such instruction within ten (10) days after delivery of such instruction by Escrow Agent to said other party. Escrow Agent at any time may deposit the Down Payment with a court of competent jurisdiction, and upon notice to Seller and Purchaser of such deposit Escrow Agent shall have no further responsibility or liability hereunder. Escrow Agent may act upon any instruction or other writing believed by Escrow Agent in good faith to be genuine and to be signed or presented by the proper persons.

C. Escrow Agent shall endeavor to deposit the Down Payment in an interest bearing account, or invest the Down Payment in treasury bills, certificates of deposit other

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income producing investments. Any interest or income thereon shall be for the account of, and be paid at the Closing to the party entitled to receive the Down Payment.

D. Seller and Purchaser acknowledge that Escrow Agent is merely a stakeholder, and that Escrow Agent shall not be liable for any act or omission unless taken or suffered in bad faith, in willful disregard of this Agreement or involving gross negligence. Seller and Purchaser shall, jointly and severally, indemnify and hold Escrow Agent harmless from and against any costs and expenses incurred in connection with the performance of the Escrow Agent's duties hereunder. Seller and Purchaser shall be jointly and severally liable for, and shall pay Escrow Agent, on demand, any costs and expenses of Escrow Agent incurred in connection with the performance of Escrow Agent's duties hereunder, including attorneys' and accountants' fees, if any, paid or payable in connection with the holding, investment or disposition of the Down Payment. If any such cost or expense is not promptly paid to Escrow Agent on demand, Escrow Agent may apply so much of the Down Payment as may be required to pay such costs and expenses. Notwithstanding that Escrow Agent is serving as the escrow agent pursuant to this Article 11, Escrow Agent as attorneys may represent Seller in the event of any dispute hereunder.

E. Escrow Agent shall not be bound by any agreement between Seller and Purchaser, whether or not Escrow Agent has knowledge thereof, and Escrow Agent's only duties and responsibilities shall be to hold, and to dispose of, the Down Payment in accordance with this Article 11. Without limiting the generality of the foregoing, Escrow Agent shall have no responsibility to protect, demand payment of, collect, or enforce any obligation with respect to the Down Payment, or for any diminution of the value, or the failure to earn income, of the Down Payment for any cause. Escrow Agent may consult with counsel, and any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or omitted by Escrow Agent hereunder in good faith and in reliance upon such opinion.

F. All instructions or notices given pursuant to this Article 11 shall be in writing and delivered in accordance with the requirements for notices pursuant to Article 13 of this Agreement. For purposes of this Article 11, such instructions and notices shall be deemed delivered on the date of delivery, if by hand, or on the date of mailing in accordance with Article 13, if mailed, except that no instruction or notice to Escrow Agent shall be deemed effectively delivered to Escrow Agent until actual receipt thereof by Escrow Agent. This Article 11 may not be amended without the prior written consent of Escrow Agent.

## 12. Brokerage

Each party represents and warrants to the other that it has not dealt with any broker in connection with this sale, other than United Realty, whose commission Seller agrees to pay at closing pursuant to a separate agreement. Each party agrees to indemnify and hold the other party harmless from and against any and all liability, claim, loss, damage or expense, including reasonable attorneys' fees, with respect to any other broker with whom such party has dealt. This Article 12 shall survive the closing.

### 13. Notices

All notices, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been properly given if delivered by hand or by Federal Express courier or by United States registered or certified mail, with postage prepaid, to Seller or Purchaser, as the case may be, at their addresses first above written, or at such other addresses as they may designate by notice hereunder. Copies of any such communication shall be delivered to Meyer, Suozzi, English & Klein, P.C., attention: Charles Skop, Esq., 990 Stewart Avenue, Garden City, New York 11530; telephone (516) 592-5921; fax (516)741-6706, and Farrell Fritz, P.C., attention: Peter L. Curry, Esq., 1320 RXR Plaza, Uniondale, New York; telephone: (516) 227-0772; fax (516) 336-2208, in the aforesaid manner. The attorneys for the parties are hereby authorized to give and receive on behalf of their clients all Notices and deliveries under this Article.

### 14. Option to Exchange Property of Like Kind

Each party agrees to cooperate with the other party in effectuating a tax free exchange under Section 1031 of the Code relating to this transaction. In the event a party elects to conduct such an exchange in connection therewith, said party agrees to indemnify and hold the other party harmless from any and all claims, demands, causes of action, liabilities, damages, costs, expenses and fees, including reasonable attorneys' fees and costs of litigation, that such cooperating party may suffer or incur by reason of its accommodation of any such exchange. Purchaser and Seller expressly reserve the right to assign their rights but not their obligations hereunder to a Qualified Intermediary as provided in IRC Reg. 1.1031(k)-1(g)(4) on or before the Closing Date. Each party agrees to cooperate, at no cost or expense to such cooperating party, and take any actions reasonably requested by the requesting party to cause such exchange to be consummated and to qualify as a like kind exchange under Section 1031 of the Code, including, but not limited to, (a) permitting this Agreement to be assigned to a Qualified Intermediary and (b) conveying the Premises to, or at the direction of, the Qualified Intermediary.

