

**NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY**

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

**APPLICATION OF:**

**Steel One LLC**  
**APPLICANT NAME**

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

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

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

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

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

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

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

January 31, 2013

**DATE**

**PART I. APPLICANT**

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

Name: Steel One, LLC

Address: 700 Hicksville Rd, Bethpage NY 11714

Primary Contact: Joseph Lostritto 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 #: pending

NAICS Code #: 531120

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, 2013

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

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

Name: Potential user(s) of the project to be identified

Relationship to Applicant: \_\_\_\_\_



ADDENDUM TO PART I, Item E.

= Percentage Owned

Joseph Lostritto Family 2000 Trust fbo Ashley Lostritto

Joseph Lostritto Family 2000 Trust fbo Lyndsey Lostritto

Joseph Lostritto Family 2000 Trust fbo Loren Lostritto

Glenn Lostritto Family 2000 Trust fbo Domenica Lostritto

Glenn Lostritto Family 2000 Trust fbo Glenn Lostritto

Glenn Lostritto Family 2000 Trust fbo Joseph Lostritto

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 X NO    

Nassau Steel, LLC  
\_\_\_\_\_

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

Nassau Steel, LLC  
\_\_\_\_\_

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

YES     NO X

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>
Joseph Lostritto		
Glenn Lostritto		
_____	_____	_____
_____	_____	_____

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: \_\_\_\_\_
- (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: Real Estate Lessor
- (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)

\_\_\_\_\_

(h) If Applicant leases, state annual rent  
and lease expiration date: N/A

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

YES \_\_\_      NO \_\_\_

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

YES \_\_\_      NO X

\_\_\_\_\_

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

YES \_\_\_      NO X

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

YES X      NO \_\_\_

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

See attached 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.

The property would continue to be under-utilized and the County would continue to lose job opportunities as the buildings continue to degrade with substantial vacancies.

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

Street Address:

1 & 15 Grumman Road

City/Village(s):

Bethpage

Town(s):

Oyster Bay

School District(s):

Bethpage School District

Section: 46

Block: 323

Lot: 48

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: Commercial office and warehouse rental.

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):

2012/13 School Taxes - \$1,067,899.17

2013 General Taxes - \$507,728.56

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 intends to purchase buildings with 372,217 rentable square footage office/flex/industrial space, sitting on 22.42 acres of land in Bethpage Business Park.

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.)

Likely uses include industrial, manufacturing and distribution.

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:

See Insert for information regarding current tenants. The Applicant has not identified any future tenants.

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

Tenant	Square Footage
Northrop Grumman Systems Corporation	49,991
Frisina Enterprises Inc.	23,000
Frisina Enterprises Inc.	27,000
ACME Bus corp.	9,760
AGS Devices LTD	2,904
Nassau County Coalition Against Domestic Violence	10,012
New York Concrete Cutting, Inc.	3,261
Willmac Warehousing & Distribution Center	11,623
ZKJ Fitness Inc.	21,580
ZKJ Fitness Inc.	2,500
Dealmax	
Home Bazaar	501
<b>Total</b>	<b>162,132</b>

Total Square Feet: 375,217



If NO, indicate name of present owner of Project site: 1 Grumman Road West Holdings, LLC

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

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

\*Applicant currently negotiating contract, while interfacing with IDA

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:

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

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

Retail Sales: YES \_\_\_\_\_ NO X Services: YES X NO \_\_\_\_\_

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

The project site is less than half leased and has been for a decade. The buildings have degraded and severely need renovations. Once purchased and renovated, new spaces will provide the opportunity for new light manufacturing, warehousing and supporting office spaces therefore creating new jobs for the area. No changes to any infrastructure, transportation, fire and police will be needed.

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

Architect: To be determined  
Engineer: To be determined

Contractors: To be determined

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 X NO     

The Applicant will strive to achieve high energy standards in all of the repair and restoration activities on-site and will incorporate LEED and energy conservation concepts into the design of all new or replacement systems. The construction process is largely driven by tenants' improvements pursuant to their leases.

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

YES X NO     

See Deed Restrictions attached to Schedule H

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

YES      NO X

### PART III. PROJECT COSTS

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

	<u>Item</u>	<u>Cost</u>
1.	Land Acquisition	<u>\$7,000,000 (land and Building)</u>
2.	Building Acquisition	<u>\$</u>
3.	Construction or Renovation	<u>\$3,000,000</u>
4.	Site Work	<u>\$</u>
5.	Infrastructure Work	<u>\$</u>
6.	Engineering Fees	<u>\$</u>
7.	Architectural Fees	<u>\$</u>
8.	Applicant's Legal Fees	<u>\$</u>

9.	Financial Fees (incl. lender legal fees)	\$ _____
10.	Other Professional Fees	\$ _____
11.	Furniture, Equipment & Machinery (not included in 3. above)	\$ _____
12.	Other Soft Costs (describe)	\$ _____
13.	Other (describe)	\$ _____
	Total	\$ <u>10,000,000</u>

B. Source of Funds for Project Costs:

a.	Bank Financing:	\$ <u>8,000,000</u>
b.	Equity	\$ <u>2,000,000</u>
	TOTAL	\$ <u>10,000,000</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) and provide a copy of any term sheet or commitment letter issued with respect to such financing.

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

E. Construction Cost Breakdown: (All of the following are estimated)

Total Cost of Construction: \$ 3,000,000 (sum of 3 and 11 in Question A above) [THE FOLLOWING WILL BE PROVIDED]

Cost for materials: \$ 2,500,000  
 % Sourced in County: 75% %  
 % Sourced in State: 100% % (incl. County)

Cost for labor: \$ 500,000  
 % Sourced in County: 75% %  
 % Sourced in State: 100% % (incl. County)

Cost for "other": \$ \_\_\_\_\_  
 % Sourced in County: \_\_\_\_\_ %



% Sourced in County: \_\_\_\_\_ % (incl. County)

**PART IV. COST/BENEFIT ANALYSIS**

- A. If the Applicant presently operates in Nassau County, provide the current annual payroll, excluding benefits. Estimate payroll, excluding benefits, in First Year, Second Year and Third Year after completion of the Project. The Applicant, itself, does not project any new employees at this time.

	<u>Present</u>	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>
Full-time:	\$ <u>-0-</u>	\$ <u>115,000</u>	\$ <u>115,000</u>	\$ <u>115,000</u>
Part-time:	_____	_____	_____	_____
Seasonal:	_____	_____	_____	_____
Total Annual Payroll:	\$ <u>-0-</u>	\$ <u>115,000</u>	\$ <u>115,000</u>	\$ <u>115,000</u>

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

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

What are the estimated average wages of the jobs (excluding benefits) to be created by the Applicant upon completion of the Project? \$ 38,333

What is the estimated average annual value of employee benefits per job, if any, for jobs to be created upon completion of the Project? \$ 29,000

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

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 X

Applicant will not create or transfer any new jobs directly but Applicant will market the Project to companies with the potential to create thousands of new jobs as a result of the project.

