



**NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY**

**APPLICATION FOR FINANCIAL ASSISTANCE**  
**(Straight Lease)**

**APPLICATION OF:**

PPF SS 599 WEST MERRICK ROAD, LLC

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**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 one photocopy of the Application (including all attachments) must be submitted.

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

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

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

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

May 6, 2016

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**DATE**

**PART I. APPLICANT**

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

Name: PPF SS 599 WEST MERRICK ROAD, LLC

Address: 105 Maxess Road, Suite 125, Melville, New York 11747

Primary

Contact: James Goonan

Phone: 631-539-0200 Fax: 631-539-0206

E-Mail: jgoonan@safeguardit.com

NY State Dept. of

Labor Reg #: \_\_\_\_\_ Federal Employer ID #: \_\_\_\_\_

NAICS Code #: 531130

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

Sole Proprietorship  General Partnership  Limited Partnership

Limited Liability Company  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, 2015

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

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

Name: Safeguard Operations LLC

Relationship to Applicant: Entity responsible for operating all Safeguard facilities.



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

YES

NO

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

None.

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

YES

NO

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

YES

NO

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

YES

NO

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

YES \_\_\_

NO X

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

YES \_\_\_

NO X

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

<u>Name</u>	<u>Title</u>	<u>Other Business Affiliations</u>
See attached report for Prime Property Fund.		
_____	_____	_____
_____	_____	_____
_____	_____	_____

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: See attached report.
- (b) Number of Employees: Full-Time: \_\_\_\_\_ Part-Time: \_\_\_\_\_
- (c) Annual Payroll, excluding benefits: \_\_\_\_\_
- (d) Type of operation (e.g. manufacturing, wholesale, distribution) and products or services: \_\_\_\_\_

Section O

Location	Full Time Employees	Annual Payroll	Acreage	Bldg. Gross S.F.	R E Taxes	Taxes per S.F	Ownership
New Hyde Park	2	\$63,793	1.3	63,804	\$247,048	\$3.87	Fee Simple
Baldwin	2	\$75,134	3.17	89,227	\$255,079	\$2.86	Fee Simple
Hewlett	2	\$72,044	1.24	80,700	\$216,358	\$2.68	Fee Simple
West Hempstead	2	\$75,847	1.2	68,325	\$197,960	\$2.90	Fee Simple

(e) Size of existing facility real property  
(i.e., acreage of land): \_\_\_\_\_

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

(g) Applicant's interest in the facility:

FEE TITLE (i.e. own)      LEASE      OTHER (describe below)

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

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

YES \_\_\_      NO X

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

YES \_\_\_      NO X

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

YES \_\_\_      NO X

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

YES \_\_\_      NO X

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



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

## PART II. PROPOSED PROJECT

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

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

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

The proposed Project consists of demolishing an abandoned Hyundai automobile dealership and show room on the site and constructing a new, three-story approximately 75,888 sq. ft. state of the art Safeguard Self-Storage facility. Safeguard develops, owns and operates all of its self-storage facilities. Our business model is aggressive growth through developing new facilities. Without the Agency's financial assistance, the Applicant would be unable to bear the costs of the property taxes after construction is complete and the project would not be economically feasible.

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.

No, the applicant would be unable to proceed with the proposed Project without the Agency's financial assistance. The impact on Nassau County would be the loss of an approximately ten million dollar total investment which would have otherwise provided construction jobs and several full time jobs after the completion of construction.

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

Street Address:

599 W. Merrick Road, Valley Stream, New York 11580

City/Village(s):

Incorporated Village of Valley Stream

Town(s):

Hampstead

School District(s):

Valley Stream-30

Section: 37 Block: 473 Lots: 242-243; 299-314

Census Tract Number: 76705

Size of proposed facility real property  
(i.e., acreage of land): .91 acres (39,820 sq. ft.)

Square Footage of Existing Improvements: -/- 6,767 sq. ft.

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: Abandoned Hyundai car dealership, showroom with sales and service

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):

General: \$ 14,528.46  
School: \$ 70,221.20  
Village: \$ 2,903.57

(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 unknown

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

Applicant to own land and facilities, Safeguard Operations LLC to manage facility operations.

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

Building will be used as a Safeguard self-storage facility.

- 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

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

N/A

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

New construction of a self-storage facility

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

YES

NO

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

Letter of Denial from Village of Valley Stream Building Department received April 1, 2016. Application for necessary variance relief from the Village Board of Appeals is being prepared for submission.

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

YES

NO

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

YES \_\_\_\_\_

NO  (contract vendee)

If YES, indicate:

(a) Date of purchase: \_\_\_\_\_

(b) Purchase price: \$ \_\_\_\_\_

(c) Balance of existing mortgage, if any: \$ \_\_\_\_\_

(d) Name of mortgage holder: \_\_\_\_\_

(e) Special conditions: \_\_\_\_\_

If NO, indicate name of present owner of Project site: Classic Realty Corp.

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

YES

NO \_\_\_\_\_

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

(a) Date signed: June 5, 2015

(b) Purchase price: \$2,500,000.00

(c) Closing date: TBD – Contingent on IDA financial assistance  
(see §4.4 of Purchase and Sale Agreement.)

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

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

Sales of Goods: YES  NO \_\_\_\_\_

Sales of Services: YES \_\_\_\_\_ NO

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

A deteriorating and abandoned automobile dealership/showroom will be demolished and replaced by a new, state of the art self-storage facility owned and operated by Safeguard. The facility will be approximately 75,888 sq. ft. and will produce a negligible amount of traffic, no impact to the local school district, and minimal impact to the local utilities and municipally-provided services.

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

Architect: NF Architectural Designs, PLLC  
Engineer: Bohler Engineering  
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 \_\_\_\_\_ NO X \_\_\_\_\_

**PART III. PROJECT COSTS**

	<u>Item</u>	<u>Cost</u>
1.	Land Acquisition	\$ 2,500,000.00
2.	Building Acquisition	\$ 0
3.	Construction or Renovation	\$ 6,450,000.00
4.	Site Work	\$ 350,000.00
5.	Infrastructure Work	\$ 0
6.	Engineering Fees	\$ 30,000.00
7.	Architectural Fees	\$ 320,000.00
8.	Applicant's Legal Fees	\$ TBD
9.	Financial Fees (incl. lender legal fees)	\$ 0
10.	Other Professional Fees	\$ 97,000.00
11.	Furniture, Equipment & Machinery (not included in 3. above)	\$ 20,000.00
12.	Other Soft Costs (describe)	\$ 373,500.00
13.	Other (describe)	\$ 0
	Total	\$ 10,140,500.00

**B. Source of Funds for Project Costs:**

a.	Bank Financing:	\$
b.	Equity	\$ 100%
	TOTAL	\$ 10,140,500.00

**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  Initial due diligence and professional fees      NO

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

YES       NO  N/A

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E. Construction Cost Breakdown:

Total Cost of Construction: \$ 6,470,000.00 (sum of 3 and 11 in Question A above)

Cost for materials: \$ 4,852,500  
 % Sourced in County: 50%  
 % Sourced in State: 75% (incl. County)

Cost for labor: \$ 1,617,500  
 % Sourced in County: 50%  
 % Sourced in State: 75% (incl. County)

Cost for "other": \$ 0  
 % Sourced in County: %  
 % Sourced in State: % (incl. County)

**PART IV. COST/BENEFIT ANALYSIS**

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

	Present	First Year	Second Year	Third Year
Full-time:	\$ 0	\$90,000.00	\$92,700.00	\$95,481.00
Part-time:	0	26,141.00	61,048.00	81,925.00
Seasonal:	0			
Total Annual Payroll:	\$ 0	\$116,141.00	\$153,748.00	\$177,406.00

What are the average wages of employees (excluding benefits) presently employed by the Applicant in Nassau County? \$32,235 per employee.

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? \$4,916.00

What are the estimated average wages of the jobs (excluding benefits) to be created by the Applicant upon completion of the Project? \$107,747 total annual wages

What is the estimated average annual value of employee benefits per job, if any, for jobs to be created upon completion of the Project? \$4,916.00 per employee

Estimate the percentage of jobs to be created by the Applicant upon completion of the Project that will be filled by County residents: 100 %

Please note that the Agency may utilize the foregoing employment projections and the projections set forth in Schedule C, among other things, to determine the financial

assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs, types of occupations and amount of payroll with respect to the Project set forth in this Application.

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

YES

NO

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

60

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

\$1,012,000 in year four of operations.

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

100%

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

Building permit, zoning board and other Village fees.

- 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	\$24,715	<u>50%</u>	<u>100%</u>
Year 2	\$31,715	<u>50%</u>	<u>100%</u>
Year 3	\$32,525	<u>50%</u>	<u>100%</u>



- 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:

The County will benefit from the demolition of a vacant automobile dealership on the verge of foreclosure. The investment of approximately ten million dollars (\$10,000,000.00) to construct a new state of the art self-storage facility which will generate approximately 60 temporary construction jobs and will generate approximately \$125,000 in ancillary sales of packing materials annually which is subject to sales tax. Furthermore, the project will have zero impact on the local school district and negligible impact on traffic, utilities and municipal services as the use is low-intensive.

- F. Costs to the County and affected municipalities:

Estimated Value of Sales Tax Exemption:	\$418,528.12
Estimated Value of Mortgage Tax Exemption:	\$ 0
Estimated Property Tax Exemption:	\$ TBD
Existing Property Tax paid on the Land and/or Building, (please provide current tax bills)	\$ 87,653.23
Estimated new Real Property Tax Revenue if the Project did <b>not</b> receive Real Property Tax exemption:	\$ TBD
Estimated new Real Property Tax Revenue if the Project does receive Real Property Tax exemption:	\$ TBD

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

Planning, Zoning and Building Department fees assessed by Village of Valley Stream

### **PART V. PROJECT CONSTRUCTION SCHEDULE**

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

i. (a) Site clearance	YES ___	NO <u>X</u>	___ % complete
(b) Environmental Remediation	YES ___	NO <u>X</u>	___ % complete
(c) Foundation	YES ___	NO <u>X</u>	___ % complete

- (d) Footings YES \_\_\_ NO X \_\_\_ % complete
- (e) Steel YES \_\_\_ NO X \_\_\_ % complete
- (f) Masonry YES \_\_\_ NO X \_\_\_ % complete
- (g) Interior YES \_\_\_ NO X \_\_\_ % complete
- (h) Other (describe below): YES \_\_\_ NO X \_\_\_ % complete

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

1 BD - Commencement is contingent on IDA financial assistance.

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)

Project should be completed within one year of commencement.

### **PART VI. ENVIRONMENTAL IMPACT**

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

We believe that the Project will have minimal impact to the environment but we will comply with any/all mitigation efforts deemed necessary.

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

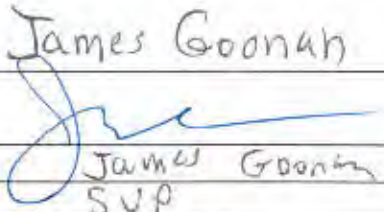
YES \_\_\_ NO X \_\_\_

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.

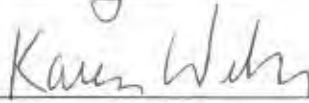
D. The Applicant authorizes the Agency to make inquiry of the United States Environmental Protection Agency, the New York State Department of Environmental Conservation or any other appropriate federal, state or local governmental agency or authority as to whether the Project site or any property adjacent 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: James Goonah  
Signature:   
Name: James Goonah  
Title: SVP  
Date: 5-10-16

Sworn to before me this 10  
day of May, 2016

  
Notary Public

KAREN WEBER  
Notary Public, State of New York  
No. 01WE6014257  
Qualified in Suffolk County  
Commission Expires October 19, 2018

**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: \_\_\_\_\_

By:   
Name/Title: JAMES GOWAN - SUR

**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 thereon 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.

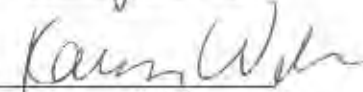
- (B) General Counsel Fee – One-tenth (1/10) of one percent (1%) of total project costs, with a minimum fee of \$2,000.
- (C) Two Thousand Five Hundred Dollars (\$2,500) closing compliance fee payable at closing and One Thousand Dollars (\$1,000) per year (or part thereof) administrative fee, payable 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 James Lounnan  
 Title: VP

Sworn to before me this 6<sup>th</sup>  
 day of May, 2016

  
 Notary Public

KAREN WEBER  
 Notary Public, State of New York  
 No. 01WEE01467  
 Qualified in Suffolk County  
 Commission Expires October 19, 2018

TABLE OF SCHEDULES:

<u>Schedule</u>	<u>Title</u>	<u>Complete as Indicated Below</u>
A.	Intentionally omitted	
B.	New York State Financial and Employment Requirements for Industrial Development Agencies	All applicants
C.	Guidelines for Access to Employment Opportunities	All applicants
D.	Anti-Raiding Questionnaire	If Applicant checked "YES" in Part I, Question O.2. of Application
E.	Retail Questionnaire	If Applicant checked "YES" in Part II, Question P of Application (See Page 11)
F.	Applicant's Financial Attachments, consisting of: <ol style="list-style-type: none"> <li>1. Applicant's audited financial statements for the last two fiscal years (unless included in Applicant's annual reports).</li> <li>2. Applicant's annual reports (or Form 10-K's) for the two most recent fiscal years.</li> <li>3. Applicant's quarterly reports (Form 10-Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any.</li> <li>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.</li> <li>5. Dun &amp; Bradstreet report.</li> </ol>	All applicants
G.	Environmental Assessment Form	All applicants
H.	Other Attachments	As required

Schedule A

Intentionally omitted



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

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

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

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

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

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

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

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

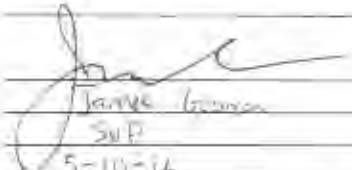
Name of Applicant:

Signature:

Name:

Title:

Date:

\_\_\_\_\_  
  
\_\_\_\_\_  
James Lawson  
\_\_\_\_\_  
SVP  
\_\_\_\_\_  
5-10-16

**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: PPF SS 599 WEST MERRICK ROAD, LLC  
 Address: 105 Maxess Road, Suite 125, Melville, New York 11747  
 Type of Business: Self Storage  
 Contact Person: Jim Goonan Tel. No.: 631-539-0200

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

Current and Planned Occupations (provide NAICS Code for each)	Current Number Full Time Equivalent Jobs Per Occupation		Estimated Number of Full Time Equivalent Jobs in the County After Completion of the Project:		
	County	Statewide	1 year	2 years	3 years
<u>2 (531130)</u>	<u>8</u>	<u>54</u>	<u>10</u>	<u>10</u>	<u>10</u>
<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>

Please indicate the number of temporary construction jobs anticipated to be created in connection with the acquisition, construction and/or renovation of the Project: Approximately sixty (60).