### 15. Seller's Representations

Seller hereby represents, warrants and covenants that:

- (a) Seller has requisite power and authority to execute and deliver and perform its obligations under this Agreement and to undertake the transactions contemplated hereby. This Agreement is a valid and binding obligation of Seller, enforceable against it in accordance with its terms. The person signing this Agreement on behalf of Seller is authorized to do so.

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- (b) Seller is duly organized, validly existing and in good standing under the laws of the State of New York. All necessary consents and approvals have been obtained by Seller for the execution and delivery of this Agreement. The execution, delivery and performance of this Agreement by Seller and the transfer of the Premises have been duly and validly authorized and approved by all necessary parties.
- (c) Seller is not a foreign person or foreign corporation within the meaning of the Foreign Investment in Real Property Tax Act ("FIRPTA").
- (d) Seller's execution of this Agreement and the performance of its obligations hereunder will not violate any agreement or other instrument to which Seller is a party or by which Seller or the Premises are bound.
- (e) As of the Closing, the roof of the Premises shall be free of leaks and the HVAC servicing the Premises shall be in working order.
- (f) Seller has not received written notice of and has no knowledge of any action, suit, violation, arbitration, unsatisfied order or judgment, government investigation or proceeding pending against Seller with respect to the Premises or which would interfere with the consummation of the transaction contemplated by this Agreement.
- (h) Seller has received no written notice of, and has no actual knowledge of, any actual or proposed taking in condemnation of all or any part of the Premises.
- (i) There are no written leases, subleases or occupants (other than Dri Mark Products, Inc., which will vacate the Premises prior to the Closing), including, without limitation, any renewals or extension options, or any part thereof or otherwise obtain any interest therein, and there are no outstanding rights of first refusal, rights of reverter or rights of first offer relating to the Premises or any interest therein.
- (j) There are no contracts which will affect the Premises on and after the Closing.
- (k) Seller has not received written notice from any governmental authority that the Premises is not in material compliance with any applicable law.
- (l) Seller has no employees who will remain at the Premises after Closing. There are no employment agreements, union contracts or other management or operating agreements regarding the Premises to which Seller is a party which will be binding on Purchaser after the Closing.
- (m) To Seller's actual knowledge, there is no material litigation affecting the Premises which litigation is not covered by insurance.
- (n) To Seller's actual knowledge, there are no special assessments affecting the Premises. Seller has not received any written notice of any increase in the assessed valuation of the Premises over the current assessed valuation.

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Seller's representations and warranties contained in this Agreement shall be materially true and correct at and as of the time of Closing as though such representations and warranties were made at and as of such time.

### 16. Purchaser's Representations

Purchaser hereby represents, warrants and covenants that:

- (a) Purchaser has all requisite power and authority to execute and deliver and perform its obligations under this Agreement and to undertake the transactions contemplated hereby. This Agreement is a valid and binding obligation of Purchaser, enforceable against it in accordance with its terms. The person signing this Agreement on behalf of Purchaser is authorized to do so.
- (b) Purchaser is duly organized, validly existing and in good standing under the laws of the State of Delaware. All necessary consents and approvals have been obtained by Purchaser for the execution and delivery of this Agreement. The execution, delivery and performance of this Agreement by Purchaser and the purchase of the Premises have been duly and validly authorized and approved by all necessary parties.
- (c) Purchaser's execution of this Agreement and the performance of its obligations hereunder will not violate any agreement or other instrument to which Purchaser is a party or by which Purchaser is bound.
- (d) There is no litigation pending against Purchaser which if decided adversely to Purchaser would affect Purchaser's ability to perform its obligations under this Agreement.
- (e) Purchaser has not filed a petition in bankruptcy and to the best of Purchaser's knowledge, does not have an adverse credit history or other adverse factor that would impair its ability to obtain the Loan or the Inducement.
- (f) Purchaser has not received written notice of and has no actual knowledge of any action, suit, violation, arbitration, unsatisfied order or judgment, government investigation or proceeding against Purchaser which would interfere with the consummation of the transaction contemplated by this Agreement.

Purchaser's representations and warranties contained in this Agreement shall be materially true and correct at and as of the time of Closing as though such representations and warranties were made at and as of such time.

