

**NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

APPLICATION FOR FINANCIAL ASSISTANCE
(Straight Lease)

APPLICATION OF:

Steel O-II, LLC, d/b/a Steel Equities

APPLICANT NAME

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

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

All attachments responsive to questions found in this Application should be clearly labeled and attached as Schedule H to the Application. If an estimate is given, enter "EST" after the figure. One signed original and 9 copies of the Application (including all attachments) must be submitted.

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

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

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.

October , 2010

DATE

PART I. APPLICANT

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

Name: Steel O-II, LLC, d/b/a Steel Equities

Address: 700 Hicksville Road, Bethpage, NY 11714

Primary Contact: Joseph Lostritto Jr. and Glenn Lostritto

Phone: (516) 576-3165 Fax: (516) 576-3170

E-Mail: jlostritto@steelequities.com; glostritto@steelequities.com

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

NAICS Code #: _____

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

Sole Proprietorship ___ General Partnership ___ Limited Partnership ___

Limited Liability Company x Privately Held Corporation ___

Publicly Held Corporation ___ Exchange listed on _____

Not-for-Profit Corporation ___

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

State and Year of Incorporation/Organization: Delaware, 2005

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

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

Name: Potential user of the Project to be identified

Relationship to Applicant: _____

D. APPLICANT COUNSEL (subject to Agency approval):

Firm name: Forchelli, Curto, Deegan, Schwartz, Mineo, Cohn & Terrana, LLP
Address: 333 Earle Ovington Boulevard, Suite 1010
Uniondale, New York 11553
Primary Contact: Daniel P. Deegan, Esq.
Phone: (516) 248-1700
Fax: (516) 248-1729
E-Mail: ddeegan@forchellilaw.com

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

Name	Percentage owned
<u>SEE ATTACHED</u>	_____%
_____	_____%
_____	_____%

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

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

YES ___ NO ___

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

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 x

Steel O-II, LLC
TIN # - 26-1795152

Member Listing

Member	Interest	Title
Joseph Lostritto		Managing Member
Glenn Lostritto		Managing Member
Joseph Lostritto Family 2000 Trust fbo - Ashley Lostritto		Member
Joseph Lostritto Family 2000 Trust fbo - Lyndsey Lostritto		Member
Joseph Lostritto Family 2000 Trust fbo - Loren Lostritto		Member
Glenn Lostritto Family 2000 Trust fbo - Domenica Lostritto		Member
Glenn Lostritto Family 2000 Trust fbo - Glenn Lostritto		Member
Glenn Lostritto Family 2000 Trust fbo - Joseph Lostritto		Member
Total	<u>100.00%</u>	

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 X

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

YES ___ NO X

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

YES ___ NO X

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

YES ___ NO X

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

<u>Name</u>	<u>Title</u>	<u>Other Business Affiliations</u>
<u>Joseph Lostritto</u>	<u>President</u>	_____
<u>Glenn Lostritto</u>	<u>Exec. V.P.</u>	_____
_____	_____	_____

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): N/A

1. (a) Location: _____

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:

SEE SCHEDULE H

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

SEE SCHEDULE H

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

Street Address:

401 Grumman Road West

City/Village(s):

Bethpage

Town(s):

Oyster Bay

School District(s):

Bethpage UFSD -21

Section: 46 _____ Block: 323 _____ Lot: 289 _____

Census Tract Number: _____

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: Vacant office building, to be completed.

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):

Aggregate of approximately \$134,449 for current tax year

Land: \$ _____ Building(s): \$ _____

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

YES X NO _____

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

Applicant currently owns site

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.)

Applicant intends to lease site to one or more high-end users, creating new industrial, manufacturing, distribution or office employment positions

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:

Applicant is currently actively marketing the Project but has not yet entered into any leases

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

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

Office furniture, fixtures and office equipment

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

YES X NO _____

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

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

YES _____

NO x Applicant owns site

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

YES X

NO x

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: _____

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

YES x

NO X (See "N" above)

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

(a) Date signed: _____

(b) Purchase price: \$ _____

(c) Closing date: _____

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: N/A

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).