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

TBD – dependent on outcome of IDA financial assistance application.

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

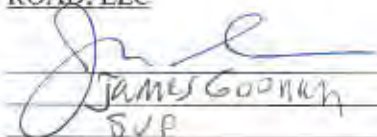
YES          NO   X

IF YES, Union Name and Local: \_\_\_\_\_

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

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

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

Name of Applicant:	<u>PPF SS 599 WEST MERRICK ROAD, LLC</u>
Signature:	
Name:	<u>JAMES GOONISH</u>
Title:	<u>SVP</u>
Date:	<u>5.12.16</u>

**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 the Applicant or of a proposed occupant of the Project, or a relocation of any employees of the Applicant or of a proposed occupant of the Project, from an area in New York State (but outside of Nassau County) to an area within Nassau County?

YES  NO

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

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

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

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

YES  NO

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

Addresses of the to-be-abandoned plants or facilities: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

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

YES  NO  N/A \_\_\_\_\_

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

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

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

YES \_\_\_\_\_ NO \_\_\_\_\_


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

YES \_\_\_\_\_ NO \_\_\_\_\_

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

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

Name of Applicant: PPF SS 599 WEST MERRICK ROAD, LLC

Signature:   
Name: JAMES GORDON  
Title: SVP  
Date: 5-11-16

**RETAIL QUESTIONNAIRE**

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

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

YES   X   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?

      1.34       %

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

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

YES        NO       

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

YES        NO       

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

YES        NO

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:

Signature:

Name:

Title:

Date:

\_\_\_\_\_  
\_\_\_\_\_  
JAMES GORMAN  
SUP  
10-20-15

**APPLICANT'S FINANCIAL ATTACHMENTS**



## Prime Property Fund®

FOR MORE INFORMATION CONTACT:  
[mareinvestor@morgstanley.com](mailto:mareinvestor@morgstanley.com)

### FUND SUMMARY

#### Key Fund Statistics

Gross Real Estate Assets <sup>(1)</sup>	\$18,347MM	Share Value:	\$16.177	Investment Queue:	\$1,675MM
Net Asset Value:	\$14,759MM	Number of Investments:	329	Redemption Queue:	—
Consolidated Leverage <sup>(2)</sup>	19.8%	Investors <sup>(2)</sup>	245	Cash to Net Assets:	3.4%

#### Performance

%	UNANNUALIZED		ANNUALIZED		
	QTR.	YTD	1 YEAR	3 YEAR	5 YEAR
Income	1.1	3.3	4.4	4.8	5.0
Appreciation	2.8	8.6	12.2	10.9	10.8
Total Return	3.9	12.1	17.1	16.2	16.3
Net Return	3.6	11.1	15.8	14.8	14.9

#### Property Sector Returns<sup>(4)</sup>

%	THIRD QUARTER		
	INCOME	APPRECIATION	TOTAL
Office	1.3	2.2	3.5
Retail	1.1	2.3	3.4
Industrial	1.3	1.7	3.0
Self Storage	1.3	3.8	5.3
Apartment	0.9	2.5	3.4

#### Geographic Region Returns<sup>(4)</sup>

%	THIRD QUARTER		
	INCOME	APPRECIATION	TOTAL
East	1.4	1.5	2.9
Midwest	1.0	1.5	2.5
South	1.0	3.0	4.0
West	1.2	3.0	4.2

#### Investments and Realizations Summary

	AMOUNT(\$MM)	DESCRIPTION
<b>Investments</b>		
Various	592.6	Six Investments
<b>Realizations</b>		
Self Storage	24.8	Two Investments

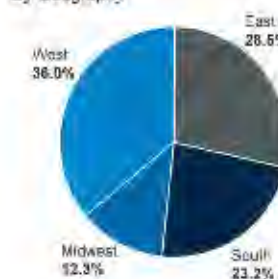
#### Quarterly Valuation Progression

From 6/30/15 to 9/30/15 (\$MM)

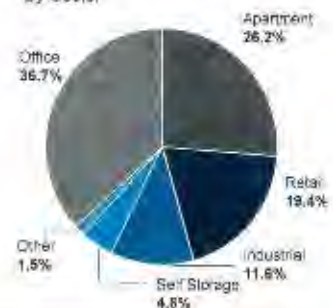


#### Overview of Portfolio<sup>(6)</sup>

By Geography



By Sector



#### Recent Developments/Highlights

- PRIME produced a third quarter return of 3.9% comprised of 1.1% income and 2.8% appreciation, including a positive impact of 0.1% resulting from the Fund's quarterly debt valuation
- All sectors contributed a quarterly return at or above 3.0% with Self Storage posting the highest sector return
- New subscriptions in the third quarter totaled \$535 million, and the incoming queue now stands at \$1,675 million

*This document contains information that is strictly confidential and may contain analyses of past performance, forward-looking statements, and statements regarding the Sponsor's assessment of the market. Past performance is not an indicator of future performance, and there can be no assurance that Prime Property Fund (the "Fund" or "PRIME") will achieve comparable or any returns going forward. This does not constitute an offering of securities in PRIME. It is provided for informational purposes only. For investor use only and not for distribution to the general public. Please see the "Performance Disclosure" for important information about the Fund's performance and how its returns are calculated.*

### Performance Disclosure

Returns represent time-weighted investment level returns calculated using a "modified Dietz method" which weights individual cash flows by the amount of time that those cash flows are held (or absent) from the portfolio, in the absence of daily portfolio valuations. Income and appreciation returns may not equal total return due to chain-linking of monthly returns. Returns include increases or decreases in net asset value arising from the Fund's marking of its debt to market following adoption of the Accounting Standards Codification 825-10-25 on January 1, 2008. Unless otherwise noted, returns are presented (i) before deduction of management fees; (ii) on an annualized basis, i.e., for periods of one year or greater; (iii) include interest income from short-term investments; (iv) on a levered basis; (v) include income which is based on accrual accounting; and (vi) are based on finalized audited year-end financial statements and interim unaudited financial results presentation for the most recent quarter-ends following the end of the fiscal year. The Fund's inception date was August 20, 1973. Performance information for the Fund for the period in which it was advised by Lend Lease Real Estate Investments, Inc. or its predecessors (the period prior to December 2003) is included because it has been concluded that, given the substantial overlap of personnel and other factors, reporting such information would be helpful. On June 30, 2004, the Fund became the successor in interest of an open-end institutional real estate fund organized in 1973 as a statutory insurance company separate account (known as "Separate Account No. 8 - Prime Property Fund") sponsored and maintained by The Equitable Life Assurance Society of the United States.

### Notes

1. The market value of PRIME assets, including PRIME's share of joint venture assets, before debt.
2. Includes all wholly owned debt and PRIME's proportionate share of joint venture debt.
3. Excludes non-voting shareholders with investment(s) of less than \$10,000; feeder fund investments are treated as a single investor.
4. Period ending September 30, 2015. These returns do not reflect portfolio-level items (e.g., portfolio-level debt) and therefore the weighted average of the returns do not sum to the Fund's returns.
5. Includes net income and appreciation earned during the quarter along with dividends distributed, net of reinvestment.
6. Property and geographic diversification calculated using gross weightings.

### Risk Factors

Investing in PRIME involves risk of loss that investors should be prepared to bear. There can be no assurance that PRIME's return objectives will be realized nor that there will be any return of capital. The principal risks associated with an investment in the fund are briefly summarized below.

- Risks associated with real estate investments
- Natural disasters or terrorist events
- Environmental liabilities
- Economic and market risks beyond the Adviser's control
- Lack of diversification due to location and type of investments
- Interest rate fluctuations
- Lack of liquidity and long-term nature of investments
- Valuation risks
- Risks from research-guided strategies
- Lack of investment limits
- Use of leverage
- Inability to obtain indebtedness on favorable terms
- Investments in developments and other value-add strategies
- Expedited transactions
- Competition for real estate assets
- Reliance on the Adviser and its real estate professionals located within MSRII
- Risks related to non-compliance with complex regulatory and tax requirements
- Conflicts of interests

*For a more detailed discussion of these and other risks related to an investment in the PRIME, investors should refer to the "Risk Factors" section of the PRIME's Confidential Offering Memorandum, as supplemented from time to time.*

[www.morganstanley.com/fm](http://www.morganstanley.com/fm)

**Morgan Stanley**



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**ENVIRONMENTAL ASSESSMENT FORM**

**Full Environmental Assessment Form  
Part I - Project and Setting**

**Instructions for Completing Part I**

**Part I is to be completed by the applicant or project sponsor.** Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification.

Complete Part I based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information; indicate whether missing information does not exist, or is not reasonably available to the sponsor; and, when possible, generally describe work or studies which would be necessary to update or fully develop that information.

Applicants/sponsors must complete all items in Sections A & B. In Sections C, D & E, most items contain an initial question that must be answered either "Yes" or "No". If the answer to the initial question is "Yes", complete the sub-questions that follow. If the answer to the initial question is "No", proceed to the next question. Section F allows the project sponsor to identify and attach any additional information. Section G requires the name and signature of the project sponsor to verify that the information contained in Part I is accurate and complete.

**A. Project and Sponsor Information**

Name of Action or Project: Safeguard Self-Storage		
Project Location (describe, and attach a general location map): 599 W. Merrick Road, Valley Stream, New York 11580		
Brief Description of Proposed Action (include purpose or need): The proposed action consists of demolishing an abandoned automobile dealership and show room on the site and constructing a new state of the art Safeguard Self-Storage facility of approximately 75,888 SF.		
Name of Applicant/Sponsor:		Telephone:
		E-Mail:
Address: 405 Masses Road, Suite 125		
City/PO: Melville	State: New York	Zip Code: 11747
Project Contact (if not same as sponsor, give name and title/role): James Gorman		Telephone: 631-639-0200
		E-Mail:
Address:		
City/PO:	State:	Zip Code:
Property Owner (if not same as sponsor): Classic Realty Corp		Telephone:
		E-Mail:
Address: 599 W. Merrick Road		
City/PO: Valley Stream	State: NY	Zip Code: 11580

**B. Government Approvals**

**B. Government Approvals, Funding, or Sponsorship.** ("Funding" includes grants, loans, tax relief, and any other forms of financial assistance.)

Government Entity	If Yes: Identify Agency and Approval(s) Required	Application Date (Actual or projected)
a. City Council, Town Board, or Village Board of Trustees <input type="checkbox"/> Yes <input type="checkbox"/> No		
b. City, Town or Village Planning Board or Commission <input type="checkbox"/> Yes <input type="checkbox"/> No		
c. City Council, Town or Village Zoning Board of Appeals <input type="checkbox"/> Yes <input type="checkbox"/> No		
d. Other local agencies <input type="checkbox"/> Yes <input type="checkbox"/> No		
e. County agencies <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Nassau County Industrial Development Agency	projected November 2016
f. Regional agencies <input type="checkbox"/> Yes <input type="checkbox"/> No		
g. State agencies <input type="checkbox"/> Yes <input type="checkbox"/> No		
h. Federal agencies <input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>i. Coastal Resources:</b> i. Is the project site within a Coastal Area, or the waterfront area of a Designated Inland Waterway? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No ii. Is the project site located in a community with an approved local Waterfront Revitalization Program? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No iii. Is the project site within a Coastal Erosion Hazard Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

**C. Planning and Zoning**

**C.1. Planning and zoning actions.**

Will administrative or legislative adoption, or amendment of a plan, local law, ordinance, rule or regulation be the only approval(s) which must be granted to enable the proposed action to proceed?  Yes  No

- If Yes, complete sections C, F and G.
- If No, proceed to question C.2 and complete all remaining sections and questions in Part 1.