### 17. Condemnation; Damage

In the event any improvement on the Premises is damaged by fire or other casualty between the date of this Agreement and the Closing Date, or if between said dates the Premises (or any part thereof) are taken by eminent domain, Seller shall notify Purchaser thereof and Purchaser shall have the right and option to terminate this Agreement on written notice to Seller and in that event the Down Payment shall be returned to Purchaser and the parties shall have no further obligation to each other. In the event Purchaser does not elect to terminate this Agreement, this Agreement shall remain in full force and effect and Seller shall pay over to Purchaser at Closing the amount of the condemnation award or insurance proceeds collected by Seller (less the reasonable cost of collection) to the extent not applied to any repair or restoration by Seller, or, if any proceeds, award or insurance have not been collected, Seller shall assign to Purchaser at Closing all of Seller's right, title and interest in and to the same (excepting therefrom the reasonable actual cost of collection and the cost of any repair by Seller as of the Closing).

### 18. Miscellaneous

A. All payments of Purchaser on account of the Purchase Price, and Purchaser's expenses for title examination, are hereby made a lien against the Premises. Said lien shall not continue or exist after any default by Purchaser hereunder.

B. If Purchaser defaults under this Agreement, Seller as its sole remedy shall be entitled to receive and retain all sums paid by Purchaser hereunder as liquidated damages, whereupon this Agreement shall terminate and neither Seller nor Purchaser shall have any further claim against the other. The parties acknowledge that the actual damages of Seller in the event of such default are difficult, if not impossible, to ascertain. In the event of a default by Seller under this Agreement, Purchaser shall be entitled to pursue all of its rights and remedies at law and equity including, but not limited to, enforcement of this Agreement by an action for specific performance. In the event of litigation involving this Agreement, the prevailing party shall be entitled to an award of attorneys' fees and costs at the trial and appellate levels.

C. Purchaser shall not assign this Agreement without the prior written consent of Seller in each instance. Any attempted assignment without the prior written consent of Seller shall be null and void. Purchaser, however, shall be entitled to assign its interest hereunder to a corporation or partnership or other legal entity controlled by Purchaser, or under common control with Purchaser, without Seller's consent but upon prior written notice to Seller and proof of assignment and assumption and formation. Any assignment of Purchaser's interest hereunder shall be pursuant to a written assignment and assumption wherein the assignee shall assume and agree to pay and perform all of the terms, covenants and conditions of this Agreement to be paid and performed by Purchaser hereunder. Purchaser shall remain primarily liable under this Agreement notwithstanding any assignment thereof.



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D. Each of the parties represent that they are not on the federal terrorist watch list and they are not entities restricted from doing business under federal anti-terrorism laws. The parties agree not to violate federal anti-terrorism laws.

E. The parties who are the Seller and Purchaser each represent that: (i) each is not listed on the Special Designated National and Blocked Persons List maintained by the Office of Foreign Asset Control (the "OFAC") pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (the "Order"); (ii) each is not on any other list of terrorists or terrorist organizations maintained pursuant to the Order, the rules and regulations of OFAC, or any other applicable requirements contained in any enabling legislation or other Executive Orders in respect of the Order; and (iii) each has not been convicted, pleaded nolo contendere, indicted, arraigned or custodially detained on charges involving money laundering or predicate crimes to money laundering.

F. All oral or written statements, representations, promises, and agreements of Seller and Purchaser are merged into and superseded by this Agreement, which alone fully and completely expresses their agreement. This Agreement contains all of the terms agreed upon by the parties with respect to the subject matter hereof. This Agreement has been entered into after full investigation. Purchaser has not relied upon any statement or representation not embodied in this Agreement.

G. None of the representations, warranties, covenants, indemnities or other obligations of Seller hereunder shall survive the closing. Acceptance of the deed by Purchaser shall be deemed full and complete performance and discharge of every agreement and obligation of Seller hereunder.

H. This Agreement may not be altered, amended, changed, waived, or modified in any respect unless the same shall be in writing signed by Seller and Purchaser. No waiver by any party of any breach hereunder shall be deemed a waiver of any other or subsequent breach.

I. Neither this Agreement nor any memorandum thereof shall be recorded by Purchaser. Any recordation or attempted recordation by Purchaser shall be a material default by Purchaser hereunder.

J. The captions hereof are for convenience only and are not to be considered in construing this Agreement. This Agreement shall not be considered an offer or an acceptance of an offer by Seller, and shall not be binding upon Seller until executed and delivered by Seller and Purchaser. This Agreement may be executed in counterparts.