Retail Sales: YES ____ NO ____

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):

See Schedule H attached hereto

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

Architect: [TBD]

Engineer: [TBD]

Contractors: [TBD]

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

YES ____

NO ____

[To be determined]

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

YES ____

NO X

PART III. PROJECT COSTS

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

<u>Item</u>	<u>Cost</u>
1. Land Acquisition	\$ _____
2. Building Acquisition	\$ _____
3. Construction or Renovation	\$ <u>3,825,000</u>
4. Site Work	\$ _____
5. Infrastructure Work	\$ _____
6. Engineering Fees	\$ _____
7. Architectural Fees	\$ _____
8. Applicant's Legal Fees	\$ _____
9. Financial Fees (incl. lender legal fees)	\$ _____
10. Other Professional Fees	\$ _____
11. Furniture, Equipment & Machinery	\$ <u>1,500,000</u>
12. Other Soft Costs (describe)	\$ _____
13. Other (describe)	\$ _____
Total	\$ <u>5,325,000</u>

B. Source of Funds for Project Costs:

a. Bank Financing:	\$ _____
b. Public Financing	\$ _____
c. Tax Exempt Bonds	\$ _____
d. Taxable Bonds	\$ _____
e. Equity	\$ <u>5,325,000</u>
TOTAL	\$ <u>5,325,000</u>

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

YES _____ NO X

D. Has the Applicant made any arrangement for the provision of third party financing? If YES, indicate with whom (subject to Agency approval).

YES _____ NO X

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 and Second Year after completion of the Project. N/A

	<u>Present</u>	<u>First Year</u>	<u>Second Year</u>
Full-time:	\$ _____	\$ _____	\$ _____
Part-time:	_____	_____	_____
Seasonal:	_____	_____	_____
Total Annual Payroll:	\$ _____	\$ _____	\$ _____

What is the average salary of employees presently employed by the Applicant in Nassau County?
\$ N/A

What is the estimated average salary of the jobs to be created by the Applicant upon completion of the Project? \$ T/B/D See Schedule H

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) Does the Applicant intend to employ new additional employees at the proposed Project site, or will Applicant transfer current employees from existing location(s)? If YES, describe, including the number of new employees to be hired during the year (a) starting with the date of commencement of operations (b) starting with the first anniversary of the commencement of operations and (c) starting with the second anniversary of the commencement of operations. If NO, please describe the number of current employees to be transferred and the location from where such employees would be transferred: N/A

YES _____

NO _____

The Applicant will not directly create or transfer any new jobs, but the Applicant will market the Project to companies with the potential to create a significant amount of new jobs as a result of the Project.

(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:

TBD

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

TBD %

D. 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: See Schedule H

E. Costs to the County and affected municipalities:

Estimated Value of Sales Tax Exemption:	\$ <u>320,000</u>
Estimated Value of Mortgage Tax Exemption:	\$ _____
Estimated Property Tax Exemption:	\$ <u>TBD</u>
Existing Property Tax paid on the Land and/or Building:	\$ <u>TBD</u>
Estimated new Real Property Tax Revenue if the Project did <u>not</u> receive Real Property Tax exemption:	\$ <u>TBD</u>
Estimated new Real Property Tax Revenue if the Project does receive Real Property Tax exemption:	\$ <u>TBD</u>

PART V. PROJECT CONSTRUCTION SCHEDULE

A. Has construction work on the Project begun? NO If YES, indicate the percentage of completion:

1.	(a) Site clearance	YES <u>X</u>	NO _____	<u>100</u> % complete
	(b) Environmental Remediation	YES _____	NO _____	_____ % complete
	(c) Foundation	YES <u>X</u>	NO _____	<u>100</u> % complete
	(d) Footings	YES <u>X</u>	NO _____	<u>100</u> % complete
	(e) Steel	YES <u>X</u>	NO _____	<u>100</u> % complete
	(f) Masonry	YES <u>X</u>	NO _____	<u>100</u> % complete
	(g) Interior	YES _____	NO <u>X</u>	_____ % complete
	(h) Other (describe below):	YES _____	NO _____	_____ % complete

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

Applicant is actively marketing the Project; however, it is estimated that the time schedule when the leases will be entered into will be late 2010

- 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):

PART VI. ENVIRONMENTAL IMPACT

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

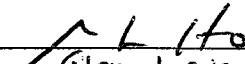
- B. Is an environmental impact statement required by Article 8 of the N.Y. Environmental Conservation Law (i.e., the New York State Environmental Quality Review Act)?