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(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:

20

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

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

TBD %

Describe any other municipal revenues that will result from the Project (excluding the above and any PILOT payments): See Part IV, Item D

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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	\$ <u>                    </u>	<u>75-100</u>	<u>100</u>
Year 2	\$ <u>                    </u>	<u>75-100</u>	<u>100</u>
Year 3	\$ <u>                    </u>	<u>75-100</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: See Schedule H attached

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F. Costs to the County and affected municipalities:

Estimated Value of Sales Tax Exemption: \$ 258,750

Estimated Value of Mortgage Tax Exemption: \$ 84,000

Estimated Property Tax Exemption: \$ Dependent upon PILOT

Existing Property Tax paid on the Land and/or Building: (please provide current tax bills) \$ \$1,575,627.73

Estimated new Real Property Tax Revenue if the Project did not receive Real Property Tax exemption: \$ -0-

Estimated new Real Property Tax Revenue if the Project does receive Real Property Tax exemption: \$[Subject to PILOT determination]

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

The Project will generate one-time municipal revenues including building permit fees. This is in addition to ongoing substantial municipal revenues, as discussed in greater detail in Item C above.

**PART V. PROJECT CONSTRUCTION SCHEDULE**

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

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

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

Construction is estimated to commence by July, 2013

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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):

Approximately 24-30 months after commencement of construction

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**PART VI. ENVIRONMENTAL IMPACT**

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

The Project should is not expected to have a significant environmental impact.

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- 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)?

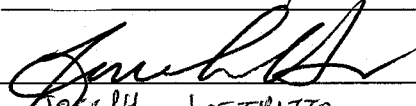
YES

NO

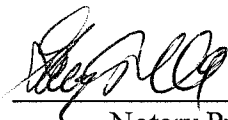
- C. Please be advised that the Agency may require at the sole cost and expense of the Applicant the preparation and delivery to the Agency of an environmental report in form and scope satisfactory to the Agency, depending on the responses set forth in the Environmental Assessment Form. If an environmental 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 ONE LLC  
Signature:   
Name: JOSEPH LOSTRITTO  
Title: PRESIDENT  
Date: 2/1/13

Sworn to before me this 1  
day of February, 2013



Notary Public  
**GARY CAMPBELL**  
Notary Public, State of New York  
No. 01CA6033407  
Qualified in Nassau County  
Commission Expires Nov. 15, 2017

**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: SPCEL INC, LLC

By: [Signature]  
Name/Title: \_\_\_\_\_

**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:

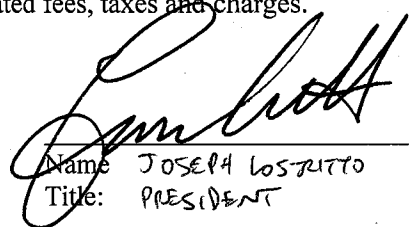
- (A) Six-tenths (6/10) of one percent (1%) for the first twenty million dollars (\$20,000,000) of total project costs and, if applicable, two-tenths (2/10) of one percent (1%) for any additional amounts in excess of twenty million dollars (\$20,000,000) of total project costs.



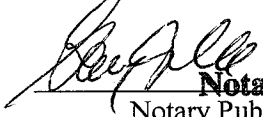
- (D) General Counsel Fee – One-tenth (1/10) of one percent (1%) of total project costs, with a minimum fee of \$2,000.
- (E) Two Thousand Five Hundred Dollars (\$2,500) closing compliance fee payable at closing and One Thousand Dollars (\$1,000) per year (or part thereof) administrative fee, payable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

  
Name JOSEPH LOSTRITTO  
Title: PRESIDENT

Sworn to before me this 1  
day of February, 2013

  
**GARY CAMPBELL**  
Notary Public, State of New York  
Notary Public No. 01CA6033407

**Qualified in Nassau County**  
**Commission Expires Nov. 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.

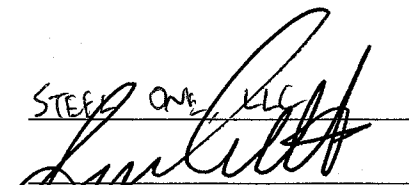
Name of  
Applicant:

Signature:

Name:

Title:

Date:

STEP ONE LLC  
  
JOSEPH LOSTRITTO  
PRESIDENT  
8/1/13

**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: Steel One, LLC  
 Address: 700 Hicksville Rd., Bethpage, NY 11714  
 Type of Business: Real Estate Developer  
 Contact Person: Joseph or Glenn Lostritto Tel. No.: 516-576-3165

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>Building Manager</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<u>Assistant Bldg Manager</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<u>Maintenance</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</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: 20

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

Upon completion of renovation work

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

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.

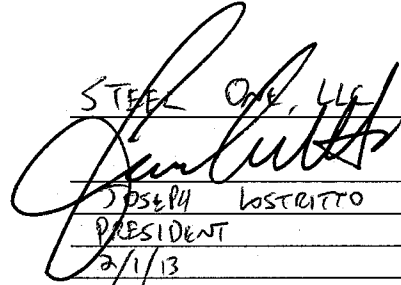
Attached hereto is a true, correct and complete copy of the Applicant's most recent Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return (Form NYS-45-MN) (first page only). Upon request of the Agency, the Applicant shall provide such other or additional information or documentation 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:

STEEL ONE, LLC

Signature:



Name:

JOSEPH LOSTRITTO

Title:

PRESIDENT

Date:

2/1/13

**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 X \_\_\_\_\_

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

Address of the to-be-removed plant or facility: \_\_\_\_\_  
\_\_\_\_\_

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

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

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

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

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

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

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

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? N/A

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? N/A

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

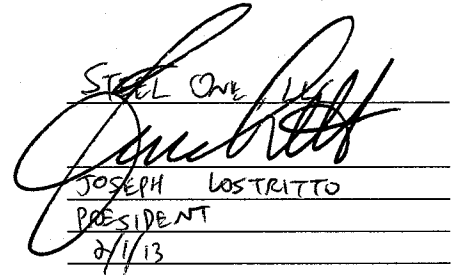
IF THE ANSWER TO EITHER QUESTION D OR E IS "YES", PLEASE PROVIDE DETAILS IN A SEPARATE ATTACHMENT.