**C.2. Adopted land use plans.**

a. Do any municipally-adopted (city, town, village or county) comprehensive land use plan(s) include the site where the proposed action would be located?  Yes  No

If Yes, does the comprehensive plan include specific recommendations for the site where the proposed action would be located?  Yes  No

b. Is the site of the proposed action within any local or regional special planning district (for example: Greenway, Brownfield Opportunity Area (BOA), designated State or Federal heritage area, watershed management plan, or other?)  Yes  No

If Yes, identify the plan(s):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

c. Is the proposed action located wholly or partially within an area listed in an adopted municipal open space plan, or an adopted municipal farmland protection plan?  Yes  No

If Yes, identify the plan(s):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### C.3. Zoning

a. Is the site of the proposed action located in a municipality with an adopted zoning law or ordinance?  Yes  No  
If Yes, what is the zoning classification(s) including any applicable overlay district?

C-2 Zone within the Incorporated Village of Valley Stream

b. Is the use permitted or allowed by a special or conditional use permit?  Yes  No

c. Is a zoning change requested as part of the proposed action?  Yes  No

If Yes,

i. What is the proposed new zoning for the site?

### C.4. Existing community services

a. In what school district is the project site located? Valley Stream

b. What police or other public protection forces serve the project site?

Nassau County Police Department 5th Precinct

c. Which fire protection and emergency medical services serve the project site?

Valley Stream

d. What parks serve the project site?

Valley Stream State Park

### D. Project Details

#### D.1. Proposed and Potential Development

a. What is the general nature of the proposed action (e.g., residential, industrial, commercial, recreational; if mixed, include all components)? commercial

b. a. Total acreage of the site of the proposed action? 1.0 acres

b. Total acreage to be physically disturbed? \_\_\_\_\_ acres

c. Total acreage (project site and any contiguous properties) owned

or controlled by the applicant or project sponsor? 1.0 acres

c. Is the proposed action an expansion of an existing project or use?  Yes  No

i. If Yes, what is the approximate percentage of the proposed expansion and identify the units (e.g., acres, miles, housing units, square feet)? % \_\_\_\_\_ Units: \_\_\_\_\_

d. Is the proposed action a subdivision, or does it include a subdivision?  Yes  No

If Yes,

i. Purpose or type of subdivision? (e.g., residential, industrial, commercial; if mixed, specify types)

ii. Is a cluster/conservation layout proposed?  Yes  No

iii. Number of lots proposed? \_\_\_\_\_

iv. Minimum and maximum proposed lot sizes? Minimum \_\_\_\_\_ Maximum \_\_\_\_\_

e. Will proposed action be constructed in multiple phases?  Yes  No

i. If No, anticipated period of construction: \_\_\_\_\_ months

ii. If Yes:

• Total number of phases anticipated \_\_\_\_\_

• Anticipated commencement date of phase I (including demolition) \_\_\_\_\_ month \_\_\_\_\_ year

• Anticipated completion date of final phase \_\_\_\_\_ month \_\_\_\_\_ year

• Generally describe connections or relationships among phases, including any contingencies where progress of one phase may determine timing or duration of future phases: \_\_\_\_\_

f. Does the proposed action include new residential uses?  Yes  No  
 If Yes, show numbers of units proposed

	One Family	Two Family	Three Family	Multiple Family (four or more)
Initial Phase	_____	_____	_____	_____
At completion of all phases	_____	_____	_____	_____

g. Does the proposed action include new non-residential construction (including expansions)?  Yes  No  
 If Yes:

- Total number of structures: \_\_\_\_\_
- Dimensions (in feet) of largest proposed structure: \_\_\_\_\_ height; \_\_\_\_\_ width; and \_\_\_\_\_ length
- Approximate extent of building space to be heated or cooled: \_\_\_\_\_ square feet

h. Does the proposed action include construction or other activities that will result in the impoundment of any liquids, such as creation of a water supply, reservoir, pond, lake, waste lagoon or other storage?  Yes  No  
 If Yes:

- Purpose of the impoundment: \_\_\_\_\_
- If a water impoundment, the principal source of the water:  Ground water  Surface water streams  Other specify: \_\_\_\_\_
- If other than water, identify the type of impounded/contained liquids and their source: \_\_\_\_\_
- Approximate size of the proposed impoundment. Volume: \_\_\_\_\_ million gallons; surface area: \_\_\_\_\_ acres
- Dimensions of the proposed dam or impounding structure: \_\_\_\_\_ height; \_\_\_\_\_ length
- Construction method/materials for the proposed dam or impounding structure (e.g., earth fill, rock, wood, concrete): \_\_\_\_\_

**D.2. Project Operations**

a. Does the proposed action include any excavation, mining, or dredging, during construction, operations, or both?  Yes  No  
 (Not including general site preparation, grading or installation of utilities or foundations where all excavated materials will remain onsite)  
 If Yes:

- What is the purpose of the excavation or dredging? removal of potential underground storage tanks: \_\_\_\_\_
- How much material (including rock, earth, sediments, etc.) is proposed to be removed from the site?
  - Volume (specify tons or cubic yards): Unknown
  - Over what duration of time? 3 month
- Describe nature and characteristics of materials to be excavated or dredged, and plans to use, manage or dispose of them.  
 If encumbered during removal of USTs, petroleum impacted soil will be excavated and stockpiled for disposal. Soil will be characterized and transported off-site for disposal in accordance with federal, state and local regulations: \_\_\_\_\_
- Will there be onsite dewatering or processing of excavated materials?  Yes  No  
 If yes, describe: \_\_\_\_\_
- What is the total area to be dredged or excavated? \_\_\_\_\_ <0.01 acres
- What is the maximum area to be worked at any one time? \_\_\_\_\_ <0.01 acres
- What would be the maximum depth of excavation or dredging? \_\_\_\_\_ 12 feet
- Will the excavation require blasting?  Yes  No
- Summarize site reclamation goals and plan: \_\_\_\_\_

Removal of potential USTs and any petroleum impacted soil. Following confirmation of the removal of impacted soil, excavation will be backfill with clean fill. \_\_\_\_\_

b. Would the proposed action cause or result in alteration of, increase or decrease in size of, or encroachment into any existing wetland, waterbody, shoreline, beach or adjacent area?  Yes  No  
 If Yes:

- Identify the wetland or waterbody which would be affected (by name, water index number, wetland map number or geographic description): \_\_\_\_\_

*ii. Describe how the proposed action would affect that waterbody or wetland, e.g. excavation, fill, placement of structures, or alteration of channels, banks and shorelines. Indicate extent of activities, alterations and additions in square feet or acres:*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*iii. Will proposed action cause or result in disturbance to bottom sediments?*  Yes  No  
 If Yes, describe: \_\_\_\_\_

*iv. Will proposed action cause or result in the destruction or removal of aquatic vegetation?*  Yes  No  
 If Yes:

- acres of aquatic vegetation proposed to be removed: \_\_\_\_\_
- expected acreage of aquatic vegetation remaining after project completion: \_\_\_\_\_
- purpose of proposed removal (e.g. beach clearing, invasive species control, boat access): \_\_\_\_\_
- proposed method of plant removal: \_\_\_\_\_
- if chemical/herbicide treatment will be used, specify product(s): \_\_\_\_\_

*v. Describe any proposed reclamation/mitigation following disturbance:*

\_\_\_\_\_

---

*c. Will the proposed action use or create a new demand for water?*  Yes  No  
 If Yes:

*i. Total anticipated water usage/demand per day:* \_\_\_\_\_ gallons/day

*ii. Will the proposed action obtain water from an existing public water supply?*  Yes  No  
 If Yes:

- Name of district or service area: \_\_\_\_\_
- Does the existing public water supply have capacity to serve the proposal?  Yes  No
- Is the project site in the existing district?  Yes  No
- Is expansion of the district needed?  Yes  No
- Do existing lines serve the project site?  Yes  No

*iii. Will line extension within an existing district be necessary to supply the project?*  Yes  No  
 If Yes:

- Describe extensions or capacity expansions proposed to serve this project: \_\_\_\_\_
- Source(s) of supply for the district: \_\_\_\_\_

*iv. Is a new water supply district or service area proposed to be formed to serve the project site?*  Yes  No  
 If Yes:

- Applicant/sponsor for new district: \_\_\_\_\_
- Date application submitted or anticipated: \_\_\_\_\_
- Proposed source(s) of supply for new district: \_\_\_\_\_

*v. If a public water supply will not be used, describe plans to provide water supply for the project:* \_\_\_\_\_

*vi. If water supply will be from wells (public or private), maximum pumping capacity:* \_\_\_\_\_ gallons/minute.

---

*d. Will the proposed action generate liquid wastes?*  Yes  No  
 If Yes:

*i. Total anticipated liquid waste generation per day:* \_\_\_\_\_ minimal gallons/day

*ii. Nature of liquid wastes to be generated (e.g., sanitary wastewater, industrial; if combination, describe all components and approximate volumes or proportions of each):* \_\_\_\_\_  
 sanitary wastewater from facility lavatories \_\_\_\_\_

*iii. Will the proposed action use any existing public wastewater treatment facilities?*  Yes  No  
 If Yes:

- Name of wastewater treatment plant to be used: East Rockaway \_\_\_\_\_
- Name of district: \_\_\_\_\_
- Does the existing wastewater treatment plant have capacity to serve the project?  Yes  No
- Is the project site in the existing district?  Yes  No
- Is expansion of the district needed?  Yes  No



• Do existing sewer lines serve the project site?  Yes  No  
 • Will line extension within an existing district be necessary to serve the project?  Yes  No  
 If Yes:  
 • Describe extensions or capacity expansions proposed to serve this project: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(v) Will a new wastewater (sewage) treatment district be formed to serve the project site?  Yes  No  
 If Yes:  
 • Applicant/sponsor for new district: \_\_\_\_\_  
 • Date application submitted or anticipated: \_\_\_\_\_  
 • What is the receiving water for the wastewater discharge? \_\_\_\_\_

(x) If public facilities will not be used, describe plans to provide wastewater treatment for the project, including specifying proposed receiving water name and classification (if surface discharge, or describe subsurface disposal plans):  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(y) Describe any plans or designs to capture, recycle or reuse liquid waste: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

e. Will the proposed action disturb more than one acre and create stormwater runoff, either from new point sources (i.e., ditches, pipes, swales, curbs, gutters or other concentrated flows of stormwater) or non-point source (i.e., sheet flow) during construction or post construction?  Yes  No  
 If Yes:  
 i. How much impervious surface will the project create in relation to total size of project parcel?  
 \_\_\_\_\_ Square feet or \_\_\_\_\_ acres (impervious surface)  
 \_\_\_\_\_ Square feet or \_\_\_\_\_ acres (parcel size)  
 ii. Describe types of new point sources: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(iii) Where will the stormwater runoff be directed (i.e., on-site stormwater management facility/structures, adjacent properties, groundwater, on-site surface water or off-site surface waters)?  
 \_\_\_\_\_  
 \_\_\_\_\_  
 ► If to surface waters, identify receiving water bodies or wetlands: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

• Will stormwater runoff flow to adjacent properties?  Yes  No

(v) Does proposed plan minimize impervious surfaces, use pervious materials or collect and re-use stormwater?  Yes  No

f. Does the proposed action include, or will it use on-site, one or more sources of air emissions, including fuel combustion, waste incineration, or other processes or operations?  Yes  No  
 If Yes, identify:  
 i. Mobile sources during project operations (e.g., heavy equipment, fleet or delivery vehicles)  
 \_\_\_\_\_  
 ii. Stationary sources during construction (e.g., power generation, structural heating, batch plant, crushers)  
 \_\_\_\_\_  
 iii. Stationary sources during operations (e.g., process emissions, large boilers, electric generation)  
 \_\_\_\_\_

g. Will any air emission sources named in D.2.f (above), require a NY State Air Registration, Air Facility Permit, or Federal Clean Air Act Title IV or Title V Permit?  Yes  No  
 If Yes:  
 i. Is the project site located in an Air quality non-attainment area? (Area routinely or periodically fails to meet ambient air quality standards for all or some parts of the year)  Yes  No  
 ii. In addition to emissions as calculated in the application, the project will generate:  
 • \_\_\_\_\_ Tons/year (short tons) of Carbon Dioxide (CO<sub>2</sub>)  
 • \_\_\_\_\_ Tons/year (short tons) of Nitrous Oxide (N<sub>2</sub>O)  
 • \_\_\_\_\_ Tons/year (short tons) of Perfluorocarbons (PFCs)  
 • \_\_\_\_\_ Tons/year (short tons) of Sulfur Hexafluoride (SF<sub>6</sub>)  
 • \_\_\_\_\_ Tons/year (short tons) of Carbon Dioxide equivalent of Hydrofluorocarbons (HFCs)  
 • \_\_\_\_\_ Tons/year (short tons) of Hazardous Air Pollutants (HAPs)

h. Will the proposed action generate or emit methane (including, but not limited to, sewage treatment plants, landfills, composting facilities)?  Yes  No

If Yes:

i. Estimate methane generation in tons/year (metric): \_\_\_\_\_

ii. Describe any methane capture, control or elimination measures included in project design (e.g., combustion to generate heat or electricity, flaring): \_\_\_\_\_

---

i. Will the proposed action result in the release of air pollutants from open-air operations or processes, such as quarry or landfill operations?  Yes  No

If Yes: Describe operations and nature of emissions (e.g., diesel exhaust, rock particulates/dust): \_\_\_\_\_

---

j. Will the proposed action result in a substantial increase in traffic above present levels or generate substantial new demand for transportation facilities or services?  Yes  No

