

**FORM APPLICATION FOR FINANCIAL ASSISTANCE**

DATE: 6/28/16

APPLICATION OF: ACE Global Trading Ltd.  
Name of Owner and/or User of Proposed Project

ADDRESS: 921 Conklin St., Farmingdale, NY 11735

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

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\* To be revised per each IDA's policies. Attach relevant policies to be reviewed by Applicant and revise application as applicable. If Recapture Policy is not a stand-alone policy (but rather included in the UTEP), perhaps attach only relevant Recapture provisions from UTEP.

**Part I: Owner & User Data**

1. Owner Data:

A. Owner (Applicant for assistance): ACE Global Trading Ltd.

Address: 921 Conklin St.

Farmingdale, NY 11735

Federal Employer ID #: [REDACTED] Website: Chintaly.com

NAICS Code: \_\_\_\_\_

Owner 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 \_\_\_\_\_

State of Incorporation/Formation: New York

C. Nature of Business:

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

Wholesale \ Distributor of Furniture

D. Owner Counsel:

Firm Name: Carman, Callahan & Ingham, LLP

Address: 266 Main Street, Farmingdale, NY 11735

Individual Attorney: Gregory W. Carman, Jr., Esq.

Phone Number: (516) 370-5511 E-mail: gwcarm@carmanlaw.com

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

Name	Percent Owned
Hertzel Zandi	100%

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.

N/A

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:

NO

I. List parent corporation, sister corporations and subsidiaries:

N/A

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:

JPMorgan Chase, Jeffrey R Finkelstein Cell 631-220-2915

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"): HRDZ Group, Inc.

Address: 921 Conklin Street

Farmingdale, NY 11735

Federal Employer ID #: [REDACTED] Website: \_\_\_\_\_

NAICS Code: \_\_\_\_\_

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 \_\_\_\_\_

State of Incorporation/Formation: New York

C. Nature of Business:

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

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: Carman, Callahan & Ingham, LLP

Address: 266 Main Street

Farmingdale, NY 11735

Individual Attorney: Gregory W. Carman, Jr.

Phone Number: 516-370-5511

E-mail: gwcarm@carmanlaw.com

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

Name	Percent Owned
<u>Hertzel Zandi</u>	<u>50%</u>
<u>Rozita Zandi</u>	<u>50%</u>
<u> </u>	<u> </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.

N/A

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

J. List parent corporation, sister corporations and subsidiaries:

N/A

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

L. List major bank references of the User:

JPMorgan Chase, Jeffrey R Finkelstein Cell 631-220-2915

**Part II – Operation at Current Location**

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

1. Current Location Address: 921 Conklin St., Farmingdale NY 11735

2. Owned or Leased: Leased

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

50,000 Sq Ft. in 2 buildings.

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

Wholesale Distribution of furniture

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:

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:

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

A. If yes, please list states considered and explain: New Jersey for its lower labor costs and for lower operational expenses.

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

A. Please explain: The applicant is seeking to make a long term capital investment for its business by owning, rather than leasing, the real estate in which it conducts its business. This investment will allowing the applicant to manage and better plan for ongoing operational costs.

9. Number of full-time employees at current location and average salary:

16 ppl \$40,000/yr



**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: 595 Broad Hollow Rd., Farmingdale, NY 11735

B. Tax Map: District 100 Section 70 Block 1 Lot(s) 47

C. Municipal Jurisdiction:

i. Town: Babylon  
ii. Village: N/A  
iii. School District: Farmingdale

D. Acreage: 3.4

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: 80,000
- 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: 80,000

G. Installation of machinery and/or Equipment  Yes  No

i. List principal items or categories of equipment to be acquired: \_\_\_\_\_  
\_\_\_\_\_

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:

\_\_\_\_\_ AMETCO MANAGEMENT INC. \_\_\_\_\_

B. Present use of the proposed location:

\_\_\_\_\_ Warehouse \_\_\_\_\_  
\_\_\_\_\_

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

i. If yes, explain: \_\_\_\_\_

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

\_\_\_\_\_ Eight million (\$8,000,000.00) \_\_\_\_\_

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

\_\_\_\_\_

5. Proposed Use:

A. Describe the specific operations of the Applicant or other users to be conducted at the project site: Office space and warehouse space for storage and operation of a Furniture wholesale to the trade. \_\_\_\_\_