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:

STEEL ONE LLC

Signature:



Name:

JOSEPH LOSTRITTO

Title:

PRESIDENT

Date:

2/1/13



**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 X\_\_\_\_\_

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: \_\_\_\_\_%      N/A      Services: \_\_\_\_\_%

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

Retail Sales: \_\_\_\_\_%      N/A      Services: \_\_\_\_\_%

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

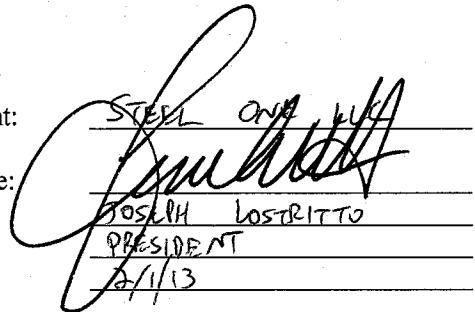
Name of Applicant: \_\_\_\_\_

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

STEEL ONE LLC  
  
JOSEPH LOSTRITTO  
PRESIDENT  
2/1/13

Schedule F

**APPLICANT'S FINANCIAL ATTACHMENTS**

There are no financial statements for Steel One, LLC

**ENVIRONMENTAL ASSESSMENT FORM**

## Appendix C

## State Environmental Quality Review

**SHORT ENVIRONMENTAL ASSESSMENT FORM**

For UNLISTED ACTIONS Only

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

1. APPLICANT/SPONSOR Steel One, LLC	2. PROJECT NAME 1 Grumman Road
3. PROJECT LOCATION: Municipality Bethpage County Nassau	
4. PRECISE LOCATION (Street address and road intersections, prominent landmarks, etc., or provide map) 1 and 15 Grumman Road, Bethpage, New York 11714	
5. PROPOSED ACTION IS: <input type="checkbox"/> New <input type="checkbox"/> Expansion <input checked="" type="checkbox"/> Modification/alteration	
6. DESCRIBE PROJECT BRIEFLY: Improvement of existing blighted buildings that have been under-utilized for the past decade (over 200,000 square feet of which are vacant). the applicant proposed to substantially improve the existing space, convert sub-standard office space to industrial and warehousing space in order to attract companies that produce jobs and economic activity in Nassau County	
7. AMOUNT OF LAND AFFECTED: Initially <u>22.42</u> acres Ultimately <u>23.42</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, list agency(s) name and permit/approvals: Nassau County Industrial Development Agency	
11. DOES ANY ASPECT OF THE ACTION HAVE A CURRENTLY VALID PERMIT OR APPROVAL? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, list agency(s) name and permit/approvals:	
12. AS A RESULT OF PROPOSED ACTION WILL EXISTING PERMIT/APPROVAL REQUIRE MODIFICATION? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE TO THE BEST OF MY KNOWLEDGE Applicant/sponsor name: <u>Steel One, LLC</u> Date: <u>2/15/13</u> Signature: <u>[Signature]</u>	

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Title of Responsible Officer

\_\_\_\_\_  
Signature of Responsible Officer in Lead Agency

\_\_\_\_\_  
Signature of Preparer (If different from responsible officer)

**Reset**

**OTHER ATTACHMENTS**

**Part I.**

**Item 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?*

Nassau County approved a 40-year PILOT plan with Nassau Steel, LLC (a related entity of the Applicant) for a property that consisted of 95 acres in Bethpage. The project has been a success taking abandoned property, renovating the site and buildings and in just over a year is 70% leased. The Property has created over 350 new jobs in the County. Steel Equities and its affiliates have several other current projects with the Nassau County IDA as well.

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

**Company History**

Steel Equities is the main affiliated company of the Applicant. Steel Equities 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 in excess of 5,000,000 square feet of office and industrial real estate in the greater NYC area, Nassau and Suffolk counties under various New York limited liability companies and limited partnerships. The controlling interests are held by Joseph Lostritto Jr. and Glenn Lostritto and related family trusts. By virtue of their extensive tenant base, vast experience and proven track record, including other former Northrup Grumman properties in the Bethpage area, Steel Equities is in a uniquely qualified position to successfully complete the Project and attract quality jobs to Nassau County. Steel Equities also has an excellent working relationship with the local and regional brokerage community.

**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 Project site ("Property") consists of approximately 372,217 rentable square feet of office, warehousing and light industrial space, of which only approximately 175,403 feet is currently leased. The Property has challenging and limited vehicular access because of the adjacent roadway configuration and restrictions, has environmental issues that cause it to be a

Brownsfield site, yet is located in the Bethpage Strategic Area. The buildings located on the Property are blighted and have been under-rented and under-utilized for the last decade and are in dire need of renovations (there is over 200,000 sq feet vacant now). The Applicant proposed to substantially improve the existing space, convert sub-standard office spaces to industrial and warehousing space, all in order to attract companies that produce jobs and economic activity in Nassau County.

The Applicant is seeking financial assistance from the IDA in the form of a sales tax exemption on the renovation materials and FF&E, a mortgage recording tax exemption, and a 30-year PILOT, which we proposed be structured in order to stabilize taxes (at an appropriate current level) for an initial period of several years, which would then be followed by increases thereafter at the rate of 2% per annum. These benefits, if provided, would allow the Applicant to stabilize its operating costs at sustainable levels for the foreseeable future, as well as achieving the goals of the IDA's Strategic Financial Assistance Policy.

#### **Part IV.**

**Item D.** *Describe, if applicable, other benefits to the County anticipated as a result of the Project:*

The County would receive numerous benefits from providing financial assistance to the Applicant. The proposed Project would transform a presently underutilized and operationally outdated structure into an economically viable facility that would bring new businesses and jobs to the County. The County would benefit from the sales tax revenue generated by the goods and services produced and/or distributed by future tenants at the proposed facility that are not currently available because of the building's condition.

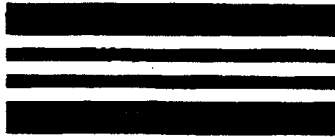
The Project will result in temporary construction jobs within the County over the anticipated renovation period and economic activity including the purchase of building materials. Finally, the proposed Project would make the existing facility aesthetically more attractive.



Part II, Item S.

Deed Restrictions

CLERK



NASSAU COUNTY CLERK'S OFFICE  
ENDORSEMENT COVER PAGE

Recorded Date: 07-29-2003  
Recorded Time: 10:39:17 a

Record and Return To:  
FORCHELLI CURTO SCHWARTZ MINEO  
CARLINO & COHN LLP  
330 OLD COUNTRY RD  
ATTN BRIAN R SAHN ESQ  
MINEOLA, NY 11501

Liber Book: D 11645  
Pages From: 652  
To: 660

Control  
Number: 760  
Ref #: RE 028451  
Doc Type: D02 EASEMENT

Location:	Section	Block	Lot	Unit
OYSTER BAY (2824)	0046	00323-00	00248	
OYSTER BAY (2824)	0046	00323-00	00249	

KLBO01

Taxes Total	.00
Recording Totals	62.00
Total Payment	62.00

THIS PAGE IS NOW PART OF THE INSTRUMENT AND SHOULD NOT BE REMOVED  
KAREN V. MURPHY  
COUNTY CLERK



2003072900760



9  
DOZ

80222 70

**DECLARATION OF COVENANTS AND RESTRICTIONS**

THIS DECLARATION OF COVENANTS AND RESTRICTIONS made as of this <sup>23rd</sup> day of May, 2003 by and between **NORTHROP GRUMMAN SYSTEMS CORPORATION**, a Delaware corporation, with offices located at 1840 Century Park East, Los Angeles, California 90067-2199 ("Seller") and **DISTRIBUTION TRAFFIC SERVICES, INC.** a New York corporation with offices located at 100 West Industry Court, Deer Park, New York 11729 ("Buyer").