If Yes:

i. When is the peak traffic expected (Check all that apply):  Morning  Evening  Weekend  
 Randomly between hours of \_\_\_\_\_ to \_\_\_\_\_

ii. For commercial activities only, projected number of semi-trailer truck trips/day: \_\_\_\_\_

iii. Parking spaces: Existing \_\_\_\_\_ Proposed \_\_\_\_\_ Net increase/decrease \_\_\_\_\_

iv. Does the proposed action include any shared use parking?  Yes  No

v. If the proposed action includes any modification of existing roads, creation of new roads or change in existing access, describe: \_\_\_\_\_

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iv. Are public/private transportation service(s) or facilities available within 1/2 mile of the proposed site?  Yes  No

v. Will the proposed action include access to public transportation or accommodations for use of hybrid, electric or other alternative fueled vehicles?  Yes  No

vi. Will the proposed action include plans for pedestrian or bicycle accommodations for connections to existing pedestrian or bicycle routes?  Yes  No

---

k. Will the proposed action (for commercial or industrial projects only) generate new or additional demand for energy?  Yes  No

If Yes:

i. Estimate annual electricity demand during operation of the proposed action: \_\_\_\_\_

ii. Anticipated sources/suppliers of electricity for the project (e.g., on-site combustion, on-site renewable, via grid/local utility, or other): \_\_\_\_\_

iii. Will the proposed action require a new, or an upgrade to, an existing substation?  Yes  No

---

l. Hours of operation: Answer all items which apply:

<p>i. During Construction:</p> <ul style="list-style-type: none"> <li>• Monday - Friday: _____ 7-5 _____</li> <li>• Saturday: _____</li> <li>• Sunday: _____</li> <li>• Holidays: _____</li> </ul>	<p>ii. During Operations:</p> <ul style="list-style-type: none"> <li>• Monday - Friday: _____ 8-6 _____</li> <li>• Saturday: _____ 8-6 _____</li> <li>• Sunday: _____ 8-6 _____</li> <li>• Holidays: _____</li> </ul>
--	---

m. Will the proposed action produce noise that will exceed existing ambient noise levels during construction, operation, or both?  Yes  No  
 If yes:  
 i. Provide details (including sources, time of day and duration):  
 \_\_\_\_\_

ii. Will proposed action remove existing natural barriers that could act as a noise barrier or screen?  Yes  No  
 Describe: \_\_\_\_\_

---

n. Will the proposed action have outdoor lighting?  Yes  No  
 If yes:  
 i. Describe source(s), location(s), height of fixture(s), direction/aim, and proximity to nearest occupied structures:  
 Lighting will be placed along the sidewalk and parking lot: \_\_\_\_\_

ii. Will proposed action remove existing natural barriers that could act as a light barrier or screen?  Yes  No  
 Describe: \_\_\_\_\_

---

o. Does the proposed action have the potential to produce odors for more than one hour per day?  Yes  No  
 If Yes, describe possible sources, potential frequency and duration of odor emissions, and proximity to nearest occupied structures: \_\_\_\_\_

---

p. Will the proposed action include any bulk storage of petroleum (combined capacity of over 1,100 gallons) or chemical products 185 gallons in above ground storage or any amount in underground storage?  Yes  No  
 If Yes:  
 i. Product(s) to be stored \_\_\_\_\_  
 ii. Volume(s) \_\_\_\_\_ per unit time \_\_\_\_\_ (e.g., month, year)  
 iii. Generally describe proposed storage facilities: \_\_\_\_\_

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q. Will the proposed action (commercial, industrial and recreational projects only) use pesticides (i.e., herbicides, insecticides) during construction or operation?  Yes  No  
 If Yes:  
 i. Describe proposed treatment(s):  
 \_\_\_\_\_  
 \_\_\_\_\_

ii. Will the proposed action use Integrated Pest Management Practices?  Yes  No

---

r. Will the proposed action (commercial or industrial projects only) involve or require the management or disposal of solid waste (excluding hazardous materials)?  Yes  No  
 If Yes:  
 i. Describe any solid waste(s) to be generated during construction or operation of the facility:  
 • Construction: \_\_\_\_\_ tons per \_\_\_\_\_ (unit of time)  
 • Operation: \_\_\_\_\_ tons per \_\_\_\_\_ (unit of time)  
 ii. Describe any proposals for on-site minimization, recycling or reuse of materials to avoid disposal as solid waste:  
 • Construction: \_\_\_\_\_  
 • Operation: \_\_\_\_\_

iii. Proposed disposal methods/facilities for solid waste generated on-site:  
 • Construction: \_\_\_\_\_  
 • Operation: \_\_\_\_\_

6. Does the proposed action include construction or modification of a solid waste management facility?  Yes  No

If Yes:

i. Type of management or handling of waste proposed for the site (e.g., recycling or transfer station, composting, landfill), or other disposal activities): \_\_\_\_\_

ii. Anticipated rate of disposal/processing:

- \_\_\_\_\_ Tons/month, if transfer or other non-combustion/thermal treatment, or
- \_\_\_\_\_ Tons/hour, if combustion or thermal treatment

iii. If landfill, anticipated site life: \_\_\_\_\_ years

---

7. Will proposed action at the site involve the commercial generation, treatment, storage, or disposal of hazardous waste?  Yes  No

If Yes:

i. Name(s) of all hazardous wastes or constituents to be generated, handled or managed at facility: \_\_\_\_\_

ii. Generally describe processes or activities involving hazardous wastes or constituents: \_\_\_\_\_

iii. Specify amount to be handled or generated \_\_\_\_\_ tons/month

iv. Describe any proposals for on-site minimization, recycling or reuse of hazardous constituents: \_\_\_\_\_

v. Will any hazardous wastes be disposed at an existing offsite hazardous waste facility?  Yes  No

If Yes: provide name and location of facility: \_\_\_\_\_

If No: describe proposed management of any hazardous wastes which will not be sent to a hazardous waste facility: \_\_\_\_\_

### E. Site and Setting of Proposed Action

#### E.1. Land uses on and surrounding the project site

##### a. Existing land uses.

(Check all uses that occur on, adjoining and near the project site.)

- Urban  Industrial  Commercial  Residential (suburban)  Rural (non-farm)  
 Forest  Agriculture  Aquatic  Other (specify): \_\_\_\_\_

ii. If mix of uses, generally describe:

Commercial use with residential use to the adjoining north

##### b. Land uses and covertypes on the project site.

Land use or Covertype	Current Acreage	Acreage After Project Completion	Change (Acre +/-)
• Roads, buildings, and other paved or impervious surfaces	10		
• Forested	0		
• Meadows, grasslands or brushlands (non-agricultural, including abandoned agricultural)	0		
• Agricultural (includes active orchards, field, greenhouse etc.)	0		
• Surface water features (lakes, ponds, streams, rivers, etc.)	0		
• Wetlands (freshwater or tidal)	0		
• Non-vegetated (bare rock, earth or fill)	0		
• Other Describe: _____	0		

c. Is the project site presently used by members of the community for public recreation?  Yes  No  
 i. If Yes, explain: \_\_\_\_\_

d. Are there any facilities serving children, the elderly, people with disabilities (e.g., schools, hospitals, licensed day care centers, or group homes) within 1500 feet of the project site?  Yes  No  
 If Yes:  
 i. Identify Facilities:  
 Shaw Avenue School approximately 800 feet northwest, Day care center approximately 500 feet north

e. Does the project site contain an existing dam?  Yes  No  
 If Yes:  
 i. Dimensions of the dam and impoundment:  
 • Dam height: \_\_\_\_\_ feet  
 • Dam length: \_\_\_\_\_ feet  
 • Surface area: \_\_\_\_\_ acres  
 • Volume impounded: \_\_\_\_\_ gallons OR acre-feet  
 ii. Dam's existing hazard classification: \_\_\_\_\_  
 iii. Provide date and summarize results of last inspection: \_\_\_\_\_

f. Has the project site ever been used as a municipal, commercial or industrial solid waste management facility, or does the project site adjoin property which is now, or was at one time, used as a solid waste management facility?  Yes  No  
 If Yes:  
 i. Has the facility been formally closed?  Yes  No  
 • If yes, cite sources/documentation: \_\_\_\_\_  
 ii. Describe the location of the project site relative to the boundaries of the solid waste management facility: \_\_\_\_\_  
 iii. Describe any development constraints due to the prior solid waste activities: \_\_\_\_\_

g. Have hazardous wastes been generated, treated and/or disposed of at the site, or does the project site adjoin property which is now or was at one time used to commercially treat, store and/or dispose of hazardous waste?  Yes  No  
 If Yes:  
 i. Describe waste(s) handled and waste management activities, including approximate time when activities occurred: \_\_\_\_\_

h. Potential contamination history: Has there been a reported spill at the proposed project site, or have any remedial actions been conducted at or adjacent to the proposed site?  Yes  No  
 If Yes:  
 i. Is any portion of the site listed on the NYSDEC Spills Incidents database or Environmental Site Remediation database? Check all that apply:  Yes  No  
 Yes - Spills Incidents database Provide DEC ID number(s): 0909486 and 9009051  
 Yes - Environmental Site Remediation database Provide DEC ID number(s): \_\_\_\_\_  
 Neither database  
 ii. If site has been subject of RCRA corrective activities, describe control measures: \_\_\_\_\_  
 iii. Is the project within 2000 feet of any site in the NYSDEC Environmental Site Remediation database?  Yes  No  
 If yes, provide DEC ID number(s): \_\_\_\_\_  
 iv. If yes to (i), (ii) or (iii) above, describe current status of site(s): \_\_\_\_\_

v. Is the project site subject to an institutional control (limiting property uses)?  Yes  No

- If yes, DEC site ID number: \_\_\_\_\_
- Describe the type of institutional control (e.g., deed restriction or easement): \_\_\_\_\_
- Describe any use limitations: \_\_\_\_\_
- Describe any engineering controls: \_\_\_\_\_
- Will the project affect the institutional or engineering controls in place?  Yes  No
- Explain: \_\_\_\_\_

---

**E.2. Natural Resources On or Near Project Site**

a. What is the average depth to bedrock on the project site? \_\_\_\_\_ 1,300 feet

b. Are there bedrock outcroppings on the project site?  Yes  No  
 If Yes, what proportion of the site is comprised of bedrock outcroppings? \_\_\_\_\_ %

c. Predominant soil type(s) present on project site: Urban Land \_\_\_\_\_ 100 %  
 \_\_\_\_\_ %  
 \_\_\_\_\_ %

d. What is the average depth to the water table on the project site? Average: \_\_\_\_\_ 9 feet

e. Drainage status of project site soils:  Well Drained: \_\_\_\_\_ 100 % of site  
 Moderately Well Drained: \_\_\_\_\_ % of site  
 Poorly Drained \_\_\_\_\_ % of site

f. Approximate proportion of proposed action site with slopes:  0-10%: \_\_\_\_\_ 100 % of site  
 10-15%: \_\_\_\_\_ % of site  
 15% or greater: \_\_\_\_\_ % of site

g. Are there any unique geologic features on the project site?  Yes  No  
 If Yes, describe: \_\_\_\_\_

h. Surface water features.

i. Does any portion of the project site contain wetlands or other waterbodies (including streams, rivers, ponds or lakes)?  Yes  No

ii. Do any wetlands or other waterbodies adjoin the project site?  Yes  No  
 (If Yes to either i or ii, continue. If No, skip to E.2.j.)

iii. Are any of the wetlands or waterbodies within or adjoining the project site regulated by any federal, state or local agency?  Yes  No

iv. For each identified regulated wetland and waterbody on the project site, provide the following information:

- Streams: Name \_\_\_\_\_ Classification \_\_\_\_\_
- Lakes or Ponds: Name \_\_\_\_\_ Classification \_\_\_\_\_
- Wetlands: Name \_\_\_\_\_ Approximate Size: \_\_\_\_\_
- Wetland No. (if regulated by DEC) \_\_\_\_\_

v. Are any of the above water bodies listed on the most recent compilation of NYS water quality-impaired waterbodies?  Yes  No  
 If yes, name of impaired water body/bodies and basis for listing as impaired: \_\_\_\_\_

i. Is the project site in a designated Floodway?  Yes  No

j. Is the project site in the 100 year Floodplain?  Yes  No

k. Is the project site in the 500 year Floodplain?  Yes  No

l. Is the project site located over, or immediately adjoining, a primary, principal or sole source aquifer?  Yes  No  
 If Yes:  
 i. Name of aquifer: Long Island Aquifer System \_\_\_\_\_

m. Identify the predominant wildlife species that occupy or use the project site:  
 \_\_\_\_\_  
 \_\_\_\_\_

n. Does the project site contain a designated significant natural community?  Yes  No  
 If Yes:  
 i. Describe the habitat/community (composition, function) and basis for designation: \_\_\_\_\_  
 ii. Source(s) of description or evaluation: \_\_\_\_\_  
 (b) Extent of community/habitat:  
 • Currently: \_\_\_\_\_ acres  
 • Following completion of project as proposed: \_\_\_\_\_ acres  
 • Gain or loss (indicate "+" or "-): \_\_\_\_\_ acres

o. Does project site contain any species of plant or animal that is listed by the federal government or NYS as endangered or threatened, or does it contain any areas identified as habitat for an endangered or threatened species?  Yes  No

p. Does the project site contain any species of plant or animal that is listed by NYS as rare, or as a species of special concern?  Yes  No

q. Is the project site or adjoining area currently used for hunting, trapping, fishing or shell fishing?  Yes  No  
 If yes, give a brief description of how the proposed action may affect that use: \_\_\_\_\_

