



BABYLON INDUSTRIAL DEVELOPMENT AGENCY

Thomas E. Dolan
Chief Executive Officer

FORM APPLICATION FOR FINANCIAL ASSISTANCE

2/14/19

DATE: ~~January 17, 2019~~

APPLICATION OF: Harold Levinson Associates, LLC
Company Name of Beneficial User of Proposed Project
(Not Realty or Special Purpose Entity (SPE) created for liability)

CURRENT ADDRESSES: 140 Carolyn Boulevard, Farmingdale, NY 11735

19-21 Banfi Plaza, Farmingdale, NY 11735

ADDRESS OF PROPERTY
TO RECEIVE BENEFITS: 140 Carolyn Boulevard, Farmingdale, NY 11735
Tax Map # District 0100 Section 094.00 Block 03.00 Lot 003.005

19-21 Banfi Plaza, Farmingdale, NY 11735
Tax Map # District 0100 Section 097.00 Block 01.00 Lot 004.025

INDEX

PART I	USER DATA AND OWNER (IF DIFFERENT)
PART II	OPERATION AT CURRENT LOCATION
PART III	PROJECT DATA
PART IV	PROJECT COSTS AND FINANCING
PART V	PROJECT BENEFITS
PART VI	EMPLOYMENT DATA
PART VII	REPRESENTATIONS, CERTIFICATIONS AND INDEMNIFICATION
PART VIII	SUBMISSION OF MATERIALS
EXHIBIT A	Proposed PILOT Schedule
SCHEDULE A	Agency's Fee Schedule
SCHEDULE B	Recapture Policy*

Part I: User (Applicant) & Owner Data (if different)1. User Data (Applicant):A. User: Harold Levinson Associates, LLCAddress: 140 Carolyn BoulevardFarmingdale, NY 11735Federal Employer ID #: [REDACTED] Website: www.hladistributors.comNAICS Code: 484220

(The North American Industry Classification System (NAICS) is the standard used by federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. www.census.gov/eos/www/naics/)

Name of User Officer Certifying Application: [REDACTED]

Title of Officer: [REDACTED]

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

B. Business Type:

Sole Proprietorship Partnership Privately Held Public Corporation Listed on Click or tap here to enter text.State of Incorporation/Formation: New York

C. Nature of Business:

(e.g., "manufacturer of _____ for _____ industry"; "distributor of _____")

Distributor of various products to convenience stores and gas station marts.

D. User Counsel:

Firm Name: Farrell Fritz, P.C.Address: 400 RXR PlazaUniondale, NY 11556Individual Attorney: Peter L. Curry, Esq.Phone Number: (516) 227-0772 E-mail: pcurry@farrellfritz.com

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

Name	Percent Owned
PBC -HLA HOLDINGS, LLC	48.95384%
HLA CO-INVESTORS, LP	30.04616%
BARRY FELDMAN	1.18969%
HLA FOUNDER HOLDINGS, INC	16.14417%
RITA BERRO 2010 DYNASTY TRUST	1.83307%
EDWARD BERRO 2010 DYNASTY TRUST	1.83307%

F. Has the User, or any subsidiary or affiliate of the User, 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 offence (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 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.

N/A

H. 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:

N/A

I. List parent corporation, sister corporations and subsidiaries:

Intercoastal Brands LLC

J. 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:

Yes – the facility has an IDA deal in place with Babylon IDA.

K. List major bank references of the User:

Bank of America, N.A.
Linda Stewart, SVP
631-547-7730

2. Owner Data

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

A. Owner (together with the User, the “Applicant”):

Address: N/A – Fee Owner is BIT Farmingdale Venture LLC (not affiliated)

Federal Employer ID #: N/A Website: N/A

NAICS Code: N/A

Name of Owner Officer Certifying Application: N/A

Title of Officer: N/A

Phone Number: N/A E-mail: N/A

B. Business Type:

Sole Proprietorship Partnership Privately Held

Public Corporation Listed on

State of Incorporation/Formation:

C. Nature of Business:

(e.g., “manufacturer of _____ for _____ industry”; “distributor of _____”; or “real estate holding company”)

N/A

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. Owner's Counsel:

Firm Name: N/AAddress: N/AN/AIndividual Attorney: N/APhone Number: N/A E-mail: N/A

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

Name

Percent Owned

G. Has the Owner, or any subsidiary or affiliate of the Owner, 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)

N/A

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

N/A

H. If any of the above persons (see "F", 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 50% interest in such organizations.