YES ____

NO ____

- C. Please be advised that the Agency may require at the sole cost and expense of the Applicant the preparation and delivery to the Agency of an environmental report in form and scope satisfactory to the Agency, depending on the responses set forth in the Environmental Assessment Form. If an environmental report has been or is being prepared in connection with the Project, please provide a copy.
- D. The Applicant authorizes the Agency to make inquiry of the United States Environmental Protection Agency, the New York State Department of Environmental Conservation or any other appropriate federal, state or local governmental agency or authority as to whether the Project site or any property adjacent to or within the immediate vicinity of the Project site is or has been identified as a site at which hazardous substances are being or have been used, stored, treated, generated, transported, processed, handled, produced, released or disposed of. The Applicant will be required to secure the written consent of the owner of the Project site to such inquiries (if the Applicant is not the owner), upon request of the Agency.

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

Name of Applicant: Steel Oil, LLC
Signature: 
Name: Glenn Losritto
Title: Exec V.P.
Date: 10/8/10

Sworn to before me this 8
day of October, 2010

Notary Public
GARY CAMPBELL
Notary Public, State of New York
No. 01CA6033407
Qualified in Nassau County
Commission Expires November 15, 2013

**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:

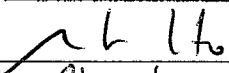
All applicants must disclose whether they have been appointed, elected or employed by New York State, any political division of New York State or any other governmental agency.

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: Steel O II, LLC

By: 
Name/Title: Glenn Lostritto / Exec. V.P.

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

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

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

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

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

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

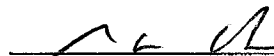
- (A) Six-tenths (6/10) of one percent (1%) for the first twenty million dollars (\$20,000,000) of total project costs and, if applicable, two-tenths (2/10) of one percent (1%) for any additional amounts in excess of twenty million dollars (\$20,000,000) of total project costs.

- (D) General Counsel Fee – One-tenth (1/10) of one percent (1%) of total project costs, with a minimum fee of \$2,000.
- (E) 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.
- (F) Refinancings – The Agency fee shall be determined on a case-by-case basis.
- (G) Assumptions – The Agency fee shall be determined on a case-by-case basis.
- (H) 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.

STEEL O II, LLC


Name Glenn Loscutoff
Title: Exec. V.P.

Sworn to before me this 8
day of October, 2010


Notary Public

GARY CAMPBELL
Notary Public, State of New York
No. 01CA6033407
Qualified in Nassau County
Commission Expires November 15, 2013

TABLE OF SCHEDULES:

<u>Schedule</u>	<u>Title</u>	<u>Complete as Indicated Below</u>
A.	Intentionally omitted	
B.	New York State Financial and Employment Requirements for Industrial Development Agencies	All applicants
C.	Guidelines for Access to Employment Opportunities	All applicants
D.	Anti-Raiding Questionnaire	If Applicant checked "YES" in Part I, Question Q.2. of Application
E.	Retail Questionnaire	If Applicant checked "YES" in Part II, Question P of Application (See Page 11)
F.	Applicant's Financial Attachments, consisting of:	All applicants
	1. Applicant's audited financial statements for the last two fiscal years (unless included in Applicant's annual reports).	
	2. Applicant's annual reports (or Form 10-K's) for the two most recent fiscal years.	
	3. Applicant's quarterly reports (Form 10-Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any.	
	4. In addition, attach the financial information described above in items F1, F2, and F3 of any anticipated Guarantor of the proposed transaction, if different than the Applicant, including the personal financial statement of any anticipated Guarantor that is a natural person.	
	5. Dun & Bradstreet report.	
G.	Environmental Assessment Form	All applicants
H.	Other Attachments	As required

Schedule A

Intentionally omitted

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

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

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

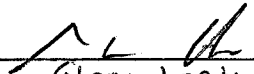
- B. The Applicant will be required to file annually a statement with the New York State Department of Taxation and Finance and the Agency of the value of all sales or use tax exemptions claimed in connection with the Project by reason of the involvement of the Agency.
- C. Please be advised that the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

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

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

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

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

Name of Applicant:	<u>Steel O IL LLC</u>
Signature:	<u></u>
Name:	<u>Glenn Lostird</u>
Title:	<u>Exec. V. P.</u>
Date:	<u>10/8/10</u>

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: _____
 Address: _____
 Type of Business: _____
 Contact Person: _____ Tel. No.: _____

