

Babylon Industrial Development Agency

ROBERT STRICOFF
CHIEF EXECUTIVE OFFICER

Applicant Contact And Basic Information	
Name:	SHJ REALTY LLC
Address:	103 Ames Court Plainview NY 11803
Phone Number(s):	[REDACTED]
Fax Number(s)	[REDACTED]
E-mail Address:	[REDACTED]
Website Address:	WWW.GALWEIN.COM
Applicant EIN Number:	[REDACTED]

Application Date:

1. Financial Assistance Requested (check applicable option(s)):

☒ Bond Financing

☐ Straight Lease

2. Officer of Applicant serving as contact person:

[REDACTED]	Firm:
	[REDACTED]
	[REDACTED]
	[REDACTED]

47 WEST MAIN STREET, SUITE 3, BABYLON, NY 11702- TEL: (631) 587-3679 FAX: (631) 587-3675

WEBSITE: WWW.BABYLONIDA.ORG

E-MAIL: INFO@BABYLONIDA.ORG

3. Atto.ey of Applicant:

Name: STUART BALL	Firm: WESTERMAN BALL EDERER MILLER
Phone#: 516-622-9200 EXT. 408	Fax#:
E-mail Address: WWW.SBALL@WESTMANLLP.COM	Address: 1201 RXR PLAZA, UNIONDALE NY 11556

4. CFO/Accountant of Applicant:

Name: DENNIS CARMEN	Firm: CARMEN& PEARL,CPA'S
Phone#: 516-496-7300	Fax#: 516-496-7350
E-mail Address: DCARMEN@CARMENPEARL.COM	Address: 100 CROSSWAY'S PARK WEST SUITE 214 WOODBURY NY 11797

5. Financial Advisor or Consultant (if applicable):

Name: N / A	Firm:
Phone#:	Fax#:
E-mail Address:	Address:

6. Applicant is (check one of the following, as applicable):

☐ General Partnership

☐ Limited Partnership

☐ C Corporation

☐ S Corporation

☒ Limited Liability Company

☐ Natural Person

☐ 501(c)(3) Organization

☐ Other (specify):

7. Are any securities of Applicant publicly traded?

☐ Yes

☒ No

8. Applicant's state of incorporation or formation: NY

9. Applicant's date of incorporation or formation: September 13, 2011

10. States in which Applicant is qualified to do business: NY

11. Please provide a brief description of Applicant and nature of its business:

Gallant & Wein LI Corp. is a stocking distributor of electrical wire and cable including datacom division that stocks and sell hard wiring products for Local Area Networks.

Our customers are primarily electrical contractors as well as Data and Telecom Installers. We maintain a inside and outside sales staff to handle customer requirements. We also make deliveries directly to customer job sites, in our own trucks.

Please note: An "Affiliate" means any individual, corporation, partnership, joint venture, sole proprietorship, limited liability company, trust or other entity that controls, is controlled by or is under common control with the Applicant.

12. Please check all that apply:

- ☒ Applicant or an Affiliate is the fee simple owner of the Project realty.
- ☐ Applicant or an Affiliate is not currently, but expects to be the fee simple owner of the Project realty.
- ☐ Applicant or an Affiliate is not the owner of the Project realty, but is the occupant of a material portion thereof for the conduct of its business pursuant to a lease or other occupancy agreement.
- ☐ Applicant or an Affiliate is not the owner of the Project realty, but expects, immediately following the closing, to be the occupant of a material portion thereof for the conduct of its business pursuant to a lease or other occupancy agreement.
- ☐ None of the above categories fully describe Applicant and its relation to the Project realty, which may be more accurately described as follows (please provide copies of supporting documentation, as applicable):

13. If a special-purpose entity ("SPE") that is owned and controlled by the Applicant will own or otherwise control the Project realty, the SPE will be a (check one of the following as applicable):

- | | | |
|--|---|--|
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Partnership | <input type="checkbox"/> C Corporation |
| <input type="checkbox"/> S Corporation | <input checked="" type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Not-for-profit 501(c)(3) Entity |
| <input type="checkbox"/> Natural Person | <input type="checkbox"/> Other (specify): | |

Name of SPE: SHJ LLC

Address: 103 Ames Court Plainview NY 11803

Phone Number(s): 718-784-5210

Contact Person: HAROLD ROSENBERG

Affiliation of SPE to Applicant:

Owners of SPE and each respective ownership share:

STUART GRUMAN 1/3 OWNERSHIP, HAROLD ROSENBERG 1/3 OWNERSHIP & JEREMY GRUMAN 1/3 OWNERSHIP

SPE EIN Number:



Please note: If information required above for the SPE is unknown at time of Application submission, then please submit any missing information to the Babylon IDA as soon as it becomes available.

14. Give the following information with respect to all proposed tenants and sub-tenants at the proposed project site. Provide information on an additional sheet if space is needed.

Company Name	Phone	Affiliation with Applicant	SA & Hours (Percent of Occupancy)	Lease Expiration	Tenant Business
GALLANT & WEIN LI CORP	516-605-0808		13,000 SQ FT (52%)		DISTRIBUTOR OF ELECTRICAL WIRES
ALL ISLAND IRRIGATION	631-549-5553		12,000SQ FT (48%)		IRRIGATION SYS

Project Description and Financial Information

Project Site

District:	0100
Section:	61
Block(s):	01.00
Lot(s):	31
Street address and zip code:	200 CENTRAL AVE FARMINGDALE NY 11735
Zoning	
Area (acreage):	1.3 ACRES
Square footage of existing building(s):	25,051
Number of floors:	1
Intended use(s) (e.g., office, retail, etc.):	OFFICE AND WAREHOUSE

1. Please provide the following Project information:

a. Please provide a brief description of the proposed Project:

occupy building as is.

b. Indicate the estimated date for commencement of the Project: 01/2012

c. Indicate the estimated date for the completion of the Project: 01/2012

d. Will the Project require any special permits, variances or zoning approval?

☐ Yes ☒ No

If Yes, please explain:

e. Is any governmental entity intended or proposed to be an occupant at the Project site?

☐ Yes ☒ No

If Yes, please explain:

2. Please complete the following summary of Project sources and uses:

PROJECT COSTS		PROJECT FUNDING	
Land acquisition		Bonds	800,000.00
Building acquisition & Land	2,200,000.00	Loans	1,100,000.00
New construction		Affiliate/employee loans	
Renovations	25,000.00	Company funds	445,000.00
Fixed tenant improvements	00.00	Other (explain)	
Machine and/or equipment	00.00		
Soft costs	100,000.00		
Furnishings	20,000.00		
Other (explain)			
Total Project Costs	2,345,000.00	Total Project Funding Sources	2,345,000.00

Background Information on Applicant and Applicant's Affiliates

Please note: "Principal" means the following with respect to the Applicant and/or the SPE: all persons (entities or individuals) that control the Applicant and/or the SPE, and/or own more than 10 percent of either; all executive officers; all directors; and all members and general partners for, respectively, limited liability companies and partnerships.