B. Proposed product lines and market demands: Import furniture from the far east for \_\_\_\_\_  
distribution throughout the United States. \_\_\_\_\_

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):

To Expand our space to handle more merchandise and grow the business.  
\_\_\_\_\_  
\_\_\_\_\_

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  No  % COMPLETE \_\_\_\_\_
- ii. Foundation: Yes  No  % COMPLETE \_\_\_\_\_
- iii. Footings: Yes  No  % COMPLETE \_\_\_\_\_
- iv. Steel: Yes  No  % COMPLETE \_\_\_\_\_
- v. Masonry: Yes  No  % COMPLETE \_\_\_\_\_
- vi. Other: \_\_\_\_\_

B. What is the current zoning?: IND G

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: \_\_\_\_\_  
\_\_\_\_\_

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: August 31, 2016

ii. Construction/Renovation/Equipping: \_\_\_\_\_

- 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: Acquire by end of August 2016 and begin operations and renovations immediately.

**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>8,000,000</u>
Building(s) demolition/construction	\$ _____
Building renovation	\$ <u>500,000</u>
Site Work	\$ <u>150,000</u>
Machinery and Equipment	\$ <u>100,000</u>
Legal Fees	\$ <u>50,000</u>
Architectural/Engineering Fees	\$ _____
Financial Charges	\$ <u>10,000</u>
Other (Specify)	\$ <u>45,000</u>
<b>Total</b>	<b>\$ <u>8,855,000</u></b>

2. Method of Financing:

	<u>Amount</u>	<u>Term</u>
A. Tax-exempt bond financing:	\$ _____	_____ years
B. Taxable bond financing:	\$ _____	_____ years
C. Conventional Mortgage: SBA 7A	\$ <u>5,000,000</u>	<u>25</u> 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>3,855,000</u>	_____ years

Total Project Costs \$ 8,855,000

- 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:

NO

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:

NO

**Part V – Project Benefits**

1. Mortgage Recording Tax Benefit:

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

\$ 5,000,000

B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and 1.05%):

\$ 52,500

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):

\$ 8,000,000

B. Estimated State and local Sales and Use Tax exemption (product of 8.625% and figure above):

\$ 69,000

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

i. Owner: \$ 20,000

ii. User: \$ 49,000

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: 12 year term

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>16</u>	<u>18</u>	<u>20</u>	<u>16</u>

Part-Time\*\* \_\_\_\_\_

\* 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	\$40,000	
Commission Wage Earners		
Hourly Wage Earners		
1099 and Contract Workers	\$32,000	

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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

If the Agency does not grant assistance the applicant will relocate out of state.

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 would not be able to acquire the subject property and would be forced to relocate out of state and the municipality would suffer loss of jobs.

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 H.7.

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 H.7.

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 H.7.

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 H.Z.

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 H.Z.

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 H.Z.

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 H.Z.

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 H.Z.

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 H.Z.

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 H.Z.

#### **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.

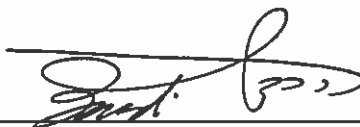
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**Part IX – Certification**

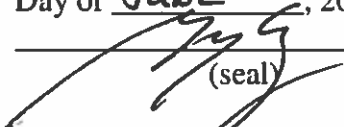
Hertzel Zandi (name of representative of company submitting application) deposes and says that he or she is the President (title) of ACE Global Trading Ltd, the corporation (company name) named in the attached application; that he or she has read the foregoing application and knows the contents thereof; 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 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 30<sup>th</sup>  
Day of JUNE, 20 16

  
\_\_\_\_\_  
(seal)

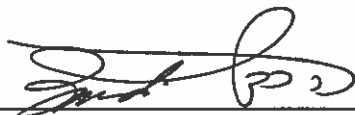
GREGORY W. CARMAN, JR.  
Notary Public, State of New York  
No. 02CA5000524  
Qualified in Nassau County  
Commission Expires Aug. 17, 2018

**Part IX – Certification**

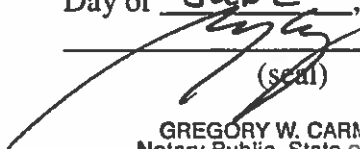
Hertzel Zandi (name of representative of company submitting application) deposes and says that he or she is the President (title) of HRDZ Group, Inc. the corporation (company name) named in the attached application; that he or she has read the foregoing application and knows the contents thereof; and 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 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 30<sup>th</sup>  
Day of JUNE, 20 16

  
\_\_\_\_\_  
(seal)  
GREGORY W. CARMAN, JR.  
Notary Public, State of New York  
No. 02CA5000524  
Qualified in Nassau County  
Commission Expires Aug. 17, 2018

## 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.

**Payments in Lieu of Taxes on the Land and the Buildings:**

For the period commencing on the PILOT Commencement Date (hereinafter defined) until the Abatement Termination Date or (ii) the date on which the Agency no longer owns the Facility Realty, the Lessee shall make payment in lieu of real estate taxes (the "PILOT Payments"), as follows:

**Definitions**

- X = the then current assessed value of Facility Realty from time to time
- PILOT Commencement Date = the Taxable Status Date of the Town immediately following the date hereof.
- Normal Tax Due = those payments for taxes and assessments, other than special ad valorem levies, special assessments and service charges against real property located in the Town of Babylon (including any existing incorporated village or any village which may be or may have been incorporated after the date hereof, within which the Project is wholly or partially located) which are or may be imposed for special improvements or special district improvements, which the Lessee would pay without exemption.
- Tax Year = the Tax Year of the Town commencing each December 1 and ending the following November 30.

**Payment**

**Tax Year**

1	40.0% Normal Tax Due on X
2	45.0% Normal Tax Due on X
3	50.0% Normal Tax Due on X
4	55.0% Normal Tax Due on X
5	60.0% Normal Tax Due on X
6	65.0% Normal Tax Due on X
7	70.0% Normal Tax Due on X
8	75.0% Normal Tax Due on X
9	80.0% Normal Tax Due on X
10	85.0% Normal Tax Due on X
11	90.0% Normal Tax Due on X
12	95.0% Normal Tax Due on X
13 and thereafter	100% Normal Tax Due on X

The tax benefits provided for in this subsection (d) shall be deemed to commence on the PILOT Commencement Date. In no event shall the Lessee be entitled to receive real property tax benefits due to the Project under this agreement for a period longer than the period set forth in the formula immediately above. Notwithstanding the foregoing schedule, the Lessee further covenants and agrees that for any period that the Agency continues to hold title to the Facility after termination, the Lessee shall pay 100% of the Normal Tax Due on X together with any special assessment and services charges relating to the Facility whichever may be imposed for special district improvements in accordance with the provisions of this Section.

**SCHEDULE A**

**Agency's Fee Schedule**

Ace Global Trading Ltd.  
 595 Broad Hollow Rd  
 Farmingdale, NY 11735  
 0100 070.00 01.00 047.000

Initial Meeting

5/6/2016

Application Fee \$ 1,500

Estimated Public Hearing Publication Fee \$ 800

**Straight lease**

1.25% of Hard costs + 1% of Est savings

Acquisition	8,000,000	1.25%	\$ 100,000
Renovation	500,000	1.25%	\$ 6,250
Estimated Savings		1%	6,320

Estimated Fee **\$ 112,570**

-19% \$ (21,710)

**\$ 90,860**

\$ 90,860

Est PILOT		12@60	589,000
Est Mtg Rec		0 1.05	-
Est Sales Tax	100%	500,000 0.08625	43,125
Estimated Savings			632,125
1% of Estimated Savings			6320

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\$ 93,160



**SCHEDULE B**

**Agency's [Construction Wage] Policy**

No policy exists at time of application.

**SCHEDULE C**

**Agency's [Recapture] Policy**

**Recapture of Agency Benefits.** It is understood and agreed by the parties to this Agreement that the Agency is entering into this Agreement in order to provide financial assistance to the Lessee for the Project and to accomplish the public purposes of the Act. In consideration therefor, the Lessee hereby agrees as follows:

(a)(i) If there shall occur a Recapture Event after the date hereof, the Lessee or the Sublessee shall pay to the Agency as a return of public benefits conferred by the Agency, the following amounts:

(A) one hundred per cent (100%) of the Benefits (as defined below) if the Recapture Event occurs within the first (4) years after the date hereof;

(B) eighty per cent (80%) of the Benefits if the Recapture Event occurs during the fifth (5th) year after the date hereof;

(C) sixty per cent (60%) of the Benefits if the Recapture Event occurs during the sixth (6th) year after the date hereof;

(D) forty per cent (40%) of the Benefits if the Recapture Event occurs during the seventh (7th) year after the date hereof; or

(E) twenty per cent (20%) of the Benefits if the Recapture Event occurs during the eighth (8th) year after the date hereof.

As used in this Section, the term “**Benefits**” shall mean, collectively:

(1) all real estate tax benefits which have accrued to the benefit of the Lessee or the Sublessee commencing from and after the “**Commencement Date**”, and during the period of time that the Agency is the owner of the Facility, such tax benefits to be computed by subtracting the payments in lieu of taxes paid hereof from those payments which the Lessee or the Sublessee would have been required to pay during the term of this Agreement had the Town determined the amount of such real estate taxes as would be due if the Lessee had been the owner of the Facility Realty during such term; and

(2) all miscellaneous benefits derived from the Agency’s participation in the straight-lease transaction contemplated by this Agreement, including, but not limited to, any exemption from any applicable state or local sales and use tax, mortgage recording tax and filing and recording fees accruing from and after the date hereof.

As used in this Section, the term “**Recapture Event**” shall mean any of the following events:

(1) The Lessee or the Sublessee shall have liquidated its operations and/or assets (absent a showing of extreme hardship);

(2) The Lessee or the Sublessee shall have ceased all or substantially all of its operations at the Facility (whether by relocation to another facility or otherwise, or whether to another facility either within or outside of the Town) through no force majeure event;

(3) The Lessee or the Sublessee shall have transferred all or substantially all of its employees within the Town to a location outside of the Town through no force majeure event;

(4) The Lessee or the Sublessee shall have subleased all or any portion of the Facility in violation of the limitations imposed hereof, without the prior written consent of the Agency;

(5) The Lessee or the Sublessee shall have sold, leased, transferred or otherwise disposed of all or substantially all of its interest in the Facility; or

(6) Base Employment Reduction Percentage shall be greater than fifteen percent (15%) due to a Relocation Reduction occurring with respect to an Annual Period.

Notwithstanding the foregoing, a Recapture Event shall not be deemed to have occurred if the Recapture Event shall have arisen as a direct, immediate result of (i) a taking or condemnation by governmental authority of all or substantially all of the Facility, or (ii) the inability at law of the Lessee to rebuild, repair, restore or replace the Facility after the occurrence of a Loss Event to substantially its condition prior to such Loss Event, which inability shall have arisen in good faith through no fault on the part of the Lessee or any Affiliate.

(b) The Lessee covenants and agrees to furnish the Agency with written notification upon any Recapture Event or disposition of the Facility or any portion thereof made within twelve (12) years of the Commencement Date, which notification shall set forth the terms of such Recapture Event and/or disposition.

(c) In the event any payment owing by the Lessee or the Sublessee under this Section 8.5 shall not be paid on demand by the Lessee or the Sublessee, such payment shall bear interest from the date of such demand at the then current interest rate imposed on delinquent payments of real property taxes until the Lessee or the Sublessee shall have paid such payment in full, together with such accrued interest to the date of payment, to the Agency.

(d) The Agency, in its sole discretion, may waive all or any portion of any payment owing by the Lessee or the Sublessee under this Section.

(e) The provisions of this Section shall survive the termination of this Agreement for any reason whatsoever, notwithstanding any provision of this Agreement to the contrary.