N/A

I. 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:

N/A

J. List parent corporation, sister corporations and subsidiaries:

N/A

- K. 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:

N/A

- L. List major bank references of the Owner:

N/A

Part II – Operation at Current Location

1. Current Location Address:

140 Carolyn Boulevard, Farmingdale, NY 11735

19-21 Banfi Plaza, Farmingdale, NY 11735

2. Owned or Leased:

140 Carolyn Boulevard, Farmingdale, NY 11735 (Leased)

19-21 Banfi Plaza, Farmingdale, NY 11735 (Leased)

3. Describe your present location (acreage, square footage, number of buildings, number of floors, etc.):

140 Carolyn Boulevard, Farmingdale, NY 11735 – 13.4 acres, 160,000 sq. ft.

19-21 Banfi Plaza, Farmingdale, NY 11735 – 9 acres, 201,000 sq. ft.

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

Distributor of various products to convenience stores and gas station marts.

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

Yes No

A. If yes, list the Address: 45 Prospect Avenue, Albany, 140 Mushroom Blvd., Rochester

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, please list how current facilities will be utilized: The current facilities will continue to operate as a warehouse and distribution center for various products to be delivered to convenience stores and gas station marts.

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:

N/A

7. Has the Applicant actively considered sites in another state? Yes No
- A. If yes, please list states considered and explain: The Applicant's business is growing, and most of its growth is out-of-New York State. In 2017, sales outside of New York surpassed sales within the State of New York for the first time. These states include Massachusetts, New Jersey, Pennsylvania and Connecticut. The present conveyor system at the facility is outdated and inadequate to meet the higher demand. If these crucial upgrades are not made, the Applicant will need to look in other states to find space for the increased demand. See Exhibit C for further details.
8. Is the requested financial assistance reasonably necessary to prevent the Applicant from moving out of New York State? Yes No
- A. Please explain: See above and Exhibit C.
9. Number of full-time employees at current location and average salary: 477 current full time employees with average salaries ranging from \$45,000 to \$83,000.

(Remainder of Page Intentionally Left Blank)

Part III – Project Data1. Project Type:

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

Straight Lease Taxable Bonds Tax-Exempt Bonds Equipment Only Straight Lease

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

Sales Tax Exemption Mortgage Recording Tax Exemption Real Property Tax Abatement 2. Location of project:

A. Street Address:

140 Carolyn Boulevard, Farmingdale, NY 1173519-21 Banfi Plaza, Farmingdale, NY 11735B. **140 Carolyn:** Tax Map: District 0100 Section 94 Block 03 Lot(s) 003.005**19-21 Banfi:** Tax Map: District 0100 Section 97 Block 01 Lot(s) 004.025

C. Municipal Jurisdiction for All Properties:

i. Village: N/Aii. School District: Farmingdale Union School Districtiii. Library: Farmingdale Public Central LibraryD. Acreage: 140 Carolyn = Approximately 13.4 acres19-21 Banfi = Approximately 9 acres3. 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:

C. Demolition of an existing building

Yes No

i. Square footage:

- D. Land to be cleared or disturbed Yes No
 i. Square footage/acreage:
- 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: Click or tap here to enter text.
- G. Installation of machinery and/or Equipment Yes No
 i. List principal items or categories of equipment to be acquired:

Phase I:

- Conveyor System - Candy Carton Flow system modification from 144" to 258" Forward Pick lanes
- Conveyor System E-Cigs & Smokeless Carton Flow system modifications from 42" to 102" Pick lanes
- Trash Removal System including horizontal Bailer for the Candy & Grocery pick modules