*[Signature]*

**WITNESSETH:**

Sec 46  
Bl 323  
Lots 248, 249

**WHEREAS**, contemporaneously with the execution and delivery of this Declaration, Seller sold to Buyer, and Buyer purchased from Seller, certain real property located in the Town of Oyster Bay, County of Nassau and State of New York, known and designated as Lots 248 and 249, Block 323, Section 46, on the Land and Tax Map of Nassau County (the "Property"), as more particularly described in Exhibit "A" attached hereto, pursuant to that certain Contract of Sale between the parties, dated as of the 7<sup>th</sup> day of March, 2003 (the "Contract"); and

**WHEREAS**, Seller is a U.S. government defense contractor performing critical work for the national defense in several locations in and around Bethpage, New York and as a defense contractor, must maintain certain security standards; and

**WHEREAS**, it is essential for Seller to safeguard the health and safety of Seller's personnel and the programs and operations it is conducting for the U.S. government; and

**WHEREAS**, Seller is the developer of the Grumman Industrial Park which is depicted on the Grumman Industrial Park Subdivision Map (the "Map") filed September 28, 1999 in the Nassau County Clerk's office as Map No. 9515; and

**WHEREAS**, the Property is a lot(s) on the Map;

**WHEREAS**, Seller is the owner of other properties in the vicinity which it plans to develop for sale and Seller desires that all of the properties be subject to similar covenants and restrictions in order to safeguard the health and safety of its personnel, meet its security mandates to the U.S. Government, and to protect the value of such parcels and to promote a uniform development of such parcels; and

**WHEREAS**, as a further inducement for Seller to sell the Property to Buyer, Buyer agrees to the placement against the Property of the covenants and restrictions herein.

**NOW, THEREFORE**, the parties do hereby agree and declare that the Property shall be transferred, held and occupied subject to the following covenants and restrictions, in accordance

4  
# C DEEM

with the terms hereinafter set forth:

1. Plans and Specifications. No building or structure shall be constructed, built or erected upon the Property, without Seller's prior approval of the architectural design, building materials, site layout and landscaping plan thereof (collectively, the "Plans and Specifications"). Prior to the construction or erection of any building or structure on the Property, Buyer, for itself and its successors and/or assigns, agrees to obtain Seller's prior written approval, which shall not be unreasonably withheld or delayed, to any and all Plans and Specifications and to construct or erect any such building or structure substantially in accordance with such approved Plans and Specifications.

2. Use of Property. Notwithstanding uses permitted by applicable zoning regulations, the improvements and structures (whether of a permanent nature or of a temporary nature) located or to be located at the Property (collectively, the "Buildings") may be used for warehousing, distribution, light manufacturing and office activities all to be conducted within the Buildings (collectively, the "Permitted Use"), and for no other purpose whatsoever without the written consent of Seller, its successors or assigns. Exterior portions of the Property may only be used for purposes ancillary to the Permitted Use, such as for loading, staging and parking, except that staging and loading shall not occur in the front yard of the Property, except allowing for the use of existing loading docks in the front of the Property. In no event, shall the exterior portions of the Property be used for vehicle marshaling, or outdoor storage of any kind, including, but not limited to, heavy machinery, equipment, trailers, lumber, building materials, trucks, cars or buses, except that vehicles used in the normal course of business in connection with the Permitted Use may be parked overnight at the Property pursuant to applicable zoning regulations. At all times, the exterior portions of the Property shall be maintained in a manner befitting a first-class industrial park. At no time may the Property be used for any purpose which may constitute a nuisance, or which is noxious or offensive by reason of excessive noise, dust or toxic emissions, odor, gas, smoke fumes, or vibration or which may pose a threat to the health, welfare and safety of Seller's personnel or threatens the safety or security of Seller's operations conducted on neighboring properties as solely determined by Seller. All trash receptacles for waste and recyclables shall be maintained in the Buildings or in a locked storage shed, so as not to constitute a nuisance or danger to neighboring properties. In the event of any violations of this covenant, Seller and its successors or assigns shall have the right to seek compliance in a court of competent jurisdiction which compliance may include seeking temporary restraining orders, preliminary injunctions or like relief without the necessity of showing irreparable harm but showing a violation of the within covenant.

3. Permission for Use. If any Occupant of the Property proposes to use the Property for any use not specifically permitted by paragraph "2" above, such Occupant shall submit a written request to Seller for its determination whether the proposed use of the Property is consistent with the terms of this Declaration, it being the intention that an Occupant shall not have the right to proceed unilaterally with a use that is or may be in conflict with this Declaration, and such party may only proceed in accordance with the written agreement of Seller. For purposes hereof, the term "Occupant" means any owner, tenant, subtenant, licensee, user and any other holder of a legal estate

or rights with regard to the Property subsequent to Seller.

4. Applicable Law. This Declaration and the covenants and restrictions set forth herein shall be interpreted, construed and enforced in accordance with the laws of the State of New York, without regard to principles of conflicts of law.

5. Run with the Land. This Declaration and the covenants and restrictions set forth herein shall remain in full force and effect and shall run with the land and be binding upon future owners of the Property.

6. Notices. All notices required to be given or given under this Declaration may be given by the attorney for either party with the same force and effect as if given by a party hereto, and all such notices shall be sent by overnight courier service with receipt, such as Federal Express, as follows: if to Buyer, to the address set forth above; if to Seller: to the address set forth above to the attention of Corporate Real Estate—Legal Notices. All notices shall be deemed given upon the date same are received or refused by the addressee, whichever is earlier. Either party may change the address to which notices are to be given by a notice pursuant to this Section. In the event of a transfer of the Property by Buyer, Buyer shall notify Seller of the name and address of the transferee within ten (10) days of such transfer.

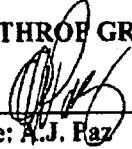
7. Binding Effect. This Declaration will inure to the benefit of and bind the parties and their respective successors and assigns by contract or by operation of law through merger.

8. Attorneys' Fees. In the event of any litigation regarding the rights and obligations under this Declaration, the prevailing party shall be entitled to reasonable attorneys' fees and court costs.

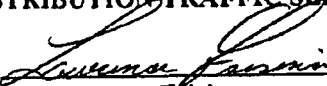
REC'D  
CLERK

IN WITNESS WHEREOF, this Declaration has been executed by the parties as of the day and year first above written and shall be in effect upon recording in the official records of Nassau County, New York.