**E.3. Designated Public Resources On or Near Project Site**

a. Is the project site, or any portion of it, located in a designated agricultural district certified pursuant to Agriculture and Markets Law, Article 25-AA, Section 303 and 304?  Yes  No  
 If Yes, provide county plus district name/number: \_\_\_\_\_

b. Are agricultural lands consisting of highly productive soils present?  Yes  No  
 i. If Yes: acreage(s) on project site? \_\_\_\_\_  
 ii. Source(s) of soil rating(s): \_\_\_\_\_

c. Does the project site contain all or part of, or is it substantially contiguous to, a registered National Natural Landmark?  Yes  No  
 If Yes:  
 i. Nature of the natural landmark:  Biological Community  Geological Feature  
 ii. Provide brief description of landmark, including values behind designation and approximate size/extent: \_\_\_\_\_

d. Is the project site located in or does it adjoin a state-listed Critical Environmental Area?  Yes  No  
 If Yes:  
 i. CIA name: \_\_\_\_\_  
 ii. Basis for designation: \_\_\_\_\_  
 iii. Designating agency and date: \_\_\_\_\_

e. Does the project site contain, or is it substantially contiguous to, a building, archaeological site, or district which is listed on, or has been nominated by the NYS Board of Historic Preservation for inclusion on, the State or National Register of Historic Places?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes:	
<i>i.</i> Nature of historic/archaeological resource: <input type="checkbox"/> Archaeological Site <input type="checkbox"/> Historic Building or District	
<i>ii.</i> Name: _____	
<i>iii.</i> Brief description of attributes on which listing is based: _____	
f. Is the project site, or any portion of it, located in or adjacent to an area designated as sensitive for archaeological sites on the NY State Historic Preservation Office (SHPO) archaeological site inventory?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
g. Have additional archaeological or historic site(s) or resources been identified on the project site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes:	
<i>i.</i> Describe possible resource(s): _____	
<i>ii.</i> Basis for identification: _____	
h. Is the project site within five miles of any officially designated and publicly accessible federal, state, or local scenic or aesthetic resource?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes:	
<i>i.</i> Identify resource: <u>Valley Stream State Park</u>	
<i>ii.</i> Nature of, or basis for, designation (e.g., established highway overlook, state or local park, state historic trail or scenic byway, etc.): <u>State Park</u>	
<i>iii.</i> Distance between project and resource: _____ <u>1.0</u> miles.	
i. Is the project site located within a designated river corridor under the Wild, Scenic and Recreational Rivers Program 6 NYCRR 666?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes:	
<i>i.</i> Identify the name of the river and its designation: _____	
<i>ii.</i> Is the activity consistent with development restrictions contained in 6NYCRR Part 666?	
	<input type="checkbox"/> Yes <input type="checkbox"/> No

**F. Additional Information**

Attach any additional information which may be needed to clarify your project.

If you have identified any adverse impacts which could be associated with your proposal, please describe those impacts plus any measures which you propose to avoid or minimize them.

**G. Verification**

I certify that the information provided is true to the best of my knowledge.

Applicant/Sponsor Name Stanley Bonilla Date 5/09/16

Signature  Title Vice President



**OTHER ATTACHMENTS**

## PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is made as of the 5<sup>th</sup> day of May, 2015 by and between **CLASSIC REALTY CORP.**, an New York corporation, having an address at 599 W. Merrick Road, Valley Stream, New York 11580 ("Seller"), and **SAFEGUARD PROPERTIES II, LLC**, a Delaware limited liability company, having an address at 105 Maxess Road, Suite 125, Melville, New York 11747 ("Purchaser").

### WITNESSETH:

WHEREAS, Seller is the fee simple owner of those certain premises known as 599 West Merrick Road, Valley Stream, New York and identified as (i) Section \_\_, Block \_\_, Lot \_\_, \_\_ & \_\_, consisting of approximately one (1) acre of land;

WHEREAS, Seller desires to sell and convey to Purchaser, and Purchaser desires to purchase and acquire from Seller, the Property (as hereinafter defined) upon the terms and subject to the conditions set forth herein

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree to the foregoing and as follows:

### **ARTICLE I DEFINITIONS**

**Section 1.1: Definitions.** The following terms shall have the meanings indicated for all purposes under this Agreement:

**Approval Period:** The period commencing on the Effective Date and ending on the day that is one hundred eighty (180) days after the expiration of the Inspection Period, subject to extensions provided in Article 4 below.

**Brokers:** Winick Realty Group and NAI

**Business Days:** All days except Saturday, Sunday and a legal holiday under the Laws of the United States of America or the State.

**City:** Valley Stream.

**Closing:** The act of settlement of the purchase and sale of the Property at which title is conveyed from Seller to Purchaser and the Contract Price is paid by Purchaser to Seller.

**Closing Date:** On or about fifteen (15) days after the expiration of the Approval Period.

**Contract Price:** Two Million Five Hundred Thousand Dollars (\$2,500,000.00).

**County:** Nassau

**Inspection Period:** The period commencing on the Effective Date and ending on the day that is sixty (60) days after the later of (i) the Effective Date, and (ii) the date Seller notifies Purchaser that the Lender (as hereinafter defined) has approved this Agreement and the sale of

the Property pursuant to the terms of Section 12.14 below, subject, however, to extensions provided in Article 4 below:

Due Diligence Items: Shall have the meaning given to such term in Section 4.1.

Earnest Money: Two Hundred Fifty Thousand Dollars (\$250,000.000), paid as outlined in Section 3.2 herein below, to be held in escrow pursuant to the terms of the Escrow Agreement attached hereto as Exhibit B.

Escrow Agent: Advantage Title Agency.

Effective Date: The date on which the Escrow Agent receives a fully executed copy of this Agreement together with the Earnest Money, said date being inserted by the Escrow Agent in the blank provided for that purpose on the signature page of this Agreement.

Governmental Authority: The United States of America, the State, the County and any agency or instrumentality thereof having jurisdiction over Seller or the Property or any portion thereof.

Land: That certain tract of land situated in the County being more particularly described on Exhibit A attached hereto and made a part hereof.

Legal Requirements: Any law, statute, ordinance, decree, requirement, order, judgment, rule, regulation of, and the terms of any license or permit issued by, any Governmental Authority applicable to the Property.

Property: Shall have the meaning given to such term in Section 2.1.

Proration Date: Actual Closing Date, or delivery of possession by Seller, if later.

Purchaser: Safeguard Properties II, LLC, a Delaware limited liability company, whose address for notice is:

Safeguard Properties II, LLC  
105 Maxess Road, Suite 125  
Melville, New York 11747  
Attention: Jim Goonan  
Tel: (631) 539-0200  
Email: [info@safeguardproperties.com](mailto:info@safeguardproperties.com)

with a copy to:

Bullard Law Group, PLLC  
225 Old Country Road  
Melville, New York 11747  
Tel: (516) 368-8830  
Attention: Edward J. Bullard Jr., Esq.  
Email: [ebullard@bullardlaw.com](mailto:ebullard@bullardlaw.com)

Seller: Classic Realty Corp., an New York corporation, whose address for notices is:

599 W. Merrick Road  
Valley Stream, New York 11580

Attention: Kevin Bradley  
Tel: 516-660-8391  
Email: [kbradley@mcgill.com](mailto:kbradley@mcgill.com)

with a copy to:

Law Office of Michael G. McAuliffe  
68 South Service Road, Suite 100  
Melville, New York 11747  
Tel: 631-465-0044  
Attn: Gerald A. Levano, Esq.  
Email: [gerald@mcgill.com](mailto:gerald@mcgill.com) and [gmcauliffe@mcgill.com](mailto:gmcauliffe@mcgill.com)

State: The State in which the Property is located.

## ARTICLE 2 AGREEMENT TO SELL AND PURCHASE

**Section 2.1: Purchase and Sale.** Upon and subject to the terms of this Agreement, Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller the following:

The Land and any improvements situated thereon, together with (i) any and all rights, titles, powers, privileges, easements, licenses, rights-of-way and interests appurtenant to the Land and the improvements; (ii) all rights, titles, powers, privileges, licenses, easements, rights-of-way and interests, if any, of Seller, either at law or in equity, in possession or in expectancy, in and to any real estate lying in the streets, highways, roads, alleys, rights-of-way or sidewalks, open or proposed, in front of, above, over, under, through or adjoining the Land and into any strips or gores of real estate adjoining the Land and (iii) all rights, titles, powers, privileges, interests, licenses, easements and rights-of-way appurtenant or incident to any of the foregoing.

The Land, any improvements thereon and all other items of property, real or personal, described in this Section 2.1 are herein collectively called the "Property."

## ARTICLE 3 CONTRACT PRICE AND EARNEST MONEY

**Section 3.1: Contract Price.** At Closing, Purchaser shall pay to Seller in immediately available funds an amount equal to the Contract Price subject to the promissory and adjustments provided in this Agreement.

**Section 3.2: Earnest Money.** The parties shall execute four (4) originals of this Purchase Agreement. Within two (2) Business Days following the execution of this Agreement by Seller, Purchaser shall deposit by wire transfer the Earnest Money with the Escrow Agent. In the event this Agreement is closed, the Earnest Money shall be applied to the Contract Price at Closing. In the event this Agreement is not closed, except as a result of Purchaser's default, the Earnest Money shall promptly be returned to Purchaser in accordance with the provisions of this Agreement.

**Section 3.3: Consideration.** The parties acknowledge and agree that in addition to the Earnest Money, Purchaser, in reliance upon this Agreement, will expend its funds and the time of its agents and employees, in review of documents and study of the Property as described herein.

#### **ARTICLE 4 DUE DILIGENCE ITEMS AND INSPECTION OF THE PROPERTY**

**Section 4.1: Due Diligence Items.** Within five (5) days following the Effective Date, Seller shall deliver to Purchaser, to the extent in Seller's possession, true, correct and complete copies of each of the items listed below (collectively, the "Due Diligence Items"):

- (a) Real estate and personal property tax statements with respect to the Property for the last two (2) years;
- (b) The written results and reports, if any, of any environmental site assessments, engineering reports, soil boring tests or other inspections done at the Property;
- (c) The most recent environmental report done for the Property, if any;
- (d) Copies of records and reports concerning spills or release of any hazardous substance;
- (e) Copies of any and all permit applications, permits received, site plans and documents prepared pursuant to any governmental requirements;
- (f) Copies of any correspondence or notices relating to condemnation or possibility of condemnation of the Property by any governmental agency or municipality, whether by eminent domain or otherwise, and
- (g) The most recent survey of the Property in the Seller's possession.

Seller will promptly advise Purchaser in writing of any changes, additions, deletions or modifications with respect to any Due Diligence Items and will provide Purchaser with true, correct and complete copies of all such changes, additions, deletions or modifications.

**Section 4.2: Inspection Period.** At any time prior to Closing, Purchaser or its agents, at its sole cost and risk, shall have the right to go on the Property or any part thereof, to inspect the Property, and to make all such other inspections, surveys, tests, market or other studies (including environmental) as Purchaser deems necessary or desirable to determine if the Property is suitable for use by Purchaser. If Purchaser shall determine in the exercise of its sole and absolute discretion that Purchaser does not desire to purchase the Property for any or no reason, then Purchaser shall have the right to terminate this Agreement by written notice to Seller given prior to the end of the Inspection Period. In such event, the Earnest Money shall be returned to Purchaser within three (3) Business Days of notification, free and clear of all rights and claims of Seller with respect thereto, Seller shall have no right to object to the return of the Earnest Money to Purchaser, and neither party hereto shall have any further liability or obligation hereunder. Purchaser agrees that in the event Purchaser determines prior to the end of the Inspection Period that the Property or any aspect thereof is not acceptable to Purchaser, Purchaser agrees to not wait until the end of the Inspection Period to terminate this Agreement, but will rather terminate this Agreement upon its determination that the Property is not acceptable to Purchaser.

Purchaser will repair any damages resulting to the Property due to such tests, surveys, inspections and studies or reimburse Seller for all reasonable expenses incurred by Seller in repairing such damages if Purchaser does not promptly repair such damages after written notice of such damages has been delivered by Seller to Purchaser. Purchaser further agrees to indemnify Seller for any injuries to any person in connection with Purchaser entering the Property to perform due diligence activities. The foregoing agreement of indemnity, repair and reimbursement shall survive any termination of this Agreement.

Provided Purchaser has not elected (or deemed to have not elected pursuant to Section 4.4 below) to terminate this Agreement during or at the end of the Inspection Period, the Earnest Money shall "go hard" and be non-refundable to Purchaser at the end of the Inspection Period, except for the default of Seller under this Agreement and otherwise subject to the terms and conditions of this Agreement. Even though the Earnest Money is non-refundable to Purchaser as outlined herein subject to the terms and conditions of this Agreement, the Escrow Agent shall still maintain such funds until the actual Closing Date and title to the Property passes from Seller to Purchaser.