K. This Agreement shall be governed by the laws of New York. If any provisions hereof shall be unenforceable or invalid, such unenforceability or invalidity shall not affect the remaining provisions of this Agreement.

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L. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

M. Whenever under the terms of this Agreement, the time for performance falls on a Saturday, Sunday, State or federal holiday, such time for performance shall be extended to the next business day.

N. This Agreement may be executed by facsimile or PDF or electronic signature in one or more counterparts, each of which when so executed shall be an original, but all of which together shall constitute one agreement.

O. From time to time after the Closing, each party shall, if requested in writing by another party, make, execute and deliver such additional assignments, bills of sale, and other instruments, as may be commercially, reasonably necessary or proper to, in furtherance of the transaction, including transfer to Purchaser all of Seller's right, title and interest in and to the Premises.

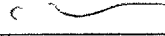
P. Each party shall hold in strict confidence all documents and information concerning the other and its business and properties and, if the transaction contemplated hereby should not be consummated, such confidence shall be maintained, and all such documents and information (in written form) shall immediately thereafter be returned to the party originally furnishing the same. This provision shall not, however, be construed to prohibit any party from making any disclosures to any governmental authority that it is required to make by law or from filing this Agreement with, or disclosing the terms of this Agreement to, any institutional lender to such party, or prohibit Seller, Purchaser or any of their affiliates from disclosing to its investors, partners, accountants, auditors, attorneys, financing sources, investment bankers, parent company and broker/dealers such terms of this transaction and such of Seller's business and financial information or conducting usual and customary due diligence, including but not limited to those as are reasonably necessary for Purchaser to obtain financing for, and to close, the transaction contemplated by this Agreement. In addition, this provision shall not be construed as to prohibit Purchaser from conducting its usual and customary due diligence inspections, including but not limited to, contacting such tax, zoning and other governmental offices as it deems appropriate.

*[Remainder of page left intentionally blank. Signature page and Exhibits follow.]*

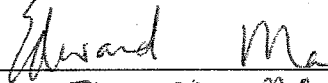
EXECUTION COPY

IN WITNESS WHEREOF, Seller and Purchaser have duly executed this Agreement on the date first above written.

**LOUIS REICHMANN AND SONS, LLC**

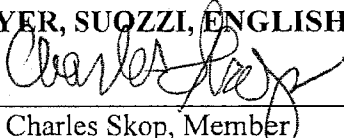
By:   
Name:  
Title: GENERAL PARTNER

**JESCO LIGHTING GROUP, LLC**

By:   
Name: EDWARD MA  
Title: MANAGER

Meyer, Suozzi, English & Klein, P.C. hereby executes this Agreement for the sole purpose of agreeing to serve as Escrow Agent in accordance with the provisions of Article 11 of this Agreement.

**MEYER, SUOZZI, ENGLISH & KLEIN, P.C.**

By:   
Charles Skop, Member

**EXHIBIT A**

**PROPERTY DESCRIPTION**

ALL that certain plot, piece or parcel of land, situate, lying and being in Port Washington, Town of North Hempstead, County of Nassau and State of New York, designated as Section 6 Block 86 Lot 11 on the Map of Hempstead Manor Industrial Park, Section 4, filed in the Office of the Nassau County Clerk on 2/19/80 as Case No. 8815, and being bounded and described according to said map as follows:

BEGINNING at a point on the easterly side of Harbor Park Drive, distant the following three (3) courses and distances from the westerly end of the arc of a curve which connects the southerly side of Harbor Park Drive with the westerly side of Industrial Park Drive.

- (1) RUNNING THENCE South 76 degrees 26 minutes 48 seconds West along the southerly side of Harbor Park Drive 715.50 feet;
- (2) THENCE southwesterly and southerly along the southeasterly and easterly side of Harbor Park Drive along the arc of a curve bearing to the left, having a radius of 294.90 feet and a length of 496.39 feet;
- (3) THENCE South 19 degrees 59 minutes 44 seconds East along the easterly side of Harbor Park Drive 36.22 feet to the point or place of BEGINNING.

RUNNING THENCE North 70 degrees 00 minutes 16 seconds East 620.95 feet;  
THENCE South 13 degrees 33 minutes 12 seconds East 5.67 feet;  
THENCE South 3 degrees 50 minutes 07 seconds West 307.96 feet;  
THENCE South 2 degrees 10 minutes 02 seconds East 13.29 feet;  
THENCE South 70 degrees 00 minutes 16 seconds West 491.82 feet to the easterly side of Harbor Park Drive;

THENCE North 19 degrees 59 minutes 44 seconds West along the easterly side of Harbor Park Drive 300.00 feet to the point or place of BEGINNING.