Phase II:

- Shipping Conveyor
- Shipping Mezzanine
- Trash Conveyor

4. Current Use at Proposed Location:

- A. Does the Applicant currently hold fee title to the proposed location? No
 i. If no, please list the present owner of the site: BIT Farmingdale Ventures, LLC
- B. Present use of the proposed location: Office, warehouse, and distribution.
- C. Is the proposed location currently subject to an IDA transaction (whether through this Agency or another?) Yes No
 i. If yes, explain: Current straight lease transaction with the Agency.
- D. Is there a purchase contract for the site? (if yes, attach): Yes No
- E. Is there an existing or proposed lease for the site? (if yes, attach): Yes No

5. Proposed Use:

- A. Describe the specific operations of the Applicant or other users to be conducted at the project site: Applicant will continue to use the facility for the storage and distribution of various products to convenience stores and gas station marts, together with ancillary office use.
- B. Proposed product lines and market demands: Applicant will continue to distribute various products to convenience stores and gas station marts. Applicant's business is growing approximately 10% per year as demand for these products continues to grow.
- 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 it is necessary, effect on Applicant's business):

If the improvements are not made, the Applicant will reach capacity with its current system in 3 years. PLEASE SEE EXHIBIT C ANNEXED HERETO FOR FURTHER DETAILS.

- 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?

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:			

- B. What is the current zoning? G Industrial

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

Yes No

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

N/A

E. Have site plans been submitted to the appropriate planning department?

Yes No

N/A

7. Project Completion Schedule:

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

i. Acquisition: N/A

ii. Construction/Renovation/Equipping: ASAP

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: 15-24 months

(Remainder of Page Intentionally Left Blank)

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	\$0
Building(s) demolition/construction	\$0
Building renovation	\$ (across all properties)
Site Work	\$0
Machinery, Equipment & Information Technology	\$5,220,000
Legal Fees	\$15,000
Architectural/Engineering Fees	\$TBD
Financial Charges	\$0
Other (Specify)	\$Click or tap here to enter text.
Total	\$5,235,000

2. Method of Financing:

	<u>Amount</u>	<u>Term</u>
A. Tax-exempt bond financing:	N/A	N/A
B. Taxable bond financing:	N/A	N/A
C. Conventional Mortgage:	\$0	N/A
D. SBA (504) or other governmental financing:	N/A	N/A
E. Public Sources (including sum of all State and Federal grants and tax credits):	N/A	
F. Other loans:	\$5,235,000 (Working Capital Line)	
G. Owner/User equity contribution	\$	N/A

Total Project Costs **\$5,235,000**

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

0

3. Project Financing: (**Complete only if Bond Financing is being utilized**)

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:

N/A

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

N/A

- 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

(Remainder of Page Intentionally Left Blank)

Part V – Project Benefits

1. Mortgage Recording Tax Benefit:

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

N/A

- B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and current Mortgage Recording Tax Rate):

N/A

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):

\$4,720,000.00 (approx.)

- B. Estimated State and local Sales and Use Tax exemption (product of current State and Local Sales and Use Tax Rate and figure above):

\$407,100 (approx.)

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

i. Owner: \$N/A

ii. User: \$N/A

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:

N/A

- B. Agency PILOT Benefit:

i. Term of PILOT requested: N/A

- 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>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>Residents of LMA</u>
Full-Time	<u>477*</u>	<u>477</u>	<u>477</u>	<u>477</u>	<u>477</u>

*The Labor Market Area includes the Town of Babylon, Nassau and Suffolk Counties.

Full-Time Employee shall mean, with respect to an Annual Period, an individual on the payroll of, receiving customary benefits from, and directly employed during such Annual Period by, any Company Group Entity (and excluding any individuals employed by temporary employment or similar agencies) and each of whom works within the Town for any Company Group Entity during such Annual Period on a "full-time basis" (*i.e.*, working at least a 35-hour week, subject to customary vacation, holiday and sick leave).