**NORTHROP GRUMMAN SYSTEMS CORPORATION**

By:   
Name: A.J. Faz  
Its: Director of Real Estate  
Date: MAY 16, 2003

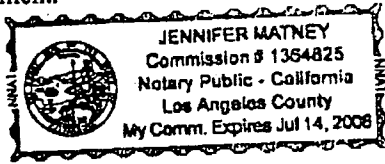
**DISTRIBUTION TRAFFIC SERVICES, INC.**

By:   
Name: Lawrence Frisina  
Its: President  
Date: 5-23-03

NOTARY CLERK

STATE OF CALIFORNIA )  
 ) ss.:  
COUNTY OF LOS ANGELES )

On the 16<sup>th</sup> day of May, 2003, before me, the undersigned, a notary public in and for said state, personally appeared A. J. PAZ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



*J. Matney*  
Notary Public

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF NASSAU )

On the 23<sup>rd</sup> day of May, 2003, before me, the undersigned, a notary public in and for said state, personally appeared LAWRENCE FRISINA personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

*Carolyn Lamonica*  
Notary Public

CAROLYN LAMONICA  
Notary Public, State of New York  
No. 01LA6027901  
Qualified in Suffolk County  
Commission Expires July 19, 2005

CLERK

File No.: GC80022370

EXHIBIT A - DESCRIPTION

ALL that certain plot, piece or parcel of land, situate, lying and being at Bethpage, in the Town of Oyster Bay, County of Nassau and State of New York, known and designated as and by Lots 14 and 15 on a certain map entitled, "Map of Grumman Industrial Park, surveyed and compiled by Albert A. Bianco, Professional Land Surveyor," which map was filed in the Nassau County Clerk's Office on September 28, 1999 under Map No. 9515, and being bounded and described as follows:

BEGINNING at a point on the northeasterly side of Grumman Road distant 828.10 feet northerly from the corner formed by the intersection of the easterly side of Grumman Road with the northerly side of Central Avenue;

Running thence along the northerly and northeasterly side of Grumman Road the following three (3) courses and distances:

- 1). South 89 degrees 49 minutes 04 seconds West 48.11 feet;
- 2). Northwesterly along the arc of a curve bearing to the left having a radius of 308.79 feet a distance of 104.04 feet;
- 3). North 49 degrees 43 minutes 41 seconds West 1577.29 feet;

Thence North 40 degrees 16minutes 19 seconds East 569.06 feet;

Thence South 49 degrees 43minutes 41 seconds East 19.00 feet;

Thence North 40 degrees 16minutes 19 seconds East 146.85 feet to lands now or formerly of the Long Island Railroad;

Thence along said last mentioned land South 49 degrees 42minutes 13 seconds East 1454.75 feet;

Thence South 40 degrees 17minutes 05 seconds West 238.09 feet;

Thence North 53 degrees 03minutes 17 seconds West 41.87 feet;

Thence North 59 degrees 49minutes 07 seconds West 16.23 feet;

Thence Southwesterly and southerly along the arc of a curve bearing to the left having a radius of 34.95 feet a distance of 73.41 feet;

Thence South 00 degrees 10minutes 56 seconds East 554.18 feet to the northeasterly side of Grumman Road at the point or place of BEGINNING.



DECLARATION OF COVENANTS AND RESTRICTIONS BY AND BETWEEN

NORTHROP GRUMMAN SYSTEMS CORPORATION

AND

DISTRIBUTION TRAFFIC SERVICES, INC.

SECTION: 46  
BLOCK: 323  
LOT: 248 AND 249  
COUNTY: NASSAU

**Record and return to:**

FORCHELLI, CURTO, SCHWARTZ, MINEO,  
CARLINO & COHN, LLP  
330 Old Country Road  
P.O. Box 31  
Mineola, New York 11501

Attn: Brian R. Sahn, Esq.

FORCHIELLI, CURTIO, SCHWARTZ, MINNEO,  
CARLINO & COHN, LLP  
COUNSELORS AT LAW  
330 OLD COUNTRY ROAD  
P.O. BOX 31  
MINNEOLA, NEW YORK 11501  
TEL: (516) 248-1700

RE  
C  
L  
E  
R  
K

NASSAU COUNTY CLERK'S OFFICE  
ENDORSEMENT COVER PAGE

Recorded Date: 07-29-2003  
Recorded Time: 10:39:17 a

Record and Return To:  
GARY M MELTZER ESQ  
MELTZER LIPPE GOLDSTEIN LLP  
190 WILLIS AVE  
MINEOLA, NY 11501

Liber Book: D 11645  
Pages From: 601  
To: 605

Control  
Number: 756  
Ref #: RE 028447  
Doc Type: D01 DEED

Location:	Section	Block	Lot	Unit
OYSTER BAY (2824)	0046	00323-00	00248	
OYSTER BAY (2824)	0046	00323-00	00249	

Consideration Amount: 11,371,366.62

GCB001

Taxes Total	45,486.00
Recording Totals	105.00
Total Payment	45,591.00

THIS PAGE IS NOW PART OF THE INSTRUMENT AND SHOULD NOT BE REMOVED  
KAREN V. MURPHY  
COUNTY CLERK



2003072900756



DEED

CONSULT YOUR LAWYER BEFORE SIGNING THIS INSTRUMENT-THIS INSTRUMENT SHOULD BE USED BY LAWYERS ONLY

THIS INDENTURE, made the 23<sup>rd</sup> day of May, 2003

BETWEEN

NORTHROP GRUMMAN SYSTEMS CORPORATION, a Delaware corporation, with offices located at 1840 Century Park East, Los Angeles, California 90067-2199

party of the first part, and

DISTRIBUTION TRAFFIC SERVICES, INC., a New York corporation, with offices located at 100 West Industry Court, Deer Park, New York 11729

party of the second part,

WITNESSETH, that the party of the first part, in consideration of ten dollars and other valuable consideration paid by the party of the second part, does hereby remise, release and quitclaim unto the party of the second part, the heirs or successors and assigns of the party of the second part forever,

ALL that certain plot, piece or parcel of land, with the improvements located thereon, situate, lying and being at Bethpage, in the Town of Oyster Bay, County of Nassau, and State of New York, being more particularly bounded and described on Schedule "A", attached hereto and made part hereof (the "Premises").

The conveyance made herein is made in the ordinary course of business of the party of the first part.

Party of the first part is same as grantee in deed dated July 2, 1969, recorded on January 19, 1970 at Liber 8080, Page 136, and deed dated July 2, 1969, recorded on January 20, 1970 at Liber 8080, Page 310, covering the Premises and more.

The Premises herein are conveyed subject to that certain Declaration of Easement, Declaration of Recharge Basin Easement, Declaration of Covenants and Restrictions and Declaration of Environmental Easement, all dated of even date herewith and to be recorded immediately after the recording of this instrument with the Nassau County Clerk.

The Premises herein are conveyed subject to the following:

- (1) Laws or governmental regulations that affect the use and/or development of the Property;
- (2) Any state of facts an accurate land survey would show, provided same does not render title unmarketable. Minor variations of fences or other ancillary structures with record lines shall not be deemed to render title unmarketable;
- (3) Survey prepared by Albert A. Bianco, L.S., last dated April 11, 2002;
- (4) Covenants, agreements, easements or restrictions of record;
- (5) Variations between tax lot lines and lines of record title;
- (6) The state of facts as shown on the plan entitled "Building No. 1 Parcel Composite Utility/Easement Plan", dated July 10, 2002; and
- (7) The state of facts as shown on the subdivision map entitled "Map of Property of Grumman Industrial Park (a planned industrial commercial subdivision) at Bethpage, Town of Oyster Bay, Town of Hempstead, Nassau County, New York" prepared by Albert A. Bianco, L.S. filed in the Nassau County Clerk's Office on September 28, 1999 under Map No. 009515.