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

<u>Current and Planned Occupations</u>	<u>Current Number Full Time Equivalent Jobs Per Occupation</u>		<u>Estimated Number of Full Time Equivalent Jobs in the County After Completion of the Project:</u>		
	<u>County</u>	<u>Statewide</u>	<u>1 year</u>	<u>2 years</u>	<u>3 years</u>
	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

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

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

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

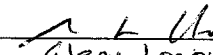
YES _____ NO _____

IF YES, Union Name and Local: _____

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

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

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

Name of Applicant:	<u>Steel O II, LLC</u>
Signature:	<u></u>
Name:	<u>Glenn Losh</u>
Title:	<u>Exec. V.P.</u>
Date:	<u>10/8/10</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 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: _____

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 ____

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:

Signature:

Name:

Title:

Date:

RETAIL QUESTIONNAIRE

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

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

YES ____

NO ____

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

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

_____ %

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

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

YES ____

NO ____

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

YES ____

NO ____

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

YES ____

NO ____

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

YES ____

NO ____

5. Will the Project be located in one of the following: (a) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (b) a census

tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (i) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of the households receiving public assistance, and (ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates?

YES ____

NO ____

If the answer to any of the subdivisions 1 through 5 of Question C is YES, attach details.

- D. If the answer to any of the subdivisions 3 through 5 of Question C is YES, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? If YES, attach details.

YES ____

NO ____

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

Retail Sales: ____%

Services: ____%

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

Retail Sales: ____%

Services: ____%

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

Name of
Applicant:

Signature:

Name:

Title:

Date:

Schedule F

APPLICANT'S FINANCIAL ATTACHMENTS

Schedule G

ENVIRONMENTAL ASSESSMENT FORM

617.20
Appendix C
State Environmental Quality Review
SHORT ENVIRONMENTAL ASSESSMENT FORM
For UNLISTED ACTIONS Only

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

1. APPLICANT/SPONSOR Steel O-II, LLC	2. PROJECT NAME 401 Grumman Road West
3. PROJECT LOCATION: Municipality <u>Bethpage</u> County <u>Nassau</u>	
4. PRECISE LOCATION (Street address and road intersections, prominent landmarks, etc., or provide map) 401 Grumman Road West, Bethpage, Town of Oyster Bay, County of Nassau, New York (Sec. 46; Block 323; Lot 289)	
5. PROPOSED ACTION IS: <input type="checkbox"/> New <input type="checkbox"/> Expansion <input checked="" type="checkbox"/> Modification/alteration	
6. DESCRIBE PROJECT BRIEFLY: The Project consists of upgrading and finishing an existing building constructed by the Applicant, based on the requirements of the ultimate tenants/users of the Building.	
7. AMOUNT OF LAND AFFECTED: Initially <u>5.17</u> acres Ultimately <u>5.17</u> acres	
8. WILL PROPOSED ACTION COMPLY WITH EXISTING ZONING OR OTHER EXISTING LAND USE RESTRICTIONS? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe briefly	
9. WHAT IS PRESENT LAND USE IN VICINITY OF PROJECT? <input type="checkbox"/> Residential <input checked="" type="checkbox"/> Industrial <input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Agriculture <input type="checkbox"/> Park/Forest/Open Space <input type="checkbox"/> Other Describe:	
10. DOES ACTION INVOLVE A PERMIT APPROVAL, OR FUNDING, NOW OR ULTIMATELY FROM ANY OTHER GOVERNMENTAL AGENCY (FEDERAL, STATE OR LOCAL)? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, list agency(s) name and permit/approvals: Nassau County Industrial Development Agency	
11. DOES ANY ASPECT OF THE ACTION HAVE A CURRENTLY VALID PERMIT OR APPROVAL? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, list agency(s) name and permit/approvals:	
12. AS A RESULT OF PROPOSED ACTION WILL EXISTING PERMIT/APPROVAL REQUIRE MODIFICATION? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE TO THE BEST OF MY KNOWLEDGE Applicant/sponsor name: _____ Date: _____ Signature: _____	

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Check this box if you have identified one or more potentially large or significant adverse impacts which **MAY** occur. Then proceed directly to the FULL EAF and/or prepare a positive declaration.
- Check this box if you have determined, based on the information and analysis above and any supporting documentation, that the proposed action **WILL NOT** result in any significant adverse environmental impacts **AND** provide, on attachments as necessary, the reasons supporting this determination.