****Agency converts Part-time staff to Full-Time Equivalent Employee** as follows, with respect to an Annual Period, two (2) individuals on the payroll of, receiving customary benefits from, and directly employed during such Annual Period by, any Company Group Entity (and excluding any individuals employed by temporary employment or similar agencies) and each of whom works within the Town for any Company Group Entity during such Annual Period on a "part-time basis" (*i.e.*, working at least a 20-hour week, subject to customary vacation, holiday and sick leave).

2. Salary and Fringe Benefits:

Category of Jobs to be Retained and Created	Number of Employees	Average Salary or Range of Salary	Average Fringe Benefits
Management	<u>50</u>	<u>\$108,000</u>	<u>\$17,000</u>
Professional	<u>2</u>	<u>\$220,000</u>	<u>\$35,000</u>
Administrative	<u>60</u>	<u>\$76,000</u>	<u>\$12,000</u>
Production		<u>\$</u>	<u>\$</u>
Supervisor		<u>\$</u>	<u>\$</u>
Laborer	<u>258</u>	<u>\$46,000</u>	<u>\$7,000</u>
Sales	<u>107</u>	<u>\$85,000</u>	<u>\$14,000</u>

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

3. Annualized salary range of jobs to be created in the first two years (see question # 1).

FROM \$45,000 TO \$83,000

4. List the number of *Construction jobs (if applicable) to be created by the Applicants Project.

	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>
*Full-Time	TBD		

**Part-Time

*Construction jobs are defined as full-time equivalents (FTE), or 2,080-hour units of labor (one construction period job equates to one full-time job for 1 year).

**A part-time or temporary job may be considered one job by other models, but would constitute only a fraction of a job. For example, if a laborer or craftsman worked only 3 months on a construction or renovation project (assuming no overtime), that would be considered one-quarter of a job.

(Remainder of Page Intentionally Left Blank)

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:

- a. Labor practices,
(with respect to workers and/or their working conditions and/or their wages, including but not limited to pending or threatened labor strikes, hand billing, consumer boycotts, mass demonstrations or other similar incidents; unfair labor practices complaints; incurred, or potentially incurred, liability including withdrawal liability with respect to an employee benefit plan, including a pension plan; any complaints, claims, proceedings or litigation arising from alleged discrimination in the hiring, firing, promoting, compensating or general treatment of employees. Please consider "discrimination" to include sexual harassment.)

Yes No (If yes, furnish details on a separate sheet)

- b. hazardous wastes, environmental pollution,

Yes No (If yes, furnish details on a separate sheet)

- c. other operating practice

Yes No (If yes, furnish details on a separate sheet)

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 upgrade is costly, and the Agency's assistance would help mitigate such costs. See Exhibit C for further detail.

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?

The Applicant will be forced to expand its operations out of the Town of Babylon. See Exhibit C for further detail.

- 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

- 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

- 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

- 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

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

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

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

Initial after receipt and acceptance of Schedule A and Schedule B

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

13. 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 Policy, attached hereto as Schedule B.

Initial _____

A handwritten signature in black ink, consisting of a stylized, cursive letter 'A' or similar character, positioned above a horizontal line.

Part VIII- Submission of Materials

Please send under separate cover all information directly to Agency Counsel:

William F. Dudine, Partner
Katten Muchin Rosenman LLP
575 Madison Avenue
New York, NY 10022-2585

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 or redact any employee Social Security numbers** and note the full-time equivalency for part-time employees.

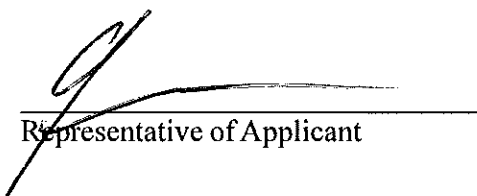
(Remainder of Page Intentionally Left Blank)

Part IX - Certification

Andrew P. DeFrancesco (name of representative of company submitting application) deposes and says that he or she is the Chief Financial Officer (title) of Harold Levinson Associates, LLC, 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.

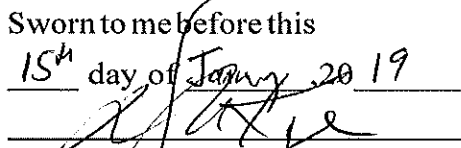
Deponent further says that s/he is duly authorized to make this certification on behalf of the entity named in the attached Application (the "Applicant") and to bind the Applicant. The grounds of deponent's belief relative to all matters in said Application which are not stated upon his/her personal knowledge are investigations which deponent has caused to be made concerning the subject matter this Application, as well as in formation 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 Town of Babylon 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.



Representative of Applicant

Sworn to me before this
15th day of January, 2019



DOUGLAS KAYE
Notary Public - State of New York
No. 01KA6190854
Qualified in Nassau County
My Commission Expires Aug. 4, 2020

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.

N/A

**SCHEDULE A
AGENCY'S FEE SCHEDULE**

2/14/2019

Harold Levinson Associates LLC
21 Banfi Plaza W
0100 097.00 01.00 004.025
140 Carolyn Blvd
0100 094.00 03.00 003.005
Farmingdale, NY 11735

Application Fee **\$1,500**

Estimated Public Hearing **\$800**

Sales Tax				
Improvements	5,220,000	1.25%	\$65,250	

Soft costs	15,000			
Project Costs	<u>5,235,000</u>			

Pg 14

Estimated Savings		1%	\$4,071	
-------------------	--	----	----------------	--

Estimated Fee			\$ 69,321	
---------------	--	--	-----------	--

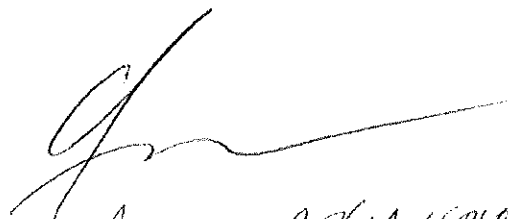
Discount		5.0%	(3,466)	
----------	--	------	---------	--

Estimated Closing Fee **\$65,855** **\$ 65,855**

Total Estimated Fees **\$68,155**

Estimated Savings

0.08625 Sales Tax - Reno & Equip	pg 16	4,720,000	407,100	
			1%	
			\$ 4,071	


 Andrew DeMaw
 Chief Financial Officer

SCHEDULE A

Agency's Fee Schedule

SCHEDULE B

Agency's Recapture Policy

Appendix B
Short Environmental Assessment Form

Attached

Exhibit C

Project Background and Description

For the past several years, the Company growth has been Out Of State sales. We have created and/or maintained and expanded cross-docking facilities in Massachusetts, New Jersey, Pennsylvania, Connecticut and Upstate New York. In 2017 for the first time, HLA sold more cartons out of state than in New York. This trend is continuing.

If the trend continues, (we anticipate that it will) it would dictate that we find a distribution center more efficient than our Farmingdale facility or we upgrade Farmingdale and stay in Long Island.

We prefer to stay here, but we need more than just our desire to do so. We need to receive, pick and ship merchandise more efficiently in order to survive at this location.

Therefore, we began a strategy of modernizing the Farmingdale location with up-to-date technology and best practices. At the least the following will be done:

- A) A reconfiguration of storage bins to:
 - a. reduce the number of times merchandise needs to be handled
 - b. place items in pick areas commensurate with their pick frequency
- B) Implementation of trash conveyor disposal system to free up labor and space
- C) Implementation and installation of new conveyor systems for staging and shipping processes.
- D) Software development and implementation for
 - a. Picking and routing processes.
 - b. Cost to serve
 - c. Identifying labor efficiencies
 - d. Inventory management
 - e. Warehouse utilization

The result is expected to mean a redeployment of existing labor not layoffs because we expect to be able to take on more business that we currently cannot handle, but there could be a 5% to 10% drop in overall headcount. However, we do anticipate the creation of new hires in the following areas:

- Conveyor “Engineers”
- Software Technicians
- Upgraded IT Department
- Warehouse Mid Management