#### **Section 4.3: Purchaser's Proposed Development**

(a) Purchaser anticipates developing the Property as a self-storage facility containing a minimum of 75,000 gross square feet with ancillary improvements with permitted lawful parking (collectively, the "Proposed Development"). At Purchaser's election, during the Approvals Period, Purchaser or Purchaser's designee may prepare plans and specifications for the Proposed Development and may thereafter apply to such governmental and municipal authorities which may have jurisdiction over the Property and the Proposed Development for such permits, licenses and approvals which may be required for the construction, maintenance and operation of the Proposed Development (which may include, in Purchaser's discretion, a special use permit and/or variance) and such approvals as may be needed for access to and egress from the Proposed Development to adjacent public roadways, drainage (collectively, the "Required Approvals"). If a Required Approval shall be denied by a governmental authority, Purchaser shall notify Seller thereof and, at its option, shall be permitted to, but shall not be obligated or required to, appeal or otherwise contest such decision. Seller, at no cost to itself, but without charge to Purchaser, shall cooperate fully with Purchaser with respect to any and all applications, proceedings and appeals made or prosecuted by or on behalf of Purchaser in connection with any of the foregoing and shall execute promptly any and all documents, instruments, consents and authorizations requested by Purchaser which shall be necessary or desirable with respect thereto.

(b) In the event a Required Approval or Purchaser's applications for the Required Approvals are denied, or same are not issued on or prior to the expiration of the Approval Period, Purchaser shall have the right to terminate this Agreement, in which event the Earnest Money, less any Approval Payments, shall be returned to Purchaser and neither party shall have any further obligations pursuant to this Agreement, except as stated to survive the cancellation hereof. Seller hereby agrees that in the event the Required Approvals, or the IDA Approval (as hereinafter defined) are not issued on or prior to the expiration of the initial 180 day Approval Period and this Agreement has not been terminated by Purchaser, Seller will extend the Approval Period for up to four (4) additional thirty (30) day periods each (the "Extension Periods"), which Extension Periods shall automatically occur unless Purchaser elects to terminate this Agreement prior to the commencement of an additional 30 day periods; provided, however, in no event will

the Approval Period be extended without consent of the parties beyond four (4) additional 30 day periods,

(c) Purchaser hereby agrees that the Escrow Agent shall pay over from the Earnest Money to the Seller a sum of Seven Thousand Five Hundred Dollars (\$7,500.00) for each thirty (30) day period during the Approval Period and any Extension Period (each an "Approval Payment" collectively "Approval Payments"). The Approval Payments shall be made each thirty (30) day period during the Approval Period and any Extension Period until the earlier of the Purchaser's termination of this contract or the last thirty (30) day period. Notwithstanding anything to the contrary contained herein, Purchaser agrees to notify Seller promptly upon learning that any Required Approvals will not be issued. If this Agreement is thereafter terminated pursuant to this Section 4.3 or Section 4.4 below, none of the foregoing Approval Payments shall be returned to Purchaser, but the then remaining Earnest Money then being held by Escrow Agent pursuant to the terms of this Article 4.3(c) shall be returned to Purchaser and, thereafter, neither party shall have any further obligations pursuant to this Agreement, except as stated to survive the termination hereof. Notwithstanding anything to the contrary contained herein, Seller agrees that if this Agreement is not terminated by the Purchaser pursuant to the Purchaser's termination rights in Section 4.3 and Section 4.4, the Approval Payments made during the initial 180 day Approval Period shall be credited towards the Contract Price at Closing, but any Approval Payments made during any Extension Period shall not be credited toward the Purchase Price.

(c) Notwithstanding anything contained herein to the contrary, in the event Purchaser elects to terminate this Agreement pursuant to this Section 4.3, Seller shall have no right whatsoever to object to the release of the then remaining Earnest Money and Escrow Agent shall release such remaining Earnest Money to Purchaser within five (5) days of Purchaser's termination of this Agreement with notice to Seller. The obligation to return the Earnest Money to Purchaser shall survive the termination of this Agreement.

**Section 4.4: IDA Approval.** Purchaser intends to seek certain financial benefits from the Nassau County Industrial Development Agency ("IDA") with respect to Purchaser's acquisition and development of the Property, including, but not limited to, an Inducement Resolution (the "IDA Resolution") evidencing the intention of the IDA to provide such benefits. This contract is contingent upon the receipt of the IDA Resolution. Purchaser shall have until the end of the Approval Period (as same may be extended pursuant to Section 4.3 above) to obtain the IDA Resolution and such IDA benefits. In the event Purchaser seeks the IDA benefits, Purchaser shall (i) furnish to the IDA truthful, accurate and complete information regarding Purchaser, as required, (ii) pay all fees required in connection with such applications, (iii) pursue such application with diligence, and (iv) cooperate in good faith with the IDA to obtain the IDA Resolution and benefits sought. If the IDA Resolution and benefits are not issued on or before the expiration of the Approval Period, then Purchaser may cancel this Agreement by giving notice to Seller within five (5) Business Days after the expiration of the Approval Period (as same may be extended pursuant to Section 4.3 above), in which case this Agreement shall terminate and thereafter neither party shall have any further rights against or obligations or liabilities to, the other by reason of this contract. If this Agreement is terminated pursuant to this Section 4.4, none of the Approval Payments shall be returned to Purchaser, but the then remaining Earnest Money then being held by Escrow Agent pursuant to the terms of Section

4.4(c)), shall be returned to Purchaser and, thereafter, neither party shall have any further obligations pursuant to this Agreement, except as stated to survive the termination hereof.

**Section 4.5: Expiration of Inspection Period.** In the event Purchaser fails to advise Seller of the satisfaction or dissatisfaction of the contingencies in Sections 4.2, 4.3 or 4.4 hereof on or before the expiration of the Inspection Period, as same may be extended herein, the contingencies shall be deemed to have not been satisfied or waived and Purchaser shall be deemed to have exercised its option to terminate this Agreement. In such event the Earnest Money shall promptly be returned to Purchaser.

## **ARTICLE 5 TITLE AND SURVEY**

**Section 5.1: Delivery of Title Commitment and Survey.** Within ten (10) Business Days after receipt of a fully executed copy of this Agreement, Purchaser shall order a Commitment for Title Insurance (a "Commitment") issued by a reputable title company selected by Purchaser (the "Title Company"), together with true and legible copies of all easements, restrictions and other items referred to as exceptions in the Commitment, pursuant to which the Title Company agrees to issue to Purchaser at Closing an Owner's Policy of Title Insurance (the "Title Policy") on the American Land Title Association of Title Insurance comprehensive standard form in the full amount of the Contract Price, dated as of the Closing Date, insuring Purchaser's title to the Land and Improvements to be good and indefeasible, subject only to the Permitted Encumbrances.

**Section 5.2: Procedure for Resolving Title Objections.** Any items constituting an encumbrance upon or adversely affecting title to the Property as reflected by the Commitment or the survey shall constitute an exception to title. Before expiration of the Inspection Period, Purchaser shall notify Seller in writing ("Purchaser's Objection Notice") of its objection to any such exceptions to title or disapproval of the survey ("Title Objections"). Upon Seller's receipt of Purchaser's Objection Notice, Seller shall have fifteen (15) Business Days ("Seller's Cure Period") to cure Purchaser's Title Objections. Seller shall exercise its reasonable efforts to remove or cure any Title Objections; provided, however, that Seller shall not be obligated to incur any cost or expense in connection therewith exceeding an amount approved by the Lender. All standard printed exceptions, including the gap exception, shall be deleted at Closing and upon delivery of a properly executed owner's affidavit and survey.

Notwithstanding the foregoing, Seller shall be obligated to discharge and cause to be released at Closing, subject to the Lender's approval, any violation, any lien securing a monetary obligation and any encumbrance created or suffered by Seller after the Effective Date of this Agreement. In the event that Seller shall have failed to cure Title Objections to Purchaser's satisfaction prior to the end of Seller's Cure Period and Title Company is not willing to insure good marketable title to the Purchaser, Purchaser may, at its option, terminate this Agreement by written notice to Seller, whereupon the Escrow Agent shall return the Earnest Money to Purchaser and neither Purchaser nor Seller shall have any further rights or obligations hereunder. Any exceptions to title disclosed in the Commitment and not objected to by Purchaser in Purchaser's Objection Notice shall be deemed accepted by Purchaser. The phrase "Permitted Encumbrances" shall mean those exceptions to title set forth in the Commitment and which have been accepted or deemed accepted by Purchaser.



## ARTICLE 6

### SELLER'S AND PURCHASER'S REPRESENTATIONS AND WARRANTIES

**Section 6.1: Seller's Representations and Warranties.** Seller hereby represents and warrants to Purchaser as follows:

- (a) Seller is duly organized, validly existing and in good standing under the laws of the state of its organization and is duly authorized to transact business in the State.
- (b) Seller has, without notice to or consent or joinder of any other person or entity, the full right, power and authority to execute, deliver and perform this Agreement. The execution, delivery and performance of this Agreement by Seller has been duly and validly authorized by all requisite action. This Agreement constitutes the legal, valid and binding agreement of Seller, enforceable in accordance with its terms.
- (c) Seller's execution, delivery and performance of this Agreement and of any other documents to be executed and delivered by Seller at Closing do not and will not violate, conflict with, result in the breach of or constitute a default under any of Seller's organizational documents, any mortgage, indenture, document, instrument or agreement to which Seller is a party or by which Seller or any portion of the Property is bound or any Legal Requirement.
- (d) Seller has neither received notice nor is aware of any pending, threatened or contemplated action by any Governmental Authority having the power of eminent domain that might result in all or any part of the Property being taken by condemnation or conveyed in lieu of such taking.
- (e) Other than any action commenced by the Lender, there is no litigation or other proceedings pending or, to Seller's knowledge, threatened against or relating to the Property or any leases, if any.
- (f) No work has or will have been performed or will be in progress at the Property and no materials have or will have been delivered to the Property that might provide the basis for a materialman's, mechanic's or other lien against the Property or any portion thereof.
- (g) Seller has not granted any other person the right to acquire the Property and, to the best of Seller's knowledge, no person has any right to acquire any interest in the Property.
- (h) As of the Closing Date, there will be no tenants or leases affecting the Property. The Property shall be delivered vacant and free of all tenancies, broom clean and free of debris.
- (i) As of the Closing Date, there will be no adverse or other parties in possession of the Property and no person or entity has been granted any license, lease or other right relating to the use, management or possession of the Property or any part thereof.

**Section 6.2: Purchaser's Representations and Warranties.** Purchaser hereby represents and warrants to Seller as follows:

- (a) Purchaser is duly organized, validly existing and in good standing under the laws of the state of its organization and is duly authorized to transact business in the State.
- (b) Purchaser has, without notice to or consent or joinder of any other person or entity, the full right, power and authority to execute, deliver and perform this Agreement. The execution, delivery and performance of this Agreement by Purchaser has been duly and validly

authorized by all requisite action. This Agreement constitutes the legal, valid and binding agreement of Purchaser, enforceable in accordance with its terms.

(e) Purchaser's execution, delivery and performance of this Agreement and of any other documents to be executed and delivered by Purchaser at Closing do not and will not violate, conflict with, result in the breach of or constitute a default under any of Purchaser's organizational documents, any mortgage, indenture, document, instrument or agreement to which Purchaser is a party or by which Purchaser or any portion of the Property is bound or any Legal Requirements.

The representations and warranties set forth in Sections 6.1 and 6.2 shall survive the Closing for a period of one (1) year.

## ARTICLE 7

### SELLER'S AGREEMENTS AFFECTING THE PROPERTY

**Section 7: Seller's Agreements.** From and after the Effective Date and until the Closing or earlier termination of this Agreement, Seller shall:

(a) Not sell, contract to sell, option, assign, rent, lease, convey (absolutely or as security), grant a security interest in or otherwise encumber or dispose of all or any part of or estate or interest in any of the Property;

(b) Advise Purchaser promptly of any administrative hearing before any Governmental Authority, litigation or arbitration concerning or affecting the Property that is instituted or, to Seller's knowledge, threatened after the Effective Date;

(c) Not solicit or encourage offers to purchase all or any part of the Property and shall remove any signs advertising the sale of the Property; and

(d) Cooperate fully with Purchaser in Purchaser's efforts to obtain the Required Approvals and the IDA benefits.

## ARTICLE 8

### BROKERAGE

**Section 8.1: Commissions.** Seller and Purchaser represent, covenant and agree that no real estate commissions, finders' fees or brokers' fees have been or will be incurred in connection with this Agreement or the sale contemplated hereby other than to Brokers. Seller and Purchaser shall indemnify, defend and hold each other harmless from and against any claims, liabilities, obligations or damages for commissions, finders' or brokers' fees resulting from or arising out of Purchaser's purchase of the Property hereunder asserted against either party by any broker or other person claiming by, through or under the indemnifying party or whose claim is based on the indemnifying party's acts or omissions. Seller shall pay any commission due to NAI pursuant to a separate agreement and Purchaser shall pay any commission due to Winick Realty Group pursuant to a separate agreement.

## ARTICLE 9: CLOSING

**Section 9.1: Closing Date.** The Closing shall occur on the Closing Date at the offices of Seller's attorney or at such other time or place as the parties may agree in writing.

**Section 9.2: Conditions to Purchaser's Obligations to Purchase the Property.** Purchaser's obligation to purchase the Property on the Closing Date under this Agreement is subject to satisfaction of each of the following conditions on or before the Closing Date:

- (a) Purchaser has received the Required Approvals and the IDA Inducement; and
- (b) On the Closing Date, Seller shall have performed each and every agreement to be performed by Seller under this Agreement, and Seller's representations and warranties set forth in this Agreement shall be true and correct as of the Closing Date.