Name of Lead Agency	Date
Print or Type Name of Responsible Officer in Lead Agency	Title of Responsible Officer
Signature of Responsible Officer in Lead Agency	Signature of Preparer (If different from responsible officer)

Reset

OTHER ATTACHMENTS

Part I.

Item R.

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

Steel Equities (together with Steel O II, LLC and other related companies, the "Applicant") is the trade name for a full service commercial real estate development firm with over 20 years experience as an owner, developer and builder. Steel Equities owns and operates office and industrial real estate in the greater NYC area, Nassau and Suffolk counties under various New York limited liability companies and limited partnerships. Controlling interest of the Applicant is held by Joseph Lostritto Jr. and Glenn Lostritto. In total, the Applicant owns and operates in excess of 5 million square feet of space in Nassau, Suffolk, Queens and Brooklyn.

The Applicant has an excellent working relationship with the local brokerage community and, in addition, by virtue of its extensive tenant base, vast experience and proven track record, the Applicant is uniquely qualified to attract high quality jobs to the Project. Some of the Applicant's most significant operations are in direct proximity to the Project site and are a good indication of the Applicant's experience and ability to bring such a project to a successful conclusion. The Applicant purchased and redeveloped the former Grumman "Plant 2" in Bethpage, which is comprised of over 900,000 sq. ft. of industrial and office space on over 80 acres.

The Applicant later acquired and redeveloped adjoining properties, which included the former Grumman "K-2" site on South Oyster Bay Road – where the Applicant developed the new 450,000 sq. ft. Sleepy's Mattress headquarters. Furthermore, the Applicant acquired the 16 acre site on Grumman Road West, which formerly housed the Grumman runway; completed the construction of one building and is currently constructing two additional buildings for various tenants. The above represent a portion of the "Bethpage Business Park" which the Applicant developed and is currently comprised of almost 2 Million Square Feet of space on approximately 120 acres.

Part II.

Item 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 site currently contains a completed "plain vanilla box", a building structure which was constructed by the Applicant. As set forth above, it is the intent of the Applicant to lease the premises to a tenant or tenants whose businesses will add value to the surrounding area and provide high-level jobs to the community. Specifically, the Project will consist of upgrading and finishing the existing building based on the requirements of the ultimate tenant/users of the building. The Agency's financial assistance is necessary to reduce the costs of operating the facility; this will, in turn, enable the Applicant to lease the space to tenants at a significantly more competitive rate.

The proposed project will benefit the Applicant by allowing it to become an economically viable business entity through the revenue stream created by the manufacturing, industrial or high-tech tenants that will occupy the property.

Item C. *If the Applicant is unable to arrange financing for the Project, what will be the impact on the Applicant and Nassau County? Would the Applicant proceed with the Project without Agency financing or other Agency assistance? Describe.*

If the Applicant is unable to receive financial assistance from the Agency, the Applicant will not be able to attract tenants to the building in the foreseeable future due to higher operating costs, which would prevent the Applicant from achieving its goal of obtaining tenants that would economically benefit both the neighboring community and Nassau County. The Applicant would not proceed with the Project without the Agency's financial assistance.

If the Agency does not provide financial assistance, the County will lose the benefits associated with the proposed Project. The County will also lose the tax revenue that would be generated from having tenants within the presently abandoned facility in the foreseeable future, as well as the benefit of having a presently abandoned property improved into an economically productive facility which would increase the County's manufacturing and/or high-tech industry capabilities.

Part IV.

Item D. *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:*

Although it is impossible at this time to quantify the sales tax revenue to be generated without having entered into any leases at the Project, the County would receive multiple benefits as a result of the Project. The proposed project would transform a currently vacant structure into an economically viable manufacturing and/or high-tech facility that would bring new industry to the County. The County would benefit from the sales tax revenue generated by the goods produced by tenants in the proposed facility that are not currently available. There would also be a long-term and substantial increase of the real estate tax base for the County (and the Town and local school district). The County would also be brought closer to realizing the full extent of its manufacturing and high tech capability as a result of adding another facility in the County which could handle that type of industry.

The project will result in temporary construction jobs within the County over the construction period, and the economic activity associated with the renovation of the Project including the purchase of building materials. There would also be the creation of permanent additional jobs resulting from the manufacturing tenant and/or high-tech tenants that will occupy the facility. Finally, the proposed project would make the existing facility aesthetically more attractive.