The Premises herein are also conveyed subject to the following covenants and restrictions:

1. Notice: A release of hazardous substances has occurred at the Premises. Remedial activities were performed and the New York State Department of Environmental Conservation ("DEC") has issued a "no further action" letter. At the conclusion of the remedial activities, some hazardous substances remained at the site at concentrations that are above the recommended soil cleanup guidelines for unrestricted use. A report prepared by Dvirka & Bartilucci entitled Deed Restriction Information, Plant 1 Facility, dated November 20, 2002, identifies the substances, the locations and the concentrations of the hazardous substances.

2. Use Restriction: The Premises shall not be used for uses that: (i) are or may be construed to be residential, or (ii) include persons other than employees staying over night, including, without limitation, a hotel, nursing home or congregate care facility, or (iii) involve children, including, without limitation, a school, day care facility or an outdoor recreational facility, unless otherwise approved by DEC in conjunction with the New York State and Nassau County Departments of Health. These restrictions may be removed upon the recording of certification from DEC (or its successor, if any) that there are no hazardous substances or constituents of concern at the Premises at concentrations that exceed then applicable DEC recommended cleanup levels.

Section 4b  
Block 323  
Lots 248 & 249  
Nassau  
County

DEED

3. Subsurface Activities: The hazardous substances referred to in paragraph "1", above, shall be covered with either topsoil, pavement or a building. Excavation or other subsurface activities at the site that may affect or involve the hazardous substances at the site should not be performed without reviewing the reports that describe the location of the hazardous substances, in consultation with DEC and, if necessary, taking appropriate precautions to prevent worker exposure to said hazardous substances. In the case of any soil removal, the soil should be sampled and disposed of in accordance with applicable law, based on the sampling results. Party of the second part shall provide notice to Regional Solid and Hazardous Materials Engineer, New York State Department of Environmental Conservation, Region One, SUNY - Building 40, Stony Brook, NY 11790, annually certifying that the institutional and/or engineering controls specified herein are being complied with.

4. Covenant Regarding Hazardous Substances: Party of the second part covenants on behalf of itself and all successors, assigns and grantees that it shall indemnify and hold party of the first part, its parent, their successors and assigns and the affiliates, directors, officers, managers, shareholders, employees and agents of each of them harmless from and against all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, judgments, costs and expenses (including, without limitation, attorney's fees and court costs) arising out of or related to the condition of the Premises or any hazardous substances present at the Premises (whether direct or indirect, known or unknown, foreseen or unforeseen, latent or patent), the breach of any covenant set forth in this Deed or any act or omission that is contrary to any restriction imposed on the Premises by the DEC. This covenant shall run with the land and be binding on all future owners of the Premises.

5. Covenant Regarding Environmental Claims: Party of the second part covenants on behalf of itself and all successors, assigns and grantees that they shall waive their right to recover from, and forever release and discharge party of the first part, its parent, their successors and assigns, and the affiliates, directors, officers, managers, shareholders, employees and agents of each of them, for, from and against any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and court costs), whether direct or indirect, known or unknown, foreseen or unforeseen, latent or patent, that may arise on account of or in any way be connected with the Premises, the condition of the Premises, or any law, regulation, order, decree or directive applicable thereto, including, without limitation, environmental laws. Without limiting the generality of the foregoing, party of the first part shall have no liability to party of the second part with respect to property conditions under common law, or any federal, state, or local law or regulation, including, but not limited to, the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), 42 U.S.C. 9601 et seq., as amended; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. 8901 et seq., as amended; the Clean Air Act ("CAA"), 42 U.S.C. 7401 et seq., as amended; the Clean Water Act ("CWA"), 33 U.S.C. 1251 et seq., as amended, and party of the second part hereby releases and waives any and all claims which party of the second part has or may have against party of the first part, its subsidiaries, parent, affiliates, officers, directors, managers, shareholders, employees and agents with respect to the condition of the Premises. This covenant shall run with the land and be binding on all future owners of the Premises.

TOGETHER with all right, title and interest, if any, of the party of the first part in and to any publicly opened and dedicated streets and roads abutting the above described Premises to the center lines thereof; TOGETHER with the appurtenances and all the estate and rights of the party of the first part in and to said Premises, except as otherwise provided herein; TO HAVE AND TO HOLD the Premises herein granted unto the party of the second part, the heirs or successors and assigns of the party of the second part forever.

AND the party of the first part, in compliance with Section 13 of the Lien Law, covenants that the party of the first part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose. The word "party" shall be construed as if it read "parties" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the party of the first part has duly executed this Deed the day and year first above written.

IN PRESENCE OF:

NORTHROP GRUMMAN SYSTEMS CORPORATION

BY:

A. J. Paz, Director of Real Estate

Adam [Signature]

100

DEED

TO BE USED ONLY WHEN THE ACKNOWLEDGMENT IS MADE IN NEW YORK STATE

State of New York, County of

ss:

State of New York, County of

ss:

On the day of in the year before me, the undersigned, personally appeared

On the day of in the year before me, the undersigned, personally appeared

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(signature and office of individual taking acknowledgment)

(signature and office of individual taking acknowledgment)

TO BE USED ONLY WHEN THE ACKNOWLEDGMENT IS MADE OUTSIDE NEW YORK STATE

State of California

On the 16th day of May

in the year 2003

ss: 105 A-167

before me, the undersigned, personally appeared

A.J. Paz personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument, and that such individual made such appearance before the undersigned in the

City of Los Angeles (insert the City or other political subdivision)

in the State of California. (and insert the State or County or other place the acknowledgment was taken)



Signature of Jennifer Matney, Notary Public (signature and office of individual taking acknowledgment)

QUITCLAIM DEED

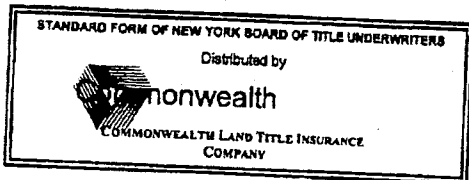
SECTION 46
BLOCK 323
LOTS 248 & 249
COUNTY - NASSAU

Title No.

Recorded at Request of COMMONWEALTH LAND TITLE INSURANCE COMPANY

RETURN BY MAIL TO:

Gary M. Meltzer, Esq.
Meltzer, Lippe, Goldstein, LLP
190 Willis Avenue
Mineola, New York 11501



RESERVE THIS SPACE FOR USE OF RECORDING OFFICE

WEST 0 8

**SCHEDULE A - DESCRIPTION**

ALL that certain plot, piece or parcel of land, situate, lying and being at Bethpage, in the Town of Oyster Bay, County of Nassau and State of New York, known and designated as and by Lots 14 and 15 on a certain map entitled, "Map of Grumman Industrial Park, surveyed and compiled by Albert A. Bianco, Professional Land Surveyor," which map was filed in the Nassau County Clerk's Office on September 28, 1999 under Map No. 9515, and being bounded and described as follows:

BEGINNING at a point on the northeasterly side of Grumman Road distant 828.10 feet northerly from the corner formed by the intersection of the easterly side of Grumman Road with the northerly side of Central Avenue;

Running thence along the northerly and northeasterly side of Grumman Road the following three (3) courses and distances:

- 1). South 89 degrees 49 minutes 04 seconds West 48.11 feet;
- 2). Northwesterly along the arc of a curve bearing to the left having a radius of 308.79 feet a distance of 104.04 feet;
- 3). North 49 degrees 43 minutes 41 seconds West 1577.29 feet;

Thence North 40 degrees 16minutes 19 seconds East 569.06 feet;

Thence South 49 degrees 43minutes 41 seconds East 19.00 feet;

Thence North 40 degrees 16minutes 19 seconds East 146.85 feet to lands now or formerly of the Long Island Railroad;

Thence along said last mentioned land South 49 degrees 42minutes 13 seconds East 1454.75 feet;

Thence South 40 degrees 17minutes 05 seconds West 238.09 feet;

Thence North 53 degrees 03minutes 17 seconds West 41.87 feet;

Thence North 59 degrees 49minutes 07 seconds West 16.23 feet;

Thence Southwesterly and southerly along the arc of a curve bearing to the left having a radius of 34.95 feet a distance of 73.41 feet;

Thence South 00 degrees 10minutes 56 seconds East 554.18 feet to the northeasterly side of Grumman Road at the point or place of BEGINNING.



NASSAU COUNTY CLERK'S OFFICE  
ENDORSEMENT COVER PAGE

Recorded Date: 10-14-2005  
Recorded Time: 12:30:56 p

Liber Book: D 12023  
Pages From: 702  
To: 707

Record and Return To:  
STEPHEN P EPSTEIN ESQ  
JASPAN SCHLESINGER HOFFMAN LLP  
300 GARDEN CITY PLAZA  
GARDEN CITY, NY 11530

Control  
Number: 1265  
Ref #: RE 008068  
Doc Type: D12 DEED COMMERCIAL/VACANT LAND

Location:	Section	Block	Lot	Unit
OYSTER BAY (2824)	0046	00323-00	00248	

Consideration Amount: 24,200,000.00

LLS001

Taxes Total	96,800.00
Recording Totals	223.00
Total Payment	97,023.00

THIS PAGE IS NOW PART OF THE INSTRUMENT AND SHOULD NOT BE REMOVED  
KAREN V. MURPHY  
COUNTY CLERK



2005101401265



EX-7700-05N

KUST  
9/26/00

Bargain and Sale Deed, with Covenant against Grantor's Acts

THIS INDENTURE, made as of the 30<sup>th</sup> day of September, in the year two thousand five BETWEEN NASSAU REALTY GROUP LLC, a New York limited liability company, having an address at 15 Grumman Road West, Bethpage, New York, party of the first part, and YAD HOLDINGS LLC, a Delaware limited liability company with an address at c/o KND Management Company, 101 Richardson Street, Brooklyn, New York 11211, BPA II ACQUISITION LLC, a Delaware limited liability company with an address at c/o Slayton Development Group, 213 Butter Lane, Unit C, Bridgehampton, New York 11932 and NGRE LLC, a New York limited liability company with an address at c/o KND MANAGEMENT COMPANY, 101 Richardson Street, Brooklyn, New York 11211, as Tenants in Common, party of the second part.

WITNESSETH, that the party of the first part, in consideration of Ten Dollars and other valuable consideration paid by the party of the second part, does hereby grant and release unto the party of the second part, the heirs or successors and assigns of the party of the second part forever,

See Exhibit A attached hereto and made a part hereof.

BEING AND INTENDED TO BE the same premises conveyed to the party of the first part by Deed dated May 23, 2003, recorded July 29, 2003, in Liber 11645, cp 709.

SAID premises known as and by One Grumman Road West, Bethpage, New York.

Section  
46  
Block  
323  
Lot  
248

The Premises herein are conveyed subject to that certain Declaration of Easement, Declaration of Recharge Basin Easement, Declaration of Covenants and Restrictions and Declaration of Environmental Easement, all dated as of May 23, 2003 and recorded with the Nassau County Clerk.

The Premises herein are also conveyed subject to the following covenants and restrictions:

- 1. Notice:** A release of hazardous substances has occurred at the Premises. Remedial activities were performed and the New York State Department of Environmental Conservation ("DEC") has issued a "no further action" letter. At the conclusion of the remedial activities, some hazardous substances remained at the site at concentrations that are above the recommended soil cleanup guidelines for unrestricted use. A report prepared by Dvirka & Bartilucci entitled Deed Restriction Information, Plant 1 Facility, dated November 20, 2002, identifies the substances, the locations and the concentrations of the hazardous substances.
- 2. Use Restriction:** The Premises shall not be used for uses that: (i) are or may be construed to be residential, or (ii) include persons other than employees staying over night, including, without limitation, a hotel, nursing home or congregate care facility, or (iii) involve children, including, without limitation, a school, day care facility or an outdoor recreational facility, unless otherwise approved by DEC in conjunction with the New York State and Nassau County Departments of Health. These restrictions may be removed upon the recording of certification from DEC (or its successor, if any) that there are no hazardous substances or constituents of concern at the Premises at concentrations that exceed then applicable DEC recommended cleanup levels.
- 3. Subsurface Activities:** The hazardous substances referred to in paragraph "1", above, shall be covered with either topsoil, pavement or a building. Excavation or other subsurface activities at the site that may affect or involve the hazardous substances at the site should not be performed without reviewing the reports that describe the location of the hazardous substances, in consultation with DEC and, if necessary, taking appropriate precautions to prevent worker exposure to said hazardous substances. In the case of any soil removal, the soil should be sampled and disposed of in accordance with applicable law, based on the sampling results. Party of the second part shall provide notice to Regional Solid and Hazardous Materials Engineer, New York State Department of Environmental Conservation, Region One, SUNY - Building 40, Stony Brook, NY 11790, annually certifying that the institutional and/or engineering controls specified herein are being complied with.
- 4. Covenant Regarding Hazardous Substances:** Party of the second part covenants on behalf of itself and all successors, assigns and grantees that it shall indemnify and hold party of the first part, its parent, their successors and assigns and the affiliates, directors, officers, managers, shareholders, employees and agents of each of them harmless from and against all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, judgments, costs and expenses (including, without limitation, attorney's fees and court costs) arising out of or related to the condition of the Premises or any hazardous substances present at the Premises (whether direct or indirect, known or unknown, foreseen or unforeseen, latent or patent), the breach of any covenant set forth in this Deed or any act or omission that is contrary to any restriction imposed on the Premises by the DEC. This covenant shall run with the land and be binding on all future owners of the Premises.
- 5. Covenant Regarding Environmental Claims:** Party of the second part covenants on behalf of itself and all successors, assigns and grantees that they shall waive their right to recover from, and forever release and discharge party of the first part, its parent, their successors and assigns, and the affiliates, directors, officers, managers, shareholders, employees and agents of each of them, for, from and against any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and court costs), whether direct or indirect, known or unknown, foreseen or unforeseen, latent or patent, that may arise on account of or in any way be connected with the Premises, the condition of the Premises, or any law, regulation, order, decree or directive applicable thereto, including, without limitation, environmental laws. Without limiting the generality of the foregoing, party of the first part shall have no liability to party of the second part with respect to property conditions, under commonlaw, or any federal, state, or local law or regulation, including, but

not limited to, the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), 42 U.S.C. 9601 et seq., as amended; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. 6901 et seq., as amended; the Clean Air Act ("CAA"), 42 U.S.C. 7401 et seq., as amended; the Clean Water Act ("CWA"), 33 U.S.C. 1251 et seq., as amended, and party of the second part hereby releases and waives any and all claims which party of the second part has or may have against party of the first part, its subsidiaries, parent, affiliates, officers, directors, managers, shareholders, employees and agents with respect to the condition of the Premises. This covenant shall run with the land and be binding on all future owners of the Premises.

TOGETHER with all right, title and interest, if any, of the party of the first part in and to any streets and roads abutting the above described premises to the center lines thereof; TOGETHER with the appurtenances and all the estate and rights of the party of the first part in and to said premises; TO HAVE AND TO HOLD the premises herein granted unto the party of the second part, the heirs or successors and assigns of the party of the second part forever.

AND the party of the first part has not done or suffered anything whereby the said premises have been encumbered in any way whatever, except as aforesaid.

Section  
46  
Block  
323  
248

AND the party of the first part, in compliance with Section 13 of the Lien Law, covenants that the party of the first part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the Lot same for any other purpose.

The word "party" shall be construed as if it read "parties" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the party of the first part has duly executed this deed the day and year first above written.

In presence of:

NASSAU REALTY GROUP LLC  
By: Nassau Realty Group Holdings Corp.,  
a New York corporation, its managing member

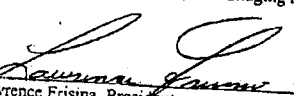
By:   
Lawrence Frisina, President

Exhibit A - Property Description

**Nassau Realty Group LLC Parcel (Tax Lot 248)**

ALL that certain plot, piece or parcel of land, situate, lying and being at Bethpage, in the Town of Oyster Bay, County of Nassau and State of New York, known and designated as and by Lot 15 on a certain map entitled, "Map of Grumman Industrial Park, surveyed and compiled by Albert A. Bianco, Professional Land Surveyor," which map was filed in the Nassau County Clerk's Office on September 28, 1999 under Map No. 9515, and being bounded and described as follows:

BEGINNING at a point on the northeasterly side of Grumman Road distant the following three courses and distances, northerly, westerly and northwesterly from the corner formed by the intersection of the easterly side of Grumman Road with the northerly side of Central Avenue:

- 1). along the westerly side of Grumman Road, North 00 degrees 10 minutes 58 seconds west, 828.10 feet to the Northerly side of Grumman Road;
- 2). along the Northerly side of Grumman Road, South 89 degrees 49 minutes 04 seconds West 48.11 feet;
- 3). Northwesterly along the northeasterly side of Grumman Road, along the arc of a curve bearing to the left having a radius of 308.79 feet, a distance of 94.57 feet;

RUNNING THENCE Northwesterly along the Northeasterly side of Grumman Road, along the arc of a curve bearing to the left having a radius of 308.79 feet, a distance of 45.47 feet;

RUNNING THENCE still along the northeasterly side of Grumman Road, North 49 degrees 43 minutes 41 seconds west 1577.29 feet;

THENCE North 40 degrees 16 minutes 19 seconds East 569.06 feet;

THENCE South 49 degrees 43 minutes 41 seconds East 19.00 feet;

THENCE North 40 degrees 16 minutes 19 seconds East 146.85 feet to lands now or formerly of the Long Island Railroad;

THENCE along said last mentioned land South 49 degrees 42 minutes 13 seconds East 1164.75 feet to a point;

THENCE South 40 degrees 17 minutes 47 seconds West 303.10 feet;

THENCE South 49 degrees 43 minutes 41 seconds East 145.58 feet;

THENCE South 40 degrees 16 minutes 19 seconds West 48.40 feet;

THENCE South 49 degrees 43 minutes 41 seconds East 6.50 feet;

THENCE along an arc of a curve bearing to the right with a radius of 100.00 feet and arc length of 86.47 feet;

THENCE South 00 degrees 10 minutes 56 seconds East 273.30 feet;

THENCE along a curve bearing to the right, with a radius of 140.00 feet and an arc length of 98.85 feet;

THENCE South 40 degrees 16 minutes 19 seconds West, 33.34 feet to the point or place of BEGINNING.

ACKNOWLEDGMENT IN NEW YORK STATE (RPL 309-a)  
State of New York, County of Nassau ss.:

On September 21, 2005 before me, the undersigned, personally appeared  
Lawrence Frisina

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/hes/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

[Signature]  
(signature and office of individual taking acknowledgment)

ACKNOWLEDGMENT OUTSIDE NEW YORK STATE (RPL 309-b)

State of \_\_\_\_\_ County of \_\_\_\_\_ ss.:

On \_\_\_\_\_ before me, the undersigned, personally appeared

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/hes/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument, and that such individual made such appearance before the undersigned in

(insert city or political subdivision and state or county or other place acknowledgment taken)

\_\_\_\_\_  
(signature and office of individual taking acknowledgment)

**Bargain and Sale Deed**

WITH COVENANT AGAINST GRANTOR'S ACTS

TITLE No. \_\_\_\_\_

Nassau Realty Group LLC

TO

Yad Holdings LLC  
BPA II Acquisiton LLC  
NGRE LLC

ACKNOWLEDGMENT BY SUBSCRIBING WITNESS(ES)

State of \_\_\_\_\_ County of \_\_\_\_\_ ss.:

On \_\_\_\_\_ before me, the undersigned, personally appeared

the subscribing witness(es) to the foregoing instrument, with whom I am personally acquainted, who, being by me duly sworn, did depose and say that he/she/they reside(s) in (if the place of residence is in a city, include the street and street number, if any, thereof):

RANDEE BROWN  
Notary Public, State of New York  
No. 4878185

Qualified in Nassau County  
Commission Expires November 24, 2006  
that he/she/they know(s)

to be the individual(s) described in and who executed the foregoing instrument; that said subscribing witness(es) was (were) present and saw said

execute the same; and that said witness(es) at the same time subscribed his/hes/their name(s) as a witness(es) thereto.

(  if taken outside New York State insert city or political subdivision and state or county or other place acknowledgment taken And that said subscribing witness(es) made such appearance before the undersigned in

\_\_\_\_\_  
(signature and office of individual taking acknowledgment)

SECTION 46  
BLOCK 323  
LOT 248  
COUNTY OR TOWN Nassau County

RETURN BY MAIL TO:

Stephen P. Epstein, Esq.  
Jaspar Schlesinger Hoffman LLP  
300 Garden City Plaza  
Garden City, New York  
Zip No. 11530

Reserve this space for use of Recording Office.