All of the foregoing conditions are created for the sole benefit of Purchaser, and Purchaser may, at its option, at any time before Closing, waive any of said conditions and consummate the purchase and sale of the Property in the manner contemplated by this Agreement.

In the event that any one or more of the foregoing conditions shall not have been satisfied prior to the Closing Date, Purchaser shall have the right to terminate this Agreement and receive a return of the Earnest Money, less any Approval Payments, whereupon neither Purchaser nor Seller shall have any further right or obligation to waive any of the foregoing conditions and consummate the purchase and sale of the Property in the manner contemplated by this Agreement.

**Section 9.3: Seller's Deliveries at Closing.** At Closing, Seller will deliver or cause to be delivered to Purchaser each of the following:

- (a) A duly executed Bargain and Sale Deed with covenants in the form attached herein as Exhibit C conveying the Land and Improvements to Purchaser free and clear of any liens or encumbrances except the Permitted Encumbrances;
- (b) Possession of the Property, subject only to the Permitted Encumbrances;
- (c) Any required transfer tax forms;
- (d) An affidavit as to Seller's non-foreign status as permitted by Section 1445(b)(2) of the Internal Revenue Code, as amended;
- (e) A certificate executed by a duly authorized officer or member of Seller certifying that Seller's representations and warranties in Section 6.1 of this Agreement are true and correct in all material respects as of the Closing Date;
- (f) Evidence that the transaction contemplated by this Agreement has been duly and validly authorized by all necessary action on Seller's part and that the person executing the Deed and other closing documents on Seller's behalf has been authorized to do so; and
- (g) Such other documents as are reasonably necessary and appropriate in the consummation of this transaction.

**Section 9.4: Purchaser's Deliveries at Closing.** At Closing, Purchaser shall deliver or cause to be delivered to Seller each of the following:

- (a) The Contract Price reduced by the amount of the Earnest Money applied to the Contract Price and further adjusted by prorations and adjustments hereinafter provided;
- (b) Evidence in form and substance reasonably satisfactory to Seller that the transaction contemplated by this Agreement has been duly and validly authorized by all

necessary action on Purchaser's part and that the person executing the closing documents on Purchaser's behalf has been authorized to do so;

(c) Signed counterpart of any required transfer tax forms; and

(d) Such other documents as are reasonably necessary and appropriate to the consummation of this transaction.

#### **Section 9.5: Closing Costs.**

(a) At Closing, Seller shall pay (i) the fees and expenses of Seller's attorneys; (ii) the expenses of any transfer or conveyance tax or documentary stamp taxes, if applicable, and (iii) any other costs and expenses customarily incurred by Seller or agreed to be paid by Seller pursuant to the express terms of this Agreement.

(b) At Closing, Purchaser shall pay (i) the fees and expenses for Purchaser's attorneys; (ii) title charges and (iii) any other costs and expenses incurred by Purchaser or agreed to be paid by Purchaser herein.

#### **Section 9.6: Prorations.**

(a) Real Estate taxes on the Property shall be prorated as of the Proration Date. If the Closing shall occur before the tax rate or the assessed valuation of the Property is fixed for the year of Closing, the apportionment of taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation.

(b) To the extent not done at Closing, Purchaser and Seller will exercise their best efforts to make any prorations and adjustments provided for in this Section 9.6 as soon as practicable after Closing but in any event not later than sixty (60) days after the Closing Date.

### **ARTICLE 10 DEFAULT AND REMEDIES**

**Section 10.1: Seller's Default.** In the event that the sale of the Property hereunder is not consummated by reason of Seller's breach of any representation or warranty contained in this Agreement or Seller's breach or other failure to perform any of its obligations and conditions to be performed by Seller under this Agreement, Purchaser may, at its option, either (i) terminate this Agreement by written notice to Seller and, in addition to the return of the Earnest Money to Purchaser, recover its actual, out-of-pocket costs and expenses for the Commitment and any survey prepared for Purchaser, including legal fees and expenses incurred in connection with the preparation for Closing, or (ii) enforce specific performance of this Agreement. If this Agreement is terminated by Purchaser pursuant to any right of termination given to Purchaser herein, the Earnest Money shall promptly be refunded to Purchaser.

**Section 10.2: Purchaser's Default.** In the event that the sale of the Property hereunder is not consummated by reason of Purchaser's breach or other failure to perform any of its obligations and conditions to be performed by Purchaser under this Agreement, Seller shall have the right to retain the Earnest Money as liquidated damages for the breach of this Agreement as Seller's sole and exclusive remedy, such sum being the amount of damages that both Seller and Purchaser agree that Seller would sustain by reason of any default by Purchaser due to the fact that the amount of actual damages sustained by Seller would be difficult or impractical to determine.

## ARTICLE 11 CONDEMNATION AND CASUALTY

**Section 11.1: Condemnation.** If, prior to the Closing, any part of the Property is condemned or conveyed in anticipation or lieu of such condemnation, or condemnation proceedings are threatened or commenced against any part of the Property, then Seller shall give prompt written notice thereof to Purchaser and Purchaser may elect to terminate this Agreement by written notice to Seller within thirty (30) days after receipt of Seller's notice, whereupon the Earnest Money shall promptly be returned to Purchaser and neither Purchaser nor Seller shall have any further rights or obligations hereunder. If Purchaser does not so terminate the Agreement, then the obligations of the parties hereto shall not be affected and Seller shall assign to Purchaser (or pay to Purchaser if such proceeds have been collected), at the Closing, all condemnation proceeds payable as the result of such proceedings.

**Section 11.2: Casualty.** If any part of the Property or Improvements thereon shall be damaged by fire or other casualty, Seller cannot enforce this Agreement and Purchaser shall at its option within thirty (30) days after notice thereof from Seller of such casualty be entitled to terminate this Agreement and recover the Earnest Money, and this Agreement shall be deemed null and void with no further liability to either party. If Purchaser does not so terminate the Agreement, then the obligations of the parties hereto shall not be affected, and Seller shall assign to Purchaser (or pay to Purchaser if such proceeds have been collected) at the Closing, all insurance proceeds payable as the result of such proceedings.

## ARTICLE 12 MISCELLANEOUS PROVISIONS

**Section 12.1: Applicable Law.** This Agreement shall be governed by and interpreted and construed under the laws of the State of New York.

**Section 12.2: Exhibits.** Each exhibit referred to in this Agreement is attached to and incorporated by reference in this Agreement.

**Section 12.3: Entire Agreement; Modification.** This Agreement contains the sole and entire understanding between Seller and Purchaser with respect to the Property. All promises, inducements, offers, letter of intent, solicitations, agreements, commitments, representations and warranties made between such parties prior to this Agreement are superseded by this Agreement. This Agreement shall not be modified or amended in any respect except by a written instrument executed by or on behalf of each of the parties to this Agreement.

**Section 12.4: Assignment; Binding Effect.** Purchaser may assign its rights and delegate its duties under this Agreement at any time and from time to time to any subsidiary or affiliate of Purchaser controlled by or under common control with Purchaser; provided, however, that Purchaser shall not be released by virtue of such assignment from the obligations and duties of Purchaser under this Agreement and assignee shall be bound by all approval and waivers, actual or deemed, by Purchaser prior to the assignment. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective heirs, successors and assigns.

**Section 12.5: Severability.** If any provision of the Agreement or the application of any provision to any person or circumstance is or becomes invalid or unenforceable to any extent,

then the remainder of this Agreement and the application of such provisions to any other person or circumstances shall not be affected by such invalidity or unenforceability and shall be enforced to the greatest extent permitted by law.

**Section 12.6: Notices.** Any notice, request or other communication required or permitted to be given under this Agreement (any "Notice") shall be in writing and shall be delivered by (i) hand, (ii) overnight courier service (such as UPS, Federal Express or similar service) or (iii) United States certified mail, return receipt requested, postage prepaid, in each case addressed to the party at its address set forth in Article 1, or (iv) by facsimile transmission if followed the succeeding day by receipt of a hand or courier service delivery. Any Notice shall be considered given on the date of delivery by hand, courier service, e-mail or facsimile (if confirmed as hereinabove required), or on the date deposited in United States mail, and shall be considered received on the date of delivery by hand, courier service, e-mail or facsimile (if confirmed as hereinabove required) or on the third (3rd) Business Day following deposit in the United States mail. Rejection, refusal to accept or inability to deliver because of a changed address of which no notice was given shall be deemed to be receipt of such Notice on the date of attempted delivery. Any party may from time to time change its mailing address under this Agreement by giving five (5) days' prior written notice to the other parties.

**Section 12.7: Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument.

**Section 12.8: Rights Cumulative; Waiver.** Except as expressly limited by the terms of this Agreement, all rights, powers and privileges conferred under this Agreement shall be cumulative and not restrictive of those given by law. Any condition precedent or right of termination, cancellation or rescission granted by this Agreement to Purchaser may be waived by Purchaser, in its sole discretion.

**Section 12.9: Recording Prohibited.** This Agreement shall not be recorded.

**Section 12.10: Attorneys' Fees.** In the event that it becomes necessary for either party to initiate legal action to enforce this Agreement or any provision contained herein, the party prevailing in such action shall be entitled to receive, in addition to all other remedies provided herein, reasonable attorneys' fees and expenses.

**Section 12.11: Non-competes.** Seller (and each director, officer, partner, trustee, controlling shareholder or other person, however designated, with similar power and authority if Seller is a corporation, partnership, limited partnership, trust or other legal entity other than a natural person) covenants and agrees that, for a three (3) year period from the Closing Date, it shall not directly or indirectly construct, acquire, manage or own, or acquire an interest in an entity which constructs, acquires, manages or owns, a self-service storage facility within three (3) miles of the Property. The terms and provisions of this Section shall survive the Closing and shall remain in full force and effect as of the Closing Date.

**Section 12.12: Signage.** At the end of the Inspection Period, provided Purchaser obtains with Seller's cooperation all of the required permits for signage, Seller authorizes Purchaser to install a "Safeguard Coming Soon" sign on the Property at the cost of Purchaser. In the event that this transaction fails to close, or upon termination of this Agreement, Purchaser shall at its cost promptly remove said signage.

**Section 12.13; OFAC.** Neither Purchaser nor, to Purchaser's actual knowledge, any Person (as hereinafter defined) who owns a direct or indirect interest in Purchaser (collectively, a "Purchaser Party") is now nor shall be at any time until the Closing under this Agreement an individual, corporation, partnership, joint venture, association, joint stock company, trust, trustee, estate, limited liability company, unincorporated organization, real estate investment trust, government or any agency or political subdivision thereof, or any other form of entity (collectively, a "Person") with whom a United States citizen, entity organized under the laws of the United States or its territories or entity having its principal place of business within the United States or any of its territories (collectively, a "U.S. Person"), including a United States Financial Institution as defined in 31 U.S.C. 5312, as periodically amended ("Financial Institution"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") (including those executive orders and lists published by OFAC with respect to Persons that have been designated by executive order or by the sanction regulations of OFAC as Persons with whom U.S. Persons may not transact business or must limit their interactions to types approved by OFAC) or otherwise. Neither Purchaser nor, to Purchaser's actual knowledge, any Purchaser Party, nor any Person providing funds to Purchaser in connection with the transaction contemplated hereby (i) is under investigation by any governmental authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist related activities, any crimes which in the United States would be predicate crimes to money laundering or any violation of any Anti-Money Laundering Laws (as hereinafter defined); (ii) has been assessed civil or criminal penalties under any Anti-Money Laundering Laws; or (iii) has had any of its funds seized or forfeited in any action under any Anti Money Laundering Laws. For purposes of this subsection, the term "Anti-Money Laundering Laws" shall mean laws, regulations and sanctions, state and federal, criminal and civil, that (1) limit the use of and/or seek the forfeiture of proceeds from illegal transaction; (2) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotics dealers or otherwise engaged in activities contrary to the interests of the United States; (3) require identification and documentation of the parties with whom a Financial Institution conducts business; or (4) are designed to disrupt the flow of funds to terrorist organizations. Such laws, regulations and sanctions shall be deemed to include the USA PATRIOT Act of 2001, Pub. L. No. 107-56, the Bank Secrecy Act, 31 U.S.C. Section 5311 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Section 1956 and 1957. With respect to parties owning indirect interests in Purchaser, Seller acknowledges that Purchaser has relied exclusively on its U.S. broker-dealer network to implement the normal and customary investor screening practices mandated by applicable law and FINRA regulations in making the foregoing representations.

Neither Seller nor, to Seller's actual knowledge, any Person who owns a direct or indirect interest in Seller (collectively, a "Seller Party") is now nor shall be at any time until the Closing under this Agreement a Person with whom a U.S. Person, including a Financial Institution, is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by OFAC (including those executive orders and lists published by OFAC with respect to Persons

that have been designated by executive order or by the sanction regulations of OFAC as Persons with whom U.S. Persons may not transact business or must limit their interactions to types approved by OFAC) or otherwise. Neither Seller nor, to Seller's actual knowledge, any Seller Party, nor any Person providing funds to Seller in connection with the transaction contemplated hereby (i) is under investigation by any governmental authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist related activities, any crimes which in the United States would be predicate crimes to money laundering or any violation of any Anti-Money Laundering Laws; (ii) has been assessed civil or criminal penalties under any Anti-Money Laundering Laws; or (iii) has had any of its funds seized or forfeited in any action under any Anti Money Laundering Laws.