Please answer the following questions and, if necessary, include additional information as an attachment:

1. Has Applicant, or any Affiliate or Principal, ever received, or is any such person or entity currently receiving, financial assistance or any other kind of discretionary benefit from any local, state or federal governmental entity or agency, or any public authority or public benefit corporation, or any local development corporation?

☐ Yes

☒ No

If Yes, please provide details on an attached sheet.

Please note: local, state and federal governmental entities or agencies, public authorities or public benefit corporations, and local development corporations, shall be referred to as "Public Entit(y)(ies)."

2. Has Applicant, or any Affiliate or Principal, or any existing or proposed occupant at the Project site, obtained, or is any such person or entity in the process of obtaining, or contemplating obtaining, other assistance from the Babylon IDA?

☐ Yes

☒ No

If Yes, please provide details on an attached sheet.

3. Has Applicant, or any Affiliate or Principal, ever defaulted on a loan or other obligation to a Public Entity?

☐ Yes

☒ No

If Yes, please provide details on an attached sheet.

4. Has real property in which Applicant, or Affiliate or Principal, holds or has ever held an ownership interest and/or controlling interest of 25 percent or more, now or ever been (i) the subject of foreclosure (including a deed in lieu of foreclosure), or (ii) in arrears with respect to any type of tax, assessment or other imposition?

☐ Yes

☒ No

If Yes, please provide details on an attached sheet.

5. Does Applicant, or any Affiliate or Principal, have any contingent liabilities not already covered above (e.g., judgment liens, lis pendens, other liens, etc.)? Please include mortgage loans and other loans taken in the ordinary course of business only if in default.

☐ Yes

☒ No

If Yes, please provide details on an attached sheet.

6. List major customers:

Company Name	Address	Contact	Phone
ADCO ELECTRICAL CORP	201 EDWARD CURRY AVE		718-494-4400
	STATEN ISLAND NY 10314		
FIVE STAR ELECTRIC	101-32 101ST STREET		718-641-5000
	OZONE PARK NY, 11416		
CAMELOT COMMUNICATIONS	2 WASHINGTON STREET		212-635-2770
	NEW YORK NY, 10004		

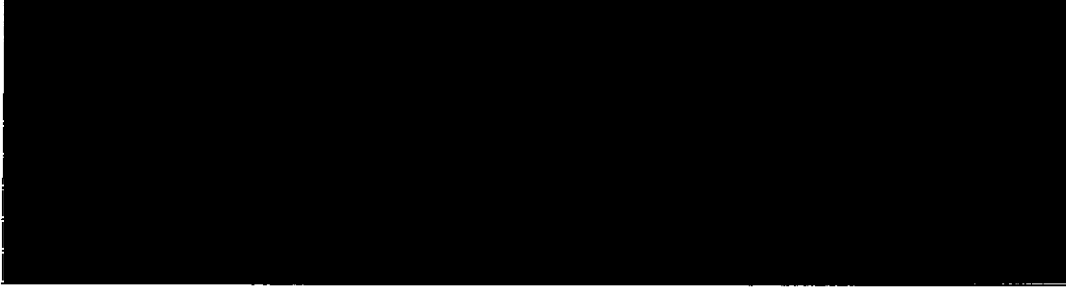
7. List major suppliers:

Company Name	Address	Contact	Phone
SOUTHWIRE COMPANY	75 REMITTANCE DRIVE		770-832-4242
	CHICAGO IL		
ENCORE WIRE CORP	P.O.BOX 841490		800-962-9473
	DALLAS TX 75284		
HUBBELL PREMISE W.	25404 NETWORK PLACE		860-535-5397
	CHICAGO IL 60673		

8. List unions (if applicable):

Company Name	Address	Contact	Phone
IBEW LOCAL 3	15811 HARRY VAN ARSDALE JR AVE		
SUPPLY DIVISION			

9. List banks/current accounts:

A large black rectangular redaction box covering the entire area for listing banks or current accounts.

10. List licensing authorities, if applicable:

Company Name	Address	Contact	Phone

Project Description and Financial Information

I, the undersigned officer/member/partner of Applicant, on behalf of Applicant, hereby request, represent, certify, understand, acknowledge and agree as follows:

I request that this Application, together with all materials and data submitted in support of this Application (collectively, these "Application Materials"), be submitted for review to the Babylon IDA Board, in order to obtain from the Babylon IDA Board an expression of intent to provide the financial assistance for the Project. I understand that this expression of intent will take the form of an inducement resolution to be adopted by the Board.

I represent that I have the authority to sign these Application Materials on behalf of, and to bind, Applicant.

I certify to the best of my knowledge and belief that all of the information provided in these Application Materials is accurate, true and correct. I understand that an intentional misstatement of fact, or, whether intentional or not, a material misstatement of fact, or the providing of materially misleading information, or the omission of a material fact, may cause the Babylon IDA Board to reject the request made in the Application Materials.

I understand the following: that Applicant and Principals will be subject to a background check and actual or proposed subtenants may be subject to a background check; that the Babylon IDA may be required under SEQRA to make a determination as to the Project's environmental impact and that in the event the Babylon IDA does determine that the Project will have an environmental impact, Applicant will be required to prepare, at its own expense, an environmental impact statement; that the decision of the Board to approve or to reject the request made in the Application Materials is a discretionary decision; that no Bonds may be issued (if Bonds are being requested) unless such Bonds are approved by the Supervisor of the Town; that under the New York State Freedom of Information Law ("FOIL"), the Babylon IDA may be required to disclose the Application Materials and the information contained therein; and that Applicant shall be entirely responsible and liable for the fees referred to in these Application Materials, including (in the case of Bonds) but not limited to payment of the New York State bond issuance fees (if applicable to the Bonds in question) based upon the aggregate principal amount of the Bonds.

I further understand and agree as follows:

That in the event the Application Materials are not submitted to the Babylon IDA Board for any reason including negative results obtained through the background check, and/or, with respect to Application Materials that are submitted to the Babylon IDA Board, in the event the Babylon IDA Board rejects same, then, under either of said circumstances, Applicant shall have no recourse against the Babylon IDA, or any directors, officers, employees or agents of the Babylon IDA, for the Application Fee, or for other expenses incurred by Applicant or other parties on behalf thereof, or for damages or specific performance; and that the Application Fee is under all circumstances (including but not limited to the ones just described and the ones described in the next succeeding paragraph) non-refundable; and

That if the Town of Babylon IDA Board adopts an inducement resolution with respect to the request made in the Application Materials, such adoption shall not be deemed a guaranty that the Town of Babylon IDA Board will adopt an authorizing resolution; or that the Babylon IDA will then provide the induced financial assistance; and

That Applicant shall indemnify the Babylon IDA for fees and disbursements incurred by bond counsel (in the case of a Bond transaction) or by project counsel (in the case of a straight-lease transaction); and that bond counsel or project counsel (as applicable) shall be a third-party beneficiary of this indemnity to the Babylon IDA regardless of whether financial assistance is granted and a bond closing or straight lease closing occurs and if no closing occurs, regardless of the reason thereafter and regardless of whether a closing was within or without the control of any of the Public Participants; and

That in the event Babylon IDA discloses the Application Materials in response to a request made pursuant to FOIL, Applicant hereby authorizes the Babylon IDA to make such disclosure and hereby releases the Babylon IDA from any claim or action that Applicant may have or might bring against the Babylon IDA, its directors, officers, agents, employees and attorneys, by reason of such disclosure; and that Applicant agrees to defend, indemnify and hold the Babylon IDA and its respective directors, officers, agents, employees and attorneys harmless (including without limitation for the cost of reasonable attorneys fees) against claims arising out of such disclosure as such claims may be made by any party including the Applicant, Affiliate, Owner or Principal, or by the officers, directors, employees and agents thereof.

I acknowledge and agree that the Babylon IDA reserves the right in its sole and absolute discretion to request additional information, waive any requirements set forth herein, and/or amend the form of this Application, to the full extent permitted by applicable law.

Requested, Represented, Certified, Acknowledged, Understood and Agreed by Applicant,

this 14th day of November 2001:

Name of Applicant:


By: Printed Name of Signer:

Title of Signer:

Signature:

SHJ LLC
Harold Rosenberg

Secy. + Pres.



Retail Questionnaire

1. Will any portion of the Project consist of facilities or property that are or will be primarily used in making retail sales of goods to customers who personally visit the Project?
☐ Yes ☒ No
2. If the answer to question 1 is "Yes," will the applicant or any other project occupant be a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the "retail sale of tangible personal property" (as defined in Section 1101 (b)(4)(i) of the Tax Law)?
☐ Yes ☐ No
3. Will any portion of the Project consist of facilities or property that are or will be primarily used in making retail sales of services to customers who personally visit the Project?
☐ Yes ☒ No
4. If the answer to question 1 or question 3 is "Yes," what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? percent
5. If the answer to question 1 or question 3 is "Yes," and the answer to question 4 is more than 33.33 percent, indicate whether any of the following apply to the Project:
 - a. Will a not-for-profit corporation operate the Project?
☐ Yes ☒ No
 - b. Is the Project likely to attract a significant number of visitors from outside the Town of Babylon?
☐ Yes ☐ No
 - c. Would the Applicant, but for the contemplated financial assistance from the Babylon IDA, locate the related jobs outside the State of New York?
☐ Yes ☒ No

- d. Is the predominant purpose of the Project to make available goods or services that would not, but for the Project, be reasonably accessible to Town of Babylon residents because of a lack of reasonably accessible retail trade facilities offering such goods or services?

☐ Yes

☐ No

- e. Will the Project be located in one of the following: (a) an area designated as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (b) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) that, according to the most recent census data, has (i) a poverty rate of at least 20 percent for the year to which the data relates, or at least 20 percent of its households receiving public assistance, and (ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates?

☐ Yes

☐ No

6. If the answers to any of subdivisions (c) through (e) of question 5 are "Yes," will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York?

If "Yes", please furnish details in a separate attachment.

7. If the answers to any of subdivisions (a) through (e) of question 5 are "Yes," please furnish details in a separate attachment.

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

Name of Applicant: SHJ LLC

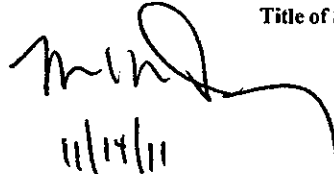
By: Printed Name of Signer:

Harold Rosenberg

Title of Signer:

Secy. & Treas.

Signature:



Date:

11/14/11

Anti-Pirating Questionnaire

1. Will the completion of the Project result in the removal of a plant or facility of the Applicant, or of a proposed occupant of the Project, from an area in New York State (but outside of the Town of Babylon) to an area within the Town of Babylon?

☐ Yes ☒ No

If "Yes," please provide the following information:

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

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

2. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Applicant, or of any proposed occupant of the Project, located in an area of New York State other than the Town of Babylon?

☐ Yes ☒ No

If "Yes," please provide the following information:

Addresses of the to-be-abandoned plant(s) or facility(ies):

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

3. Will the completion of the Project in any way cause the removal and/or abandonment of plants and facilities anywhere in New York State (but outside of the Town of Babylon)?

☐ Yes ☒ No

If "Yes," please provide all information relevant to such future removal and/or abandonment:

If the answer to either question 1, 2 or 3, is "Yes," please continue and answer questions 4 and 5.

4. Is the Project reasonably necessary to preserve the competitive position of this Applicant, or of any proposed occupants of the Project, in its industry?

☐ Yes ☐ No

5. Is the Project reasonably necessary to discourage the Applicant, or any proposed occupant of the Project, from removing such plant or facility to a location outside New York State?

☐ Yes ☐ No

If the answer to question 4 and/or question 5 is "Yes," please provide on a separate sheet of paper a detailed statement explaining same.

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

Name of Applicant: SHJ Realty LLC

By:

Printed Name of Signer:

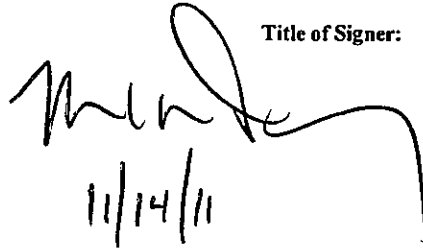
Harold Rosenberg

Title of Signer:

Secy. & Pres.

Signature:

Date:


11/14/11

Employment Questionnaire

The Town of Babylon Industrial Development Agency requires all Applicants to fill out this Employment Questionnaire. As used in this Questionnaire, "Company" means the Applicant; "Project Location" means the project location which Applicant has identified in its Application; and "Tenant" means any person or entity to whom or to which Applicant intends to lease part or all of the Project Location. If Applicant is a real estate holding company that is an affiliate of an operating company and Applicant intends to lease the Project Location to such operating company, then the Applicant and the operating company must fill out separate copies of this Questionnaire.

Applicant Name: SHJ REALTY LLC

Address: 103 AMES COURT PLAINVIEW NY, 11803

Phone Number(s): 718-784-5210

I.R.S. Employer ID Number: [REDACTED]

Department of Labor. Registration Number:

Project Location: 200 CENTRAL AVE FARMINGDALE NY 11735

1. How many employees does Applicant employ in the Town of Babylon at the time of Application submission?

	Number	Average Annual Salary (FT) Hourly Rate (PT)	On average Part-time Workers Hours per week
Full Time	_____	\$ _____	_____
Part Time	_____	\$ _____	_____

2. How many employees referred to in question 1 reside in the Town of Babylon at the time of Application submission?

	Number	Average Annual Salary (FT) Hourly Rate (PT)	On average Part-time Workers Hours per week
Full Time	_____	\$ _____	_____
Part Time	_____	\$ _____	_____

3. How many employees does Applicant employ outside of the Town of Babylon but in New York State at the time of Application submission?

Number	o	Average Annual Salary (FT) Hourly Rate (PT)	On average Part-time Workers Hours per week
Full Time	_____	\$ _____	_____
Part Time	_____	\$ _____	_____

4. How many employees does the applicant employ at the project location (annual average) at the time of Application submission?

	Number	o	Average Annual Salary (FT) Hourly Rate (PT)	On average Part-time Workers Hours per week
Full Time	_____		\$ _____	_____
Part Time	_____		\$ _____	_____

5. Projected employment at Project Location for the Applicant on December 31 of each of the five calendar years following the completion of the Project.

<i>Year</i>	<i>Number of Full-time Employees</i>	<i>Average Annual Full-time Salary</i>	<i>Number of Part-time Employees</i>	<i>Average Hourly Rate Part-time</i>	<i>Average Hours per week Part-time</i>	<i>Average Annual Part-time Salary</i>	<i>Total Estimated Annual Payroll</i>
1	1	\$75,000.					\$75,000.
2	1	\$75,000.					\$75,000.
3	2	\$150,000.					\$150,000.
4	2	\$150,000.					\$150,000.
5	2	\$150,000.					\$150,000.

6. Describe the occupational composition of the workforce at the Project Location. Please describe pay levels and number of employees at each pay level.

Employment Questionnaire

The Town of Babylon Industrial Development Agency requires all Applicants to fill out this Employment Questionnaire. As used in this Questionnaire, "Company" means the Applicant; "Project Location" means the project location which Applicant has identified in its Application; and "Tenant" means any person or entity to whom or to which Applicant intends to lease part or all of the Project Location. If Applicant is a real estate holding company that is an affiliate of an operating company and Applicant intends to lease the Project Location to such operating company, then the Applicant and the operating company must fill out separate copies of this Questionnaire.

Applicant Name: GALLANT & WEIN LI CORPORATION (WILL BE LEASING FROM SHJ REALTY LLC, BELOW ARE THE)
(INFORMATION FOR GALLANT & WEIN LI CORP EMPLOYEES)

Address: 103 AMES COURT PLAINVIEW NY, 11803

Phone Number(s): 516-605-0808

I.R.S. Employer ID Number: 27-1166188

Department of Labor. Registration Number:

Project Location: 200 CENTRAL AVE FARMINGDALE NY 11735

1. How many employees does Applicant employ in the Town of Babylon at the time of Application submission?

	Number	Average Annual Salary (FT) Hourly Rate (PT)	On average Part-time Workers Hours per week
Full Time	_____	\$ _____	
Part Time	_____	\$ _____	_____

2. How many employees referred to in question 1 reside in the Town of Babylon at the time of Application submission?

	Number	Average Annual Salary (FT) Hourly Rate (PT)	On average Part-time Workers Hours per week
Full Time	_____	\$ _____	
Part Time	_____	\$ _____	_____

3. How many employees does Applicant employ outside of the Town of Babylon but in New York State at the time of Application submission?

Number	4	Average Annual Salary (FT)	On average Part-time Workers
		Hourly Rate (PT)	Hours per week
Full Time	4	\$ 60,000.00	
Part Time		\$	

4. How many employees does the applicant employ at the project location (annual average) at the time of Application submission?

	Number	0	Average Annual Salary (FT)	On average Part-time Workers
			Hourly Rate (PT)	Hours per week
Full Time			\$	
Part Time			\$	

5. Projected employment at Project Location for the Applicant on December 31 of each of the five calendar years following the completion of the Project.

Year	Number of Full-time Employees	Average Annual Full-time Salary	Number of Part-time Employees	Average Hourly Rate Part-time	Average Hours per week Part-time	Average Annual Part-time Salary	Total Estimated Annual Payroll
1	4	\$60,000.00					\$240,000.
2	6	\$60,000.00					\$360,000.
3	8	\$60,000.00					\$480,000.
4	10	\$60,000.00					\$600,000.
5	11	\$60,000.00					\$660,000.

6. Describe the occupational composition of the workforce at the Project Location. Please describe pay levels and number of employees at each pay level.

Outside Sales 2 \$75,000.00
 Inside Sales 1 \$60,000.00
 Driver 1 \$25,000.00

7. Please provide documentary evidence (Form Year end W-2, Form EEO-1 or external or internal payroll statements(last quarter or year end statements) supporting the answer provided in question numbers 1, 3 and 4.
8. Does Applicant intend to employ new employees at the Project Location, and/or will Applicant transfer current employees from premises currently being used? Please provide details. Employees will be transfer from current premises, but base on current projection we will be adding new employees in the near future.

I authorize any private or governmental entity, including but not limited to the New York State Department of Labor ("DOL"), to release to the Babylon IDA and to its successors and assigns, any and all employment information under DOL's control that is pertinent to the Company and the Company's employees. This authorization shall remain in effect throughout the term of this Lease.

Name of Applicant:

SHJ Realty LLC.

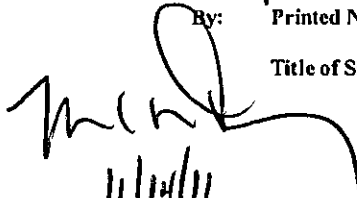
By:

Printed Name of Signer:

Harold Rosenberg
Secy. + Pres.

Title of Signer:

Signature:



Date:

11/14/11

Attach to this Questionnaire your most recent four quarters of the NYS-45 "Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return." Attach additional pages if necessary.

Labor Questionnaire

The Applicant and its Affiliates hereinafter will be referred to as the "Companies" or individually as a "Company." If any of the following questions applies to none of these Companies, answer "NONE"; but, for any question that does apply, be sure to specify to which of the Companies the answer is relevant. When the space provided for an answer is insufficient, provide the answer on a separate sheet of paper and attach that paper to this Questionnaire.

1. List all of the labor union contracts and collective bargaining arrangements to which any of the Companies is currently a party:

2. Have any of the Companies during the current calendar year and the five calendar years preceding the current calendar year experienced labor unrest situations, including pending or threatened labor strikes, hand billing, consumer boycotts, mass demonstrations or other similar incidents?
☐ Yes ☒ No If Yes, please explain:

3. Have any of the Companies received any federal and/or state unfair labor practices complaints asserted during the current calendar year and the three calendar years preceding the current calendar year?
☐ Yes ☒ No If Yes, please describe and explain current status of complaints:

4. Do any of the Companies have pending or threatened requests for arbitration, grievance proceedings, labor disputes, strikes or disturbances during the current calendar year and the three calendar years preceding the current calendar year?
☐ Yes ☒ No If Yes, please explain:

5. Are all employees of the Companies permitted to work in the United States?

☒ Yes

☐ No

If No, please provide details on an attached sheet.

What steps do the Companies take as a matter of course to ascertain their employees' employment status?

Do the Companies complete and retain all required documentation related to this inquiry, such as Employment Eligibility Verification (I-9) forms?

☒ Yes

☐ No

If No, please explain:

6. Has the United States Department of Labor, the New York State Department of Labor or any other local, state or federal department, agency or commission having regulatory or oversight responsibility with respect to workers and/or their working conditions and/or their wages, inspected the premises of any Company or audited the payroll records of any Company during the current calendar year or during the three calendar years preceding the current one?

☐ Yes

☒ No

If the answer to this question is "Yes," briefly describe the nature of the inspection, the inspecting governmental entity and when the inspection occurred. Briefly describe the outcome of the inspection, including any reports that may have been issued and any fines or remedial or other requirements imposed upon the Company or Companies as a consequence:

7. Has any Company incurred, or potentially incurred, any liability (including withdrawal liability) with respect to an employee benefit plan, including a pension plan?

☐ Yes

☒ No

If the answer to this question is "Yes," quantify the liability and briefly describe its nature and refer to any governmental entities that have had regulatory contact with the Company in connection with the liability:

8. Are the practices of any Company now, or have they been at any time during the three calendar years preceding the current calendar year, the subject of any complaints, claims, proceedings or litigation arising from alleged discrimination in the hiring, firing, promoting, compensating or general treatment of employees?

☐ Yes

☒ No

If the answer to this is "Yes," provide details. When answering this question, please consider "discrimination" to include sexual harassment.

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

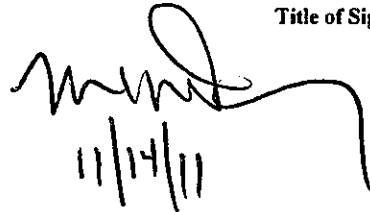
Name of Applicant: SHJ Realty LLC.

By: Printed Name of Signer:

Harold Rosenberg
Secy + Pres.

Title of Signer:

Signature:


11/14/11

Date:

CERTIFICATION

STUART GRUMANN (Name of Chief Executive Officer of company
submitting application) deposes and says that he is the PRESIDENT (title) of
SHJ REALTY LLC (Company Name), the corporation named
in the attached application: that he has read the foregoing application and knows the contents thereof; that
the same is true to his knowledge.

Deponent further says that the reason this verification is being made by deponent and not by
SHJ REALTY LLC (Company Name) is because the said Company is a corporation.
The grounds of deponent's belief relative to all matters in the said application which are not stated upon his
own personal knowledge, are investigations which deponent has caused to be made concerning the subject
matter of this application as well as information acquired by deponent in the course of his duties as an
officer of and from the books and papers of said corporation.

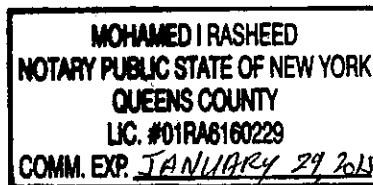
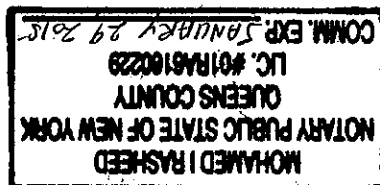
As an officer of said corporation (hereinafter referred to as the "applicant"). Deponent acknowledges and
agrees that applicant shall be and is responsible for all costs incurred by the Town of Babylon Industrial
Development Agency (hereinafter referred to as the "Agency") acting on behalf of the applicant in
connection with this application and all matters relating to the lease back transaction. 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, then upon presentation of invoice, applicant shall pay to the
Agency, its agents or assigns, all actual cost incurred with respect to the application, up to that date and
time, including fees of project counsel and general counsel for the Agency. The applicant shall pay to the
Agency an administrative fee set by the Agency not to exceed an amount equal to 1% of the total project
cost, which amount is payable at closing.


Chief Executive Officer of Company

Sworn to before me this 14

day of NOVEMBER, 2011

Mohamed I. Rasheed
(Seal)



In the matter of the Application of:
SHJ REALTY LLC

P.O. Address
200 CENTRAL AVE
FARMINGDALE NY 11735

FULL DISCLOSURE
AFFIDAVIT

to the TOWN OF BABYLON
INDUSTRIAL DEVELOPMENT AGENCY

STATE OF NEW YORK

} ss. :

COUNTY OF SUFFOLK

STUART GRUMAN

being duly sworn, deposes and says

1. This affidavit is made by your deponent and intended to be filed with the above board of the Town of Babylon to fulfill requirements of Article XXIII of the Building Zone Ordinance of the Town of Babylon with respect to the above-entitled Application made or intended to be made affecting property located and described as follows:

200 CENTRAL AVE, FARMINGDALE NY 11735

2. The name and address of the Applicant are as follows :

SHJ REALTY LLC

103 AMES COURT

PLAINVIEW NY 11803

3. The name and address of the person who has made and signed this Application are as follows:

STUART GRUMAN

216 CEDAR AVE

HEWLETT NY 11557

4. The names and addresses of all persons having any interest whatsoever in the property described in this Application direct or indirect, vested or contingent, regardless of whatever such person has an interest as a contract vendor, contract vendee, lessor, sub-leasor, contract lessor, lessee, sub-lessee, contract lessee, holder of any beneficial interest, contract holder of any beneficial interest, mortgagor, mortgagee, holder of any encumbrance of lien, contract holder of any encumbrance or lien, guarantor, assignee, agent or broker, or otherwise, and regardless of whether the interest arises as the result of advancing or lending funds in connection with the acquisition or development of the property and regardless of whether the interest may arise or be affected by the decision to be made by this Board, are as follows :

STUART GRUMAN 216 CEDAR AVE HEWLETT NY

HAROLD ROSENBERG 3 EVANS DR BROOKVILLE NY

TEREMY GRUMAN 216 CEDAR AVE HEWLETT NY

FLUSHING BANK 42-11 BELL BLVD NY 11361

NYBDC 534 BROADHOLLOW RD MELVILLE NY

5. The names and addresses of all persons who will receive any benefit as a result of their work, effort or services in connection with this Application are as follows :

6. The names and addresses of all persons hereinabove set forth under paragraph number 4 or paragraph number 5 of this affidavit who also have any interest such as described in paragraph number 4 or in paragraph number 5 of this Affidavit, in any property within one mile of the property described in this Application, are as follows :

7. The names and addresses of all persons hereinabove set forth under paragraph number 4 or paragraph number 5 of this Affidavit who are officers or employees of the Town of Babylon, are as follows :

N/A

8. In detail, the nature and extent of the Interest in the property described in this Application, of all officers or employees of the Town of Babylon set forth under paragraph number 7 of this Affidavit, are as follows :

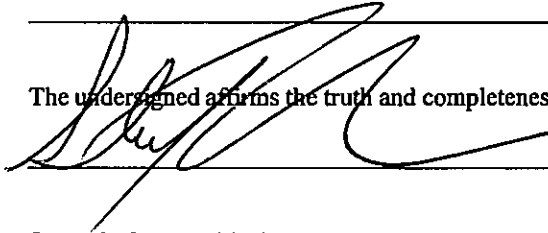
N/A

9. The names and addresses of all persons hereinabove set forth under paragraph 4 or paragraph 5 of this Affidavit, who are related to any officer or employee of the Town of Babylon are as follows :

10. In detail, the nature of the relationship between all persons set forth in paragraph number 9 of this Affidavit and any officers or employees of the Town of Babylon, are as follows :

11. In detail, the nature and extent of the interest in the property described in the Application of all persons set forth under paragraph number 9 of this Affidavit, are as follows :

The undersigned affirms the truth and completeness of the foregoing under penalty of perjury:



Sworn before me this day

14 day of NOVEMBER 20 11

Project I.D. Number _____

Short Environmental Assessment Form

Part 1 – Project Information (To be completed by Applicant or Project Sponsor)

1. Applicant/Sponsor: SHJ REALTY LLC

2. Project Name: GALLANT & WEIN LI CORPORATION

3. Project Location: 200 CENTRAL AVE FARMINGDALE NY 11735 SCTM# _____

4. Precise Location- Municipality / County:
SUFFOLK COUNTY

(Street address and road intersections, prominent land marks, etc. or provide map)

5. Is Proposed Action New Expansion Modification / Alteration

6. Describe Project Briefly:
SHJ REALTY LLC IS PURCHASING PROPERTY AS IS, AND WILL BE USING IT AS A
WHAREHOUSE / OFFICE

7. Amount of Land Affected (initially) 1.3 acres (ultimately) 1.3 acres

8. What proposed action complies with existing zoning or other existing land use restrictions?

9. What is present land use in vicinity of project?

- ☐ Residential
- ☐ Industrial
- ☒ Commercial
- ☐ Agriculture
- ☐ Park / Forrest/ Open Space
- ☐ Other

Describe: _____

10. Does action involve a permit approval, or funding, now or ultimately from any other governmental agency: ☐ yes ☐ no _____ (Federal, State or Local)?

11. Does any aspect of the action have a currently valid permit or approval?

☐ yes

☒ no

If yes, list agency name and permit / approval _____

12. As a result of proposed action will existing permit / approval require modification?

☐ yes

☒ no

I certify that the information provided above is true to the best of my knowledge:

Applicant / Sponsor: Name SHJ REALTY LLC Date 11/14/11

Signature 

Prepared by Project Sponsor

Notice: This document is assigned to assist in determining whether the action proposed may have a significant effect on the environment. Please complete the entire form, Parts A through E. Answers to these questions will be considered as part of the application for approval and may be subject to further verification and public review. Provide any additional information you believe will be needed to complete Parts 2 and 3.

It is expected that completion of the full EAF will be dependent on information requiring such additional work is unavailable, so indicate and specify each instance.

Name of action: _____

Location of Action, (include Street address, Municipality, County)

Location of Applicant / Sponsor:
Business Telephone:
Address
City/ PO:
State:
Zip Code:

Name of Owner, (if different):
Business Telephone:
Address:
City/PO:
State:
Zip Code:

Please complete each question- Indicate N.A. if not applicable

A. Site Description:

Physical setting of overall project, both developed and undeveloped areas:

1. Present land use:

- ☐ Urban
- ☐ Industrial
- ☒ Commercial
- ☐ Resident (suburban)
- ☐ Rural (non-farm)
- ☐ Forrest
- ☐ Agriculture
- ☐ Other

2. Total acreage of project area: 1.3 acres.

Approximate Acreage	Presently	After Completion
Meadow or Brush land (Non Agricultural)	<input type="checkbox"/> acres	<input type="checkbox"/> acres
Forested	<input type="checkbox"/> acres	<input type="checkbox"/> acres
Agricultural (includes orchards, croplands, pasture, etc.)	<input type="checkbox"/> acres	<input type="checkbox"/> acres
Wetland (freshwater or tidal as per articles 24,25 of ECL)	<input type="checkbox"/> acres	<input type="checkbox"/> acres
Water Surface Area	<input type="checkbox"/> acres	<input type="checkbox"/> acres
Unvegetate, (rock, earth or fill)	<input type="checkbox"/> acres	<input type="checkbox"/> acres
Roads, Buildings, Other Paved Surfaces	<input type="checkbox"/> acres	<input type="checkbox"/> acres
Other (indicate type)	<input type="checkbox"/> acres	<input type="checkbox"/> acres

3. What is the predominant soil type (s) on project site?

- a. Soil Drainage: ☐ well drained ☐ % of site
☐ moderately well drained ☐ % of site
☐ poorly drained ☐ % of site

- b. If any agricultural land is involved, how many acres of soil are classified within soil group

- c. 1 through 4 of the NYS Classification System? ☐ acres. (See NYCRR 370).

4. Are there bedrock outcroppings on project site? ☐ yes ☐ no

- a. What is the depth to bedrock? ☐ (in feet)

5. Approximate percentage of proposed project site with slopes:

- ☐ 0-10%
- ☐ 10-15%
- ☐ 15% or greater

6. Is project substantially contiguous to, or contain a building, site or district, listed on the State or National Registers of Historic Places: ☐ yes ☒ no

7. Is project substantially contiguous to a site listed on the Register of National Natural Landmarks: ___ yes X no
8. What is the depth of the Water Table? ___ (in feet)
9. Is the site located over a primary, principal or sole source aquifer? ___ yes X no
10. Does hunting, fishing or shell fishing opportunities presently exist in the project area?
___ yes X no
11. Does project site contain any species of plant or animal life that is identified as threatened or endangered? ___ yes X no
According to _____
Identify each species _____
12. Are there any unique or unusual land forms on the project site? (i.e. cliffs, dunes, other geological formations) ___ yes X no
Describe _____

13. Is the project site presently used by the community or neighborhood as an open space or recreation area? ___ yes X no
If yes explain _____
14. Does present site include scenic views known to be important to the community?
___ yes X no
15. Are there streams within or contiguous to project area? ___ yes X no
a. Name of stream and name of river to which it is tributary: _____

16. Lakes ponds, wetland areas within or contiguous to project area:
a. b. size _____
17. Is the site served by existing public utilities: X yes ___ no
a. If yes, does sufficient capacity exist to allow connection? X yes ___ no
b. B. If yes, will improvements be necessary to allow connection? X yes ___ no

18. Is the site located in an agricultural district certified pursuant to Agriculture and Markets Law, Article 25-AA Section 303 and 3047? ___ yes ___ no
19. Is the site located in or substantially contiguous to a Critical Environmental Area designated pursuant to article 8 of the ECL and 6 NYCRR 617? ___ yes ___ no
20. Has the site ever been used for disposal of solid or hazardous wastes? ___yes ~~/~~no

B. Project Description

1. Physical dimensions and scale of project, (fill in dimensions as appropriate)
 - a. Total contiguous acreage owned or controlled by project sponsors 1.3 acres.
 - b. Project acreage to be developed: ___ acres initially ___ acres ultimately.
 - c. Project acreage to remain undeveloped: ___ acres.
 - d. Length of project in miles: ___ (if appropriate).
 - e. If the project is an expansion, indicate percent of expansion proposed ___ %.
 - f. Number of off-street parking spaces ___ existing ___ proposed.
 - g. Maximum vehicular trips generated per hour ___ (upon completion of project)?
 - h. If residential: number and type of housing units:
One family ___ initially ___ ultimately
Two Family ___ initially ___ ultimately
Multiple Family ___ initially ___ ultimately
Condominium ___ initially ___ ultimately
 - i. Dimension, (in feet) of largest proposed structure
___ Height; ___ width; ___ length.
 - j. Linear feet frontage along a public thoroughfare project will occupy? ___ ft.
2. How much natural material, (i.e. rock, earth, etc.) will be removed from the site?
___ tons/cubic yards.
3. Will disturbed areas be reclaimed? ___yes ___ no ___ N/A
 - a. If yes, for what intended purpose is the site being reclaimed?

 - b. Will topsoil be stockpiled for reclamation? ___ yes ___ no
 - c. Will upper subsoil be stockpiled for reclamation? ___ yes ___ no

4. How many acres of vegetation, (trees, shrubs, ground covers) will be removed from site: ____ acres
5. Will any mature forest, (over 100 years old) or other locally important vegetation be removed by this project? ____ yes ____ no
6. If single phase project: Anticipated period of construction ____ months, (including demolition).
7. If Multi-phased:
- a. Total number of phases anticipated ____ (number)
 - b. Anticipated date of commencement phase 1: ____ month ____ year. (including demolition)
 - c. Approximate completion date of final phase: ____ month ____ year
 - d. Is phase 1 functionally dependent on subsequent phases? ____ yes ____ no
8. Will blasting occur during construction? ____ yes ____ no
9. Number of jobs generated:
- a. during construction ____
 - b. after project is complete ____
10. Number of jobs eliminated by this project ____
11. Will project require relocation of any projects or facilities? ____ yes ____ no
If yes explain _____
12. Is surface liquid waste disposal involved? ____ yes ____ no
a. If yes, indicate type of waste, (sewage, industrial, etc.) and amount _____

13. Is subsurface liquid waste disposal involved? ____ yes ____ no.
Explain: _____
14. Will surface area of existing water body increase or decrease by proposal?
____ yes ____ no Explain: _____

15. Is project or any portion of project located in a 100 year flood plain?
____ yes ____ no

16. Will the project generate solid waste? ___ yes ___ no
 a. If yes, what is the amount per month ___ tons)
 b. If yes, will an existing solid waste facility be used? ___ yes ___ no
 c. If yes , give name _____
 d. Will any wastes not go into a sewage disposal system or into a sanitary landfill? ___ yes ___ no
 e. If yes, explain _____
17. Will the project involve the disposal of solid waste? ___yes ___ no
 a. If yes, what is the anticipated rate of disposal? _____tons/month.
 b. If yes what is the anticipated site life? _____ years.
18. Will project use herbicides or pesticides ___ yes ___ no
19. Will project routinely produce odors, (more than one hour a day)?
 ___yes ___ no
20. Will project produce operating noise exceeding the local ambient noise levels?
 ___yes ___ no
21. Will project result in an increase in energy use?
 ___ yes ___ no
22. If water supply is from wells, indicate pumping capacity _____gals/min.
23. Total anticipated water usage per day _____gals/day.
24. Does project involve Local, State or Federal Funding? ___yes ___ no
 If yes, explain _____

25. Approvals required:	Type	Submittal Date
City, Town, Village Board	yes no	
City, Town, Village Plan Bd.	yes no	
City, Town, Zoning Board	yes no	
City, County, Health Dept.	yes no	
Other Local Agencies	yes no	
Other Regional Agencies	yes no	
State Agencies	yes no	
Federal Agencies	yes no	

C. Zoning and Planning Information

1. Does proposed action involve a planning or zoning decision ___ yes x no
If yes, indicate decision required:
___ zoning amendment ___ zoning variance ___ special use permit
___ subdivision ___ site plan ___ new revision of master plan
___ resource management plan ___ other
2. What is the zoning classification of the site? _____
3. What is the maximum potential development of the site if developed as permitted by the proposed zoning? _____
4. What is the proposed zoning of the site? _____
5. What is the maximum potential development of the site if developed as permitted by the proposed zoning? _____
6. Is the proposed action consistent with the recommended uses in adopted local land use plans? ___ yes ___ no
7. What are the predominant land use(s) and zoning classifications within a ¼ mile radius of proposed action? _____
8. Is the proposed action compatible with adjoining/surrounding land uses within a ¼ mile? ___yes ___ no
9. If the proposed action is the subdivision of land, how many lots are proposed?

10. Will proposed action require any authorization(s) or the formation of sewer or water districts? ___ yes ___ no
11. Will the proposed action create a demand for any community provided services (recreation, education, police, and fire protection)? ___ yes ___ no
If yes, is existing capacity sufficient to handle projected demand? ___ yes ___ no
12. Will the proposed action result in the generation of traffic significantly above present levels? ___ yes ___ no
If yes, is the existing road network adequate to handle the additional traffic?
___yes ___no

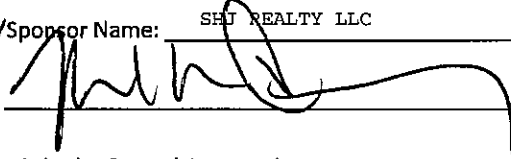
D. Informational Details

Attach any information as may be needed to clarify your project. If there are or may be any adverse impacts associated with your proposal, Please discuss such impacts and the measures which you propose to mitigate or avoid them.

E. Verification

I certify that the information provided above is true to the best of my knowledge.

Applicant/Sponsor Name: SHJ REALTY LLC

Signature:  Date: 11/14/1

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

Project Manager: _____

Signature: _____ Date: _____

SUMMARY OF TERMS AND CONDITIONS

Gallant & Wein Corporation
Linlor Real Estate LLC
Real Estate Entity to be formed

Revised and restated as of
October 19, 2011

(For Discussion Purposes Only)

BORROWER :

1. Gallant & Wein Corporation
2. Linlor Real Estate LLC
3. Real Estate Entity to be formed for Farmingdale property

LENDER:

Flushing Savings Bank, FSB (the "Bank")

GUARANTOR (S):

1. Gallant & Wein New Jersey Corp.; Gallant & Wein L.I. Corp; J&B Realty LLC, Linlor Real Estate LLC; Real Estate LLC to be formed (Corporate Guarantors)
2. Gallant & Wein Corporation, Gallant & Wein New Jersey Corp., Gallant & Wein L.I. Corp; J&B Realty LLC, Real Estate LLC to be formed (Corporate Guarantors)
3. Gallant & Wein Corporation, Gallant & Wein New Jersey Corp., Gallant & Wein L.I. Corp; J&B Realty LLC, Linlor Real Estate LLC (Corporate Guarantors)

Stuart Gruman and Harold Rosenberg (Personal Guarantors for all facilities)

CREDIT FACILITIES:

1. \$3,000,000 Business Line of Credit
2. \$1,900,000 Commercial Mortgage
3. \$1,980,000 Commercial Mortgage
 - \$1,100,000 1st Commercial Mortgage
 - \$880,000 SBA 504 Bridge Loan

\$6,880,000 - Total potential credit facilities

PURPOSE(S):

1. Replace existing \$3,000,000 credit facility with State Bank of Long Island. Line will be used to support accounts receivable collections and to purchase inventory.

Advances under the Credit Facility shall be subject to the Borrower's Compliance with a borrowing base formula defined as the lesser of (a) \$3,000,000; or (b) the sum of: (x) 75% of eligible accounts receivable , minus (y) such reserves as the Lender may establish in good faith (the "Borrowing Base").

Standards of accounts receivable eligibility will be established by the Lender in good faith upon the results of a pre-funding field examination.

2. Refinance commercial warehouse building at 31 National Road Edison, NJ 08817.
3. Purchase commercial building at 200 Central Ave. in Farmingdale, Long Island with a purchase price of \$2,200,000.

INTEREST RATE (S):

1. Floating rate at Prime Rate as published in the Wall Street Journal with a floor rate of 3.25%.
2. Rate shall be fixed at 200 basis points over the Ten (10) year FHLB rate with a floor of 4.75%; the rate shall be fixed up to two business days prior to closing.
3. Rate shall be fixed at 200 basis points over the Ten (10) year FHLB rate with a floor of 4.75%; the rate shall be fixed up to two business days prior to closing.

The SBA 504 Bridge loan will be priced at Prime plus 1% as published in the Wall Street Journal. The current indicative rate is 4.25% with a floor rate of 4.25%.

All calculations of interest and fees shall be made on the basis of actual number of days elapsed in a 360 day year.

COLLATERAL:

1. First priority lien/UCC-1 filing on all business assets of the borrower and corporate guarantors.
2. First mortgage lien on real property to be financed located at 31 National Road Edison, NJ 08817). Assignments of leases/rents as applicable.

Such liens on the real property shall also be subject to terms and conditions as the Bank may reasonably impose including, but not limited to a value ratio not to exceed 75% of the appraised value based on an appraisal (ordered by the Bank), an instrument survey, title insurance with all required endorsement and environmental indemnity (to be completed by Borrower and Guarantor), and a Permanent Certificate of Occupancy (CO) and environmental Phase I (to be ordered by the Bank) all of which shall be acceptable to the Bank and its counsel.

3. First mortgage lien on real property to be financed located at 200 Central Ave. in Farmingdale, NY. Assignments of leases/rents as applicable.

Such liens on the real property shall also be subject to such terms and conditions as the Bank may reasonably impose including, but not limited to a value ratio not to exceed 50% on the first mortgage and 90% on the combined first and Bridge loan, subject to satisfactory appraisals (to be ordered by the Bank), an instrument survey, title insurance with all required endorsement and environmental indemnity (to be completed by Borrower and Guarantor), and a Permanent Certificate of Occupancy (CO) and environmental Phase I (to be ordered by the Bank) all of which shall be acceptable to the Bank and its counsel.

FACILITY/ORIGINATION FEE(S):

1. None
2. Borrower agrees to pay an origination fee of one half of one percent (1/2%) of the first mortgage.
3. Borrower agrees to pay an origination fee of one half of one percent (1/2%) of the first mortgage amount and one half of one percent (1/2%) of the Bridge loan amount.

REPAYMENT/MATURITY:

1. One (1) year monthly interest only payments; renewable annually at the bank's discretion.
2. Ten (10) year term with equal monthly principal and interest payments based on a 20 year amortization schedule. Interest rate shall be fixed for a period of ten years.
3. Ten (10) year term with equal monthly principal and interest payments based upon 20 year amortization schedule. Interest rate fixed for a period of ten years. The SBA Bridge loan will be interest only up to 180 days.

All payments of principal and interest via automated debit of a designated Borrower's checking account with the lender.

PREPAYMENT PENALTIES:

1. None
2. Prepayment penalty of 5% in years 1 and 2, 4% in years 3 and 4, 3% in years 5 and 6, 2% in years 7 and 8 and 1% in years 9 and 10. *5544322111*
3. Prepayment penalty of 5% in years 1 and 2, 4% in years 3 and 4, 3% in years 5 and 6, 2% in years 7 and 8 and 1% in years 9 and 10. There is no prepayment penalty for the SBA Bridge loan.

*some
of above*

REQUIRED DEPOSITS:

During the term of the loan, Borrowers and Corporate Guarantors shall maintain their primary banking and depository relationship with the Bank. In the event that the borrowers fails, in the reasonable opinion of the Bank to maintain this minimum banking and primary depository relationship with the lender, the Interest Rate on the loans shall be increased by 1% per annum, until such time as the borrower resumes the maintenance of their banking and depository relationship with the Bank.

REPRESENTATIONS AND WARRANTIES:

Usual and customary for transactions of this type, to include, without limitation: (i) due organization, valid existence and good standing (ii) due authorization/enforceability; (iii) correctness of specified financial statements and no material adverse change; (iv) binding effect and enforceability of loan documents; (v) no liens or encumbrances other than as disclosed to the Lender; (vi) compliance with environmental laws; (vii) no material litigation; (viii) payment of taxes.

COVENANTS:

Usual and customary for transactions of this type, to include without limitation, restrictions on: (i) incurring additional debt; (ii) pledge or mortgage of assets; (iii) investments other than US Government

obligations and stock of subsidiaries; (iv) disposal of assets other than in ordinary course of business; (v) changes in management or ownership; (vi) mergers and acquisitions; (vii) changes in basic line of business; (viii) advances to third parties; (ix) limitations on payment of dividends/distributions.

**ADDITIONAL
CONDITIONS:**

- Subject to the Bank's satisfactory review of the existing financial statements and Business Tax returns for Gallant & Wein Corporation, Gallant & Wein New Jersey Corporation, Gallant & Wein L.I. Corp.
- Completion of a satisfactory field examination of the Borrower's assets and books and records, the results of which shall be satisfactory to the Lender in its sole discretion.
- Personal financial statement of the guarantors to be duly executed on Bank form.
- Current Accounts Receivable Aging Report for all operating companies
- Current Accounts Payable Aging Report for all operating companies
- Current CPA prepared interim statement for all operating companies
- Executed Purchase Contract for Farmingdale property
- Any other information that the Lender may reasonably request.

FINANCIAL COVENANTS: Usual and customary financial covenants for transactions of this type, to include but not limited to:

- a) Borrowