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**Town of Islip Industrial Development Agency**

40 Nassau Ave, Islip, New York

Office - 631-224-5512/Fax – 631-224-5532

[www.IslipIDA.com](http://www.IslipIDA.com)

**APPLICATION FOR FINANCIAL ASSISTANCE**

DATE: July 28, 2016

APPLICATION OF: M S International Inc (New LLC will own the property on close)  
Name of Owner and/or User of Proposed Project

ADDRESS: 2095 N Batavia St, Orange, CA. 92865

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Type of Application:     Tax-Exempt Bond             Taxable Bond  
                                  Straight Lease                     Refunding Bond

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**Part I: Owner & User Data**

I. Owner Data:

A. Owner (Applicant for assistance): M S International Inc (New LLC will own the property)

Address: [REDACTED]

Federal Employer ID #: \_\_\_\_\_ Website: www.msistone.com

NAICS Code: [REDACTED]

Owner Officer Certifying Application: Rupesh Shah - Member of LLC

Title of Officer: President

Phone Number: [REDACTED] E-mail: [REDACTED]

B. Business Type:

Sole Proprietorship  Partnership  Privately Held

Public Corporation  Listed on \_\_\_\_\_

State of Incorporation/Formation: Nevada

C. Nature of Business:

(e.g., "manufacturer of \_\_\_\_\_ for \_\_\_\_\_ industry"; "distributor of \_\_\_\_\_"; or "real estate holding company")

Real estate holding company

D. Owner Counsel:

Firm Name: Bocarsly Emden Cowan Esmail and Amdt LLP

Address: 633 West Fifth Street, 64th Floor

Los Angeles, CA. 90071

Individual Attorney: Aaftab Esmail

Phone Number: [REDACTED] E-mail: [REDACTED]

E. Principal Stockholders, Members or Partners, if any, of the Owner (5% or more equity):

| Name  | Percent Owned |
|---|---------------|
| <u>Shah Family. The property will be owned by a real estate holding LLC and will leased to the business entity M S International Inc. The owners of both, the real estate holding company and the business entity are same family</u> |               |
|   |               |

F. Has the Owner, or any subsidiary or affiliate of the Owner, or any stockholder, partner, member, officer, director or other entity with which any of these individuals is or has been associated with:

- i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (if yes, please explain)

No

- ii. been convicted of a felony, or misdemeanor, or criminal offense (other than a motor vehicle violation)? (if yes, please explain)

No

G. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the Owner, list all other organizations which are related to the Owner by virtue of such persons having more than a 50% interest in such organizations.

Similar to this property purchase, Shah Family own other LLC's which own real estate. Each property is held by a separate LLC, and leases the property to the business entity M S International Inc. None of the members of the family individually own more than 50% of Owner

H. Is the Owner related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

See "G" above.

I. List parent corporation, sister corporations and subsidiaries:

M S International Inc. See "G" above

J. Has the Owner (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

No

K. List major bank references of the Owner:

Wells Fargo Bank. Relationship Manager - Mr. Mike Bennett. Tel # 949-251-4934

## 2. User Data

*\*\* (for co-applicants for assistance or where a landlord/tenant relationship will exist between the owner and the user) \*\**

A. User (together with the Owner, the "Applicant"): MS International Inc

Address: 2095 N Batavia St, Orange, CA. 92865

Federal Employer ID #: [REDACTED]

Website: www.msistone.com

NAICS Code: [REDACTED]

User Officer Certifying Application: Rupesh Shah

Title of Officer: President

Phone Number: [REDACTED]

E-mail: [REDACTED]

B. Business Type:

Sole Proprietorship

Partnership

Privately Held

Public Corporation

Listed on \_\_\_\_\_

State of Incorporation/Formation: Indiana

C. Nature of Business:

(e.g., "manufacturer of \_\_\_\_\_ for \_\_\_\_\_ industry"; "distributor of \_\_\_\_\_"; or "real estate holding company")

D. Are the User and the Owner Related Entities? Yes  No

i. If yes, the remainder of the questions in this Part I, Section 2 (with the exception of "F" below) need not be answered if answered for the Owner.

ii. If no, please complete all questions below.

E. User's Counsel:

Firm Name: Same as Owners Counsel

Address: \_\_\_\_\_

\_\_\_\_\_

Individual Attorney: \_\_\_\_\_

Phone Number: \_\_\_\_\_

E-mail: \_\_\_\_\_

F. Principal Stockholders or Partners, if any (5% or more equity):

| Name               | Percent Owned |
|--------------------|---------------|
| <u>Shah Family</u> | <u>100%</u>   |
| _____              | _____         |
| _____              | _____         |

G. Has the User, or any subsidiary or affiliate of the User, or any stockholder, partner, officer, director or other entity with which any of these individuals is or has been associated with:

i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (if yes, please explain)

No

ii. been convicted of a felony or criminal offense (other than a motor vehicle violation)? (if yes, please explain)

No

- H. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the User, list all other organizations which are related to the User by virtue of such persons having more than a 50% interest in such organizations.

See "G" in Owner Data

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- I. Is the User related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

No

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- J. List parent corporation, sister corporations and subsidiaries:

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- K. Has the User (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

No

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- L. List major bank references of the User:

Wells Fargo Bank. Relationship Manager - Mr. Mike Bennett. Tel # 949-251-4934

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### **Part II – Operation at Current Location**

**\*\**(if the Owner and the User are unrelated entities, answer separately for each)*\*\***

1. Current Location Address: No location in NY State
2. Owned or Leased: \_\_\_\_\_
3. Describe your present location (acreage, square footage, number buildings, number of floors, etc.):  
\_\_\_\_\_

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4. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services:

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5. Are other facilities or related companies of the Applicant located within the State?

Yes  No

A. If yes, list the Address: \_\_\_\_\_

6. If yes to above ("5"), will the completion of the project result in the removal of such facility or facilities from one area of the state to another OR in the abandonment of such facility or facilities located within the State? Yes  No

A. If no, explain how current facilities will be utilized: \_\_\_\_\_

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B. If yes, please indicate whether the project is reasonably necessary for the Applicant to maintain its competitive position in its industry or remain in the State and explain in full:

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7. Has the Applicant actively considered sites in another state? Yes  No

A. If yes, please list states considered and explain: \_\_\_\_\_

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8. Is the requested financial assistance reasonably necessary to prevent the Applicant from moving out of New York State? Yes  No

A. Please explain: New project in NY

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9. Number of full-time employees at current location and average salary: New Project in NY

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**Part III – Project Data**



1. Project Type:

A. What type of transaction are you seeking?: (Check one)

Straight Lease  Taxable Bonds  Tax-Exempt Bonds   
Equipment Lease Only

B. Type of benefit(s) the Applicant is seeking: (Check all that apply)

Sales Tax Exemption  Mortgage Recording Tax Exemption   
PILOT Agreement:

2. Location of project:

A. Street Address: 50 Heartland Blvd, Brentwood, NY

B. Tax Map: District 0500 Section 15600 Block 0300 Lot(s) 001005

C. Municipal Jurisdiction:

i. Town: Islip  
ii. Village: Outside Village  
iii. School District: Brentwood

D. Acreage: 6.6 acres

3. Project Components (check all appropriate categories):

A. Construction of a new building  Yes  No  
i. Square footage: \_\_\_\_\_

B. Renovations of an existing building  Yes  No  
i. Square footage: 7,000sf Renovate offices, and lighting in warehouse

C. Demolition of an existing building  
i. Square footage: 3,000sf Demo offices, and convert to warehouse space.

D. Land to be cleared or disturbed  Yes  No  
i. Square footage/acreage: Pave / Conrete Yard, and add loading docks.

E. Construction of addition to an existing building  Yes  No  
i. Square footage of addition: \_\_\_\_\_  
ii. Total square footage upon completion: \_\_\_\_\_

F. Acquisition of an existing building  Yes  No  
i. Square footage of existing building: 75,000 sf

G. Installation of machinery and/or Equipment  Yes  No  
i. List principal items or categories of equipment to be acquired: Overhead Cranes

4. Current Use at Proposed Location:

A. Does the Applicant currently hold fee title to the proposed location?

i. If no, please list the present owner of the site: Harry Krantz Company

B. Present use of the proposed location: Based on our information, the property is occupied by a moving

company on a month-to-month lease.

C. Is the proposed location currently subject to an IDA transaction (whether through this Agency or another?)  Yes  No

i. If yes, explain: IDA PILOT

D. Is there a purchase contract for the site? (if yes, explain):  Yes  No

Under due diligence stage to purchase the property, expected to close around August 31, 2016.

E. Is there an existing or proposed lease for the site? (if yes, explain):  Yes  No

The real estate holding LLC will lease the premises to M S International Inc

5. Proposed Use:

A. Describe the specific operations of the Applicant or other users to be conducted at the project site: Wholesale and distribution of flooring, counter tops, wall tile, and hardscaping products.

B. Proposed product lines and market demands: Granite, marble, quartz, mosaics, hardscaping products,

and Porcelain tiles. We expect 90% of sales from this location will be to customers in the State of New York

C. If any space is to be leased to third parties, indicate the tenant(s), total square footage of the project to be leased to each tenant, and the proposed use by each tenant:

N.A.

D. Need/purpose for project (e.g., why is it necessary, effect on Applicant's business):

We estimate the total project cost will be about \$9 million (Purchase price is \$7.5 mil, and improvements \$1.5 mil)  
Any incentives in terms of reduction in property taxes, Sales Tax exemptions will go a long way in making the  
project viable, and will help User create jobs.

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E. Will any portion of the project be used for the making of retail sales to customers who personally visit the project location? Yes  No

- i. If yes, what percentage of the project location will be utilized in connection with the sale of retail goods and/or services to customers who personally visit the project location? MSI does not sell retail. However we do sell to the trade which includes contractors and fabricators. Sometimes these businesses don't have resale certificates resulting in Sales Tax collections

6. Project Work:

A. Has construction work on this project begun? If yes, complete the following:

- |                    |                              |  |            |       |
|--------------------|------------------------------|--|------------|-------|
| i. Site Clearance: | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | % COMPLETE | _____ |
| ii. Foundation:    | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | % COMPLETE | _____ |
| iii. Footings:     | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | % COMPLETE | _____ |
| iv. Steel:         | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | % COMPLETE | _____ |
| v. Masonry:        | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | % COMPLETE | _____ |
| vi. Other:         | <u>Existing building.</u>    |  |            |       |

B. What is the current zoning?: Industrial 1

C. Will the project meet zoning requirements at the proposed location?

Yes  No

D. If a change of zoning is required, please provide the details/status of the change of zone request: NA

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E. Have site plans been submitted to the appropriate planning department? Yes  No

7. Project Completion Schedule:

A. What is the proposed commencement date for the acquisition and the construction/renovation/equipping of the project?

- i. Acquisition: Sept 2016
- ii. Construction/Renovation/Equipping: Sept 2016 to March 2017

B. Provide an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur: January 2017 to March 2017

**Part IV – Project Costs and Financing**

1. Project Costs:

A. Give an accurate estimate of cost necessary for the acquisition, construction, renovation, improvement and/or equipping of the project location:

| <u>Description</u>                  | <u>Amount</u>   |
|-------------------------------------|---|
| Land and/or building acquisition    | \$ <u>7,500,000</u>   |
| Building(s) demolition/construction | \$ _____  |
| Building renovation                 | \$ <u>550,000 Warehouse and offices</u>                       |
| Site Work                           | \$ <u>200,000 Docks and yard expansion</u>                    |
| Machinery and Equipment             | \$ <u>650,000 Overhead cranes, docks, lighting, forklifts</u> |
| Legal Fees                          | \$ _____  |
| Architectural/Engineering Fees      | \$ _____  |
| Financial Charges                   | \$ _____  |
| Other (Specify)                     | \$ <u>100,000 Office Equipment, Miscellaneous</u>             |
| Total                               | \$ <u>9,000,000</u>   |

2. Method of Financing:

|  | <u>Amount</u>       | <u>Term</u> |
|--|---------------------|-------------|
| A. Tax-exempt bond financing:  | \$ _____            | _____ years |
| B. Taxable bond financing:   | \$ _____            | _____ years |
| C. Conventional Mortgage:  | \$ _____            | _____ years |
| D. SBA (504) or other governmental financing:                                    | \$ _____            | _____ years |
| E. Public Sources (include sum of all State and federal grants and tax credits): | \$ _____            |             |
| F. Other loans:  | \$ _____            | _____ years |
| G. Owner/User equity contribution:   | \$ <u>9,000,000</u> | _____ years |

Total Project Costs \$ 9,000,000

- i. What percentage of the project costs will be financed from public sector sources?

None \_\_\_\_\_

3. Project Financing:

- A. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? Yes  No

- i. If yes, provide detail on a separate sheet.

- B. Are costs of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of bond proceeds? Give details:

NA \_\_\_\_\_  
\_\_\_\_\_

- C. Will any of the funds borrowed through the Agency be used to repay or refinance an existing mortgage or outstanding loan? Give details:

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

- D. Has the Applicant made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom:

N.A. \_\_\_\_\_  
\_\_\_\_\_

**Part V – Project Benefits**

1. Mortgage Recording Tax Benefit:

- A. Mortgage Amount for exemption (include sum total of construction/permanent/bridge financing):

\$ \_\_\_\_\_

- B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and \_\_\_\_%):

\$ \_\_\_\_\_

2. Sales and Use Tax Benefit:

A. Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax (such amount to benefit from the Agency's exemption):

\$ 1,500,000

B. Estimated State and local Sales and Use Tax exemption (product of \_\_\_% and figure above):

\$ 150,000

C. If your project has a landlord/tenant (owner/user) arrangement, please provide a breakdown of the number in "B" above:

i. Owner: \$ 50,000

ii. User: \$ 100,000

3. Real Property Tax Benefit:

A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit: No

B. Agency PILOT Benefit:

i. Term of PILOT requested: 10 Years

ii. Upon acceptance of this application, the Agency staff will create a PILOT schedule and indicate the estimated amount of PILOT Benefit based on anticipated tax rates and assessed valuation and attached such information to Exhibit A hereto. At such time, the Applicant will certify that it accepts the proposed PILOT schedule and requests such benefit to be granted by the Agency.

*\*\* This application will not be deemed complete and final until Exhibit A hereto has been completed and executed.\*\**

**Part VI – Employment Data**

1. List the Applicant's and each users present employment, and estimates of (i) employment at the proposed project location at the end of year one and year two following project completion and (ii) the number of residents of the Labor Market Area\* ("LMA") that would fill the full-time and part-time jobs at the end of year second year following completion:

|             | <u>Present</u> | <u>First Year</u> | <u>Second Year</u> | <u>Residents of LMA</u> |
|-------------|----------------|-------------------|--------------------|-------------------------|
| Full-Time   | <u>0</u>       | <u>8 - 10</u>     | <u>10 - 15</u>     | <u>8 - 12</u>           |
| Part-Time** | <u></u>        | <u></u>           | <u></u>            | <u></u>                 |

\* The Labor Market Area includes the County/City/Town/Village in which the project is located as well Nassau and Suffolk Counties.

\*\* Agency staff converts Part-Time jobs into FTEs for state reporting purposes by dividing the number of Part-Time jobs by two (2).

2. Salary and Fringe Benefits:

| Category of Jobs to be Retained and Created | Average Salary or Range of Salary | Average Fringe Benefits or Range of Fringe Benefits |
|---|-----------------------------------|---|
| Salary Wage Earners                         | \$65,000 +                        | \$7,000 to \$10,000                                 |
| Commission Wage Earners                     |                                   |   |
| Hourly Wage Earners                         | \$30,000 to \$50,000 pa           | \$3,000 to \$6,000                                  |
| 1099 and Contract Workers                   |                                   |   |

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Note: The Agency reserves the right to visit the facility to confirm that job creation numbers are being met.

**Part VII – Representations, Certifications and Indemnification**

1. Is the Applicant in any litigation which would have a material adverse effect on the Applicant's financial condition? (if yes, furnish details on a separate sheet)

Yes  No

2. HAS THE APPLICANT OR ANY OF THE MANAGEMENT OF THE APPLICANT, THE ANTICIPATED USERS OR ANY OF THEIR AFFILIATES, OR ANY OTHER CONCERN WITH WHICH SUCH MANAGEMENT HAS BEEN CONNECTED, BEEN CITED FOR A VIOLATION OF FEDERAL, STATE OR LOCAL LAWS OR REGULATIONS WITH RESPECT TO LABOR PRACTICES, HAZARDOUS WASTES, ENVIRONMENTAL POLLUTION OR OTHER OPERATING PRACTICES? (IF YES, FURNISH DETAILS ON A SEPARATE SHEET)

Yes  No

3. Is there a likelihood that the Applicant would not proceed with this project without the Agency's assistance? (If yes, please explain why; if no, please explain why the Agency should grant the benefits requested)

Yes  No

The purchase of this property is contingent on receiving IDA approval. Without the assistance MSI will consider



at a low cost location.

4. If the Applicant is unable to obtain financial assistance from the Agency for the project, what would be the impact on the Applicant and on the municipality?

Applicant will have to reconsider its plans, since absent financial assistance the operational costs will become prohibitive. Applicant projects an investment of \$9 mil, and by end of 24 months of operations an employee count of 10-15 individuals. The sales within the region will boost economic development.

5. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if financial assistance is provided for the proposed project:

§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

Initial BS

6. The Applicant understands and agrees that in accordance with Section 858-b(2) of the General Municipal Law, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the project will be listed with the New York State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300) in which the project is located (collectively, the "Referral Agencies"). The Applicant also agrees, that it will, except as otherwise provided by collective bargaining contracts or agreements to which they are parties, first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the Referral Agencies

Initial BS

7. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving financial assistance for the proposed project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

Initial BS

8. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.



Initial     *JS*    

9. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

Initial     *JD*    

10. In accordance with Section 862(1) of the New York General Municipal Law the Applicant understands and agrees that projects which result in the removal of an industrial or manufacturing plant of the project occupant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the project occupant within the State is ineligible for financial assistance from the Agency, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the project in its respective industry or to discourage the project occupant from removing such other plant or facility to a location outside the State.

Initial     *JS*    

11. The Applicant represents and warrants that to the Applicant's knowledge neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become a person or entity with who United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List or under any statute, executive order including the September 24, 2001, Executive Order Block Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, or other governmental action and is not and will not assign or otherwise transfer this Agreement to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

Initial     *JS*    

12. The Applicant confirms and hereby acknowledges it has received the Agency's fee schedule attached hereto as Schedule A and agrees to pay such fees, together with any expenses incurred by the Agency, including those of Transaction Counsel, with respect to the Facility. The Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the project.

Initial     *JD*    

13. The Applicant confirms and hereby acknowledges it has received the Agency's [Construction Wage] Policy attached hereto as Schedule B and agrees to comply with the same.

Initial JS

14. The Applicant hereby agrees to comply with Section 875 of the General Municipal Law. The Company further agrees that the financial assistance granted to the project by the Agency is subject to recapture pursuant to Section 875 of the Act and the Agency's [Recapture and Termination] Policy, attached hereto as Schedule C.

Initial JS

**Part VIII – Submission of Materials**

1. Financial statements for the last two fiscal years (unless included in the Applicant's annual report).
2. Applicant's annual reports (or 10-K's if publicly held) for the two most recent fiscal years.
3. Quarterly reports (form 10-Q's) and current reports (form 8-K's) since the most recent annual report, if any.
4. In addition, please attach the financial information described in items A, B, and C of any expected guarantor of the proposed bond issue.
5. Completed Long Environmental Assessment Form.
6. Most recent quarterly filing of NYS Department of Labor Form 45, as well as the most recent fourth quarter filing. Please remove the employee Social Security numbers and note the full-time equivalency for part-time employees.

*(Remainder of Page Intentionally Left Blank)*

**Part IX – Certification**

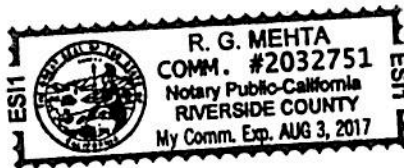
Rupesh Shah (name of representative of company submitting application) deposes and says that he or she is the President (title) of MS International Inc, the corporation (company name) named in the attached application; that he or she has read the foregoing application and knows the contents thereof; and that the same is true to his or her knowledge.

Deponent further says that s/he is duly authorized to make this certification on behalf of the entity named in the attached Application (the “Applicant”) and to bind the Applicant. The grounds of deponent’s belief relative to all matters in said Application which are not stated upon his/her personal knowledge are investigations which deponent has caused to be made concerning the subject matter this Application, as well as information acquired by deponent in the course of his/her duties in connection with said Applicant and from the books and papers of the Applicant.

As representative of the Applicant, deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the [ ] Industrial Development Agency (hereinafter referred to as the “Agency”) in connection with this Application, the attendant negotiations and all matters relating to the provision of financial assistance to which this Application relates, whether or not ever carried to successful conclusion. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels or neglects the application or if the Applicant is unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees to bond or transaction counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion and sale of the transaction contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the Agency in accordance with its fee schedule in effect on the date of the foregoing application, and all other appropriate fees, which amounts are payable at closing.

*Rupesh Shah*  
Representative of Applicant

Sworn to me before this \_\_\_\_\_  
Day of August, 20 16  
R. G. Mehta  
(Seal)





## **EXHIBIT A**

### **Proposed PILOT Schedule**

Upon acceptance of the Application and completion of the Cost Benefit Analysis, the Agency will attach the proposed PILOT Schedule, together with the estimates of net exemptions based on estimated tax rates and assessment values to this Exhibit.

## SCHEDULE A

### **Agency's Fee Schedule**

#### **1. Application Fee—\$1,000.00**

An application for IDA assistance must be accompanied by a non-refundable fee of \$1,000 plus a \$500 fee for the Town of Islip review of Environmental Assessment Form as required by the State Environmental Quality Review Act (SEQRA). (The \$500 fee will be waived if the applicant's project has already undergone a SEQRA review during a previous process, i.e. site plan, building permit, change of zone, etc.)

#### **2. Agency Fee—.006**

Upon closing of any IDA project, the Agency will assess an administrative fee of one-half of a basis point (.006) against the size of the project. For IDB projects, the .006 will be measured against the final bond amount. For straight-lease transactions, the .006 will be measured against the projected total costs.

#### **3. Agency Counsel—\$250 per hour**

The Town of Islip Town Attorney's Office acts as counsel to the Town of Islip IDA and must be reimbursed for time spent on IDA-related transactions. The Agency counsel bills all time spent on IDA matters at \$250 per hour. For IDA closings up to \$5 million, the Agency counsel bills a minimum of \$3,500. For projects greater than \$5 million, the Agency counsel bills a minimum of \$5,000. For all other activities, i.e. terminations, simple consents and waivers, transfer of assets, etc., the Agency counsel will bill at the aforementioned \$250 per hour.

#### **4. Processing Fee—\$500**

During the course of IDA ownership/involvement, the Agency may occasionally be required, by the company, to consent to a variety of items, i.e. pre-payment of bonds, second mortgages, additional secured financing, etc. The Agency will charge a \$500 processing fee for each of these requests.

#### **5. Assignments & Assumptions—\$1,500**

Occasionally, the IDA is asked to transfer benefits that were assigned to the original company, i.e. PILOT or mortgage recording tax benefits, to a different company, typically upon a sale of the IDA property. The new company often wishes to continue IDA involvement with the property in order to retain the IDA incentives. The Agency will charge a \$1,500 fee for each of these transactions.

#### **6. PILOT Extensions/Modifications—.006**

Occasionally, the Agency is asked to extend or modify an existing Payment in Lieu of Taxes Agreement (PILOT). The .006 will be measured against the projected increase of the PILOT benefit.

#### **7. Annual Administrative Fee— \$1,000**

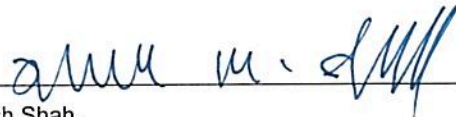
An Annual Administrative Fee of \$1,000 will be charged to all projects to cover the cost of all the reporting and monitoring of the transaction. This fee is subject to periodic review and may be adjusted at the discretion of the Agency.

#### **8. Bond/Transaction Counsel—fee negotiated separately**

While the Town of Islip IDA is represented locally by the Town of Islip Town Attorney's Office, a separate Bond/Transaction Counsel is also necessary on any IDA project. Bond/Transaction counsels render "third party" opinions that the bond or straight lease transaction is authorized under all federal, state and local statutes. Bond/Transaction counsels also prepare all documents related to IDA transactions and coordinates all activities leading up to closing. The Town of Islip IDA has designed the firm of Nixon Peabody, LLP as its Bond/Transaction counsel and all fees are separately negotiated with them.

I have read and understand the aforementioned explanation of the fees associated with all the Town of Islip Industrial Agency Transaction.

Signature:

A handwritten signature in blue ink, appearing to read "Rupesh Shah", is written over a horizontal line.

Rupesh Shah,  
President. M S International Inc

## **SCHEDULE B**

### **Agency's Construction Wage Policy**

#### **CONSTRUCTION WAGE POLICY**

##### **Town of Islip Industrial Development Agency**

The purpose of the Town of Islip Industrial Development Agency is to provide benefits that reduce costs and financial barriers to the creation and to the expansion of business and enhance the number of jobs in Islip.

The Agency has consistently sought to ensure that skilled and fair paying construction jobs for local residents are encouraged in projects receiving financial assistance from the Agency and that local vendors be used during the construction process.

It is the intent of the Agency that the economic activity created by Agency assisted projects during the construction process primarily benefits local residents and vendors.

- I. The following shall be the policy of the Town of Islip Industrial Development Agency for all applicants for financial assistance:
- II.
  - (A) Employ 90% of the construction workers for the project from within Nassau or Suffolk Counties.
  - (B) Purchase 90% of the building materials from within the bi-County region.

In the event that any of these conditions cannot be met, the applicant shall submit to the Agency an explanation as to the reasons for its failure or inability to comply with such conditions. Furthermore, this policy may be waived, in the sole and final discretion of the Agency, in the event that the applicant demonstrates to the Agency special circumstances or economic hardship to justify a waiver to be in furtherance of the purposes and goals of the Town of Islip Industrial Development Agency.

SCHEDULE C

**Agency's Recapture and Termination Policy**  
**TOWN OF ISLIP**  
**INDUSTRIAL DEVELOPMENT AGENCY**  
**EFFECTIVE JUNE 7, 2016**

Pursuant to Sections 874(10) and (11) of Title 1 of Article 18-A of the New York State General Municipal Law (the "Act"), the Town of Islip Industrial Development Agency (the "Agency") is required to adopt policies (i) for the discontinuance or suspension of any financial assistance provided by the Agency to a project or the modification of any payment in lieu of tax agreement and (ii) for the return of all or part of the financial assistance provided by the Agency to a project. This Recapture and Termination Policy was adopted pursuant to a resolution enacted by the members of the Agency on June 7, 2016.

**I. Termination or Suspension of Financial Assistance**

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to terminate or suspend the Financial Assistance (defined below) provided to a project upon the occurrence of an Event of Default, as such term is defined and described in the Lease Agreement entered into by the Agency and a project applicant (the "Applicant") or any other document entered into by such parties in connection with a project (the "Project Documents"). Such Events of Default may include, but shall not be limited to, the following:

- 1) Sale or closure of the Facility (as such term is defined in the Project Documents);
- 2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
- 3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
- 4) A material violation of the terms and conditions of the Project Agreements; and
- 5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The decision of whether to terminate or suspend Financial Assistance and the timing of such termination or suspension of Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and shall be subject to the notice and cure periods provided for in the Project Documents.

For the purposes of this policy, the term "Financial Assistance" shall mean all direct monetary benefits, tax exemptions and abatements and other financial assistance, if any, derived solely from the Agency's participation in the transaction contemplated by the Project Agreements including, but not limited to:



- (i) any exemption from any applicable mortgage recording tax with respect to the Facility on mortgages granted by the Agency on the Facility at the request of the Applicant;
- (ii) sales tax exemption savings realized by or for the benefit of the Applicant, including and savings realized by any agent of the Applicant pursuant to the Project Agreements in connection with the Facility; and
- (iii) real property tax abatements granted under the Project Agreements.

## **II. Recapture of Financial Assistance**

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to recapture all or part of the Financial Assistance provided to a project upon the occurrence of a Recapture Event, as such term is defined and described in the Project Documents. Such Recapture Events may include, but shall not be limited to the following:

- 1) Sale or closure of the Facility (as such term is defined in the Project Documents);
- 2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
- 3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
- 4) A material violation of the terms and conditions of the Project Agreements; and
- 5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The timing of the recapture of the Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and is subject to the notice and cure periods provided for in the Project Documents. The percentage of such Financial Assistance to be recaptured shall be determined by the provisions of the Project Documents.

All recaptured amounts of Financial Assistance shall be redistributed to the appropriate affected taxing jurisdiction, unless agreed to otherwise by any local taxing jurisdiction.

For the avoidance of doubt, the Agency may determine to terminate, suspend and/or recapture Financial Assistance in its sole discretion. Such actions may be exercised simultaneously or separately and are not mutually exclusive of one another.

## **III. Modification of Payment In Lieu of Tax Agreement**

In the case of any Event of Default or Recapture Event, in lieu of terminating, suspending or recapturing the Financial Assistance, the Agency may, in its sole discretion, adjust the payments in lieu of taxes due under the Project Agreements, so that the payments in lieu of taxes payable under the Project Agreements are adjusted upward retroactively and/or prospectively for each tax year until such time as the Applicant has complied with the provisions of the Project Agreements. The amount of such adjustments shall be determined by the provisions of the Project Documents.