**Section 12.14: Lender Approval.** Notwithstanding anything else herein to the contrary, Seller's obligations under this Agreement are contingent upon Seller receiving the consent and approval of the existing lender holding a mortgage on the property ("Lender") within sixty (60) days of the Effective Date of this Agreement (the "Lender Approval Period"). Seller shall promptly apply and use commercially reasonable efforts to pursue the Lender's consent. So long as Seller uses commercially reasonable efforts to pursue the Lender's approval, failure of the Lender to consent to and/or approve this Agreement, agree to terms for releasing the Property from its lien on terms acceptable to Seller and the Lender and dismissing or pending suits shall not be a default by Seller. Without limiting the foregoing, Purchaser acknowledges and understands that the Property is being sold as a short sale and that the Lender must approve this Agreement, the Contract Price terms contained therein, the release of its mortgage and the dismissal of any suits, and that all expenses of the Seller, other than attorneys' fees, shall be paid from the sale of the Property. Notwithstanding anything contained herein to the contrary, if the Lender's approval is not issued prior to the end of the Lender Approval Period, Purchaser may terminate this Agreement at any time prior to Lender approval, in which case the Earnest Money shall be returned to Purchaser and neither party shall have any further obligations hereunder except for same that expressly survive termination. In addition, if the Lender's approval is not issued within one hundred fifty (150) days of the end of the Lender Approval Period, Seller may terminate this Agreement at any time prior to Lender approval, in which case the Earnest Money shall be returned to Seller and neither party shall have any further obligations hereunder except for same that expressly survive termination.

{SIGNATURE PAGE FOLLOWS}



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of  
(the date first set forth above).

**SELLER:**

**CLASSIC REALTY CORP.**

By: \_\_\_\_\_

Name: Kevin P. Bradley  
Title: VP  
Date of Execution:

**PURCHASER:**

**SAFEGUARD PROPERTIES II, LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_

Name: James Goojan  
Title: SVP of Development  
Date of Execution:

**ACKNOWLEDGMENT**

The undersigned hereby acknowledges receipt of a fully executed copy of this Agreement together with the Earnest Money on the \_\_\_\_\_ day of May, 2015 (the "Effective Date").

**ESCROW AGENT:**

**ADVANTAGE TITLE AGENCY**

By: \_\_\_\_\_

Name:  
Title:

**EXHIBIT A  
LEGAL DESCRIPTION OF LAND**

See attached.

**EXHIBIT B  
ESCROW AGREEMENT**

THIS ESCROW AGREEMENT is made as of the \_\_\_ day of May, 2015 and among **CLASSIC REALTY CORP.**, a New York corporation, having an address at 599 W. Merrick Road, Valley Stream, New York 11580 ("Seller"), **SAFEGUARD PROPERTIES II, LLC**, a New York limited liability company, having an address at 105 Masses Road, Suite 125, Melville, New York 11747 ("Purchaser"), and **ADVANTAGE TITLE AGENCY**, having an address at 201 Old Country Road, Melville, New York 11747 ("Escrow Agent").

WITNESSETH:

WHEREAS, Seller and Purchaser are the parties to that certain Purchase and Sale Agreement dated as of the date hereof (the "Agreement", terms used but not defined herein shall have the meanings ascribed thereto in the Agreement) with respect to the sale of those certain premises located at 599 W. Merrick Rd., Valley Stream, New York, as more particularly set forth in the Agreement,

WHEREAS, Seller and Purchaser desire that Escrow Agent act as escrow agent with respect to the Earnest Money in accordance with the terms and conditions set forth below, and

WHEREAS, Escrow Agent is willing to act in such capacity,

NOW, THEREFORE, Seller, Purchaser and Escrow Agent hereby agree as follows:

1. Escrow Agent is hereby appointed as Escrow Agent to hold and distribute the Earnest Money in accordance with the terms hereof and Escrow Agent hereby acknowledges receipt of the Earnest Money (subject to collection) and agrees to act in such capacity.

2. The Earnest Money shall be held in an interest bearing account and any interest shall be added to and become a part of the Earnest Money.

3. Escrow Agent will deliver the Earnest Money to Purchaser or Seller, as the case may be, upon the following terms and conditions:

(i) To Seller upon the consummation of the Closing contemplated in the Agreement.

(ii) To Seller upon receipt of a written notice from Seller stating that Seller is entitled under the Agreement to the Earnest Money and demanding payment of the same; provided, however, that Escrow Agent will not honor such demand until not less than ten (10) days after the date on which Escrow Agent shall have delivered a copy of such notice and demand to Purchaser, not thereafter, if during such (ten (10) day period, Escrow Agent shall have received written notice of objection from Purchaser in accordance with the provisions of Section 10 below.

(10) To Purchaser, upon receipt of a written notice from Purchaser stating that Purchaser is entitled under the Agreement to the return of the Earnest Money and demanding return of the same, provided, however, that Escrow Agent will not honor such demand until not less than ten (10) days after the date on which Escrow Agent shall have delivered a copy of such notice and demand to Seller, nor thereafter, if during such ten (10) day period, Escrow Agent shall have received written notice of objection from Seller in accordance with the provisions Section 10 below.

4. Upon receipt of a written demand for the Earnest Money pursuant to the provisions of subsections 3(ii) or 3(iii) above, Escrow Agent shall promptly deliver a copy thereof to the other party. The other party shall have the right to object to the delivery of the Earnest Money by delivery to and receipt by Escrow Agent of written notice of objection within ten (10) days after the receipt of Escrow Agent's mailing of such copy to the other party, but not thereafter. Upon receipt of such notice of objection, Escrow Agent shall promptly deliver a copy thereof to the party who made the written demand.

5. If Escrow Agent shall have received a notice of objection as provided above within the time therein prescribed, or any disagreement or dispute shall arise between or among any of the parties hereto resulting in adverse claims and demands being made for the Earnest Money whether or not litigation has been instituted, then Escrow Agent shall continue to hold the Earnest Money subject to such adverse claims and Escrow Agent shall not be or become liable in any way or to any person for its refusal to comply with such claims or demand, and (i) in the event of any joint written direction from Seller and Purchaser, Escrow Agent shall then disburse the Earnest Money in accordance with said direction; or (ii) in the event Escrow Agent shall receive a written notice advising that a litigation over entitlement to the Earnest Money has been commenced, Escrow Agent may deposit the Earnest Money with the clerk of the court in which said litigation is pending, or (iii) Escrow Agent may (but shall not be required to) take such affirmative steps as it may, at its option, elect in order to substitute another impartial party reasonably acceptable to Seller and Purchaser to hold the Earnest Money in accordance with this agreement subject to such adverse claims including the commencement of an action for interpleader in a court of competent jurisdiction, the cost thereof to be borne by whichever of Seller and Purchaser is the losing party, and thereupon Escrow Agent shall be released of and from all liability hereunder. Seller and Purchaser jointly and severally agree to reimburse Escrow Agent for any and all expenses incurred in the discharge of its duties under this Article, including, without limitation, attorneys' fees. Nothing herein, however, shall affect the liability of a defaulting party to another party for reimbursement of any amount paid to Escrow Agent under this subsection.

6. It is expressly understood that Escrow Agent acts hereunder as an accommodation to Seller and Purchaser and as depository only and is not responsible or liable in any manner whatever for the sufficiency, correctness, genuineness or validity of any instrument deposited with it, or for the form or execution of such instruments or for the identity, authority or right of any person executing or depositing the same, or for the terms and conditions of any instrument pursuant to which Escrow Agent or the parties may act. The Escrow Agent shall have no liability other than for its gross negligence or actual malfeasance and shall, in all instances, act in accordance with the terms and provisions of this Escrow Agreement.

7. Escrow Agent shall not have any duties or responsibilities except those set forth in this Escrow Agreement and shall not incur any liability in acting upon any signature, notice, request, waiver, consent, receipt or other paper or document believed by Escrow Agent to be genuine, and Escrow Agent may assume that any person purporting to give it any notice on behalf of any party in accordance with the provisions hereof has been duly authorized to do so.

8. In the event of a dispute between the parties regarding the disposition of the Earnest Money, Escrow Agent shall take one of the actions described in paragraph 5 above, and upon delivery of the Earnest Money in accordance therewith, Escrow Agent shall be relieved of all liability, responsibility or obligation with respect to or arising out of the Earnest Money and any and all of its obligations therefrom.

9. In the event of any conflict between the provisions of this Escrow Agreement and the provisions of the Agreement, the provisions of the Agreement shall control as between Seller and Purchaser.

10. All notices required or permitted hereunder shall be given in accordance with the notice provision of the Agreement. Seller's and Purchaser's respective addresses for notices are as set forth in the Agreement. Escrow Agent's address for notices is as follows:

Advantage Title Agency  
201 Old Country Road  
Melville, New York 11747  
Attn:

11. Omitted.

12. This Escrow Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

13. This Escrow Agreement may not be amended or modified, nor can any provision hereof be waived, except by a written instrument signed by the party against whom enforcement of any such amendment, modification or waiver is sought.

14. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which constitute one and the same instrument.

15. This Agreement is to be governed by and construed in accordance with the laws of the State of New York.


[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the date first set forth above.

**SELLER:**

**CLASSIC REALTY CORP.**

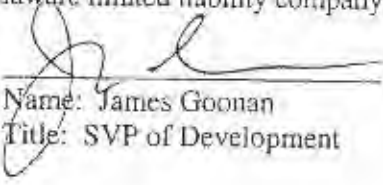
By: \_\_\_\_\_

  
Name: Kevin R. Bradley  
Title: President

**PURCHASER:**

**SAFEGUARD PROPERTIES II, LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_

  
Name: James Goonan  
Title: SVP of Development

**ESCROW AGENT:**

**ADVANTAGE TITLE AGENCY**

By: \_\_\_\_\_

Name:  
Title:

**EXHIBIT C**  
**BARGAIN AND SALE DEED WITH COVENANTS**

See attached.

**FIRST AMENDMENT TO  
PURCHASE AND SALE AGREEMENT**

THIS FIRST AMENDMENT (this "Amendment") made and entered into as of October 1, 2015, by and between **SAFEGUARD PROPERTIES II, LLC**, a Delaware limited liability company ("Purchaser"), **CLASSIC REALTY CORP.**, a New York corporation ("Seller"), and **ADVANTAGE TITLE AGENCY** ("Title Company")

**WITNESSETH**

WHEREAS, Purchaser and Seller entered into that certain Purchase and Sale Agreement dated as of June 8, 2015 (the "Contract"), for the purchase of the real property located in 509-621 West Merrick Road, Valley Stream, New York (the "Property"), more particularly described in the Contract (unless otherwise defined herein, all capitalized terms used in this Amendment shall have the meanings assigned to them in the Contract); and

WHEREAS, Seller has agreed that all of the Approval Payments shall be applied to pay all outstanding and future real estate taxes assessed against the Property (the "Real Estate Tax Payments"); and

WHEREAS, the parties desire to amend the Contract as hereinafter provided,

NOW, THEREFORE, for and in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Purchaser hereby agree as follows:

1) Approval Payments. The first sentence in Section 4.3(c) of the Contract, beginning with "Purchaser hereby agrees" is hereby deleted and replaced with the following:

"Purchaser hereby agrees that the Escrow Agent shall pay over from the Earnest Money directly to the appropriate real estate tax authorities for the Property (i.e., Nassau County, the Town of Hempstead and/or the Village of Valley Stream, as the case may be) a sum of Seven Thousand Five Hundred Dollars (\$7,500.00) as and for the Real Estate Tax Payments, for each thirty (30) day period during the Approval Period and any Extension Period (each an "Approval Payment" collectively "Approval Payments"). The Escrow Agent and/or Seller shall ascertain the required payee(s) and amounts each thirty (30) day period for the Real Estate Tax Payments and shall deliver to Purchaser, and if requested by the Lender, to the Lender, evidence of the payment of the Real Estate Tax Payments for each thirty (30) day period. In the event the Property's real estate taxes are paid in full at the time any Approval Payment is due, Escrow Agent shall retain such Approval Payments until the next real estate tax payment is due, and shall not release same to Seller. In addition, if there are any tax liens or outstanding taxes due, the Approval Payments shall be used to satisfy and/or redeem such tax liens."



2) Conflict. In the event of a conflict between the terms and conditions of the Contract and the terms and conditions of this Amendment, this Amendment shall control and prevail.

3) Effect. Except as expressly amended hereby, the Contract shall remain unchanged and in full force and effect, and Seller and Purchaser hereby ratify and affirm the Contract as amended hereby.

4) Counterparts. This Amendment may be executed in several counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument. Any party hereto may execute this Amendment by signing any one counterpart. A facsimile or PDF copy of this Amendment and any signature(s) hereon shall be considered for all purposes as an original.

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment.

**SELLER:**

CLASSIC REALTY CORP

By: 

Name: Kevin P. Brudley  
Title: Vice President

**PURCHASER:**

SAFEGUARD PROPERTIES II, LLC

By: 

Name: James Goonan  
Title: SVP of Development

**ESCROW AGENT:**

**ADVANTAGE TITLE AGENCY**

By: \_\_\_\_\_

Name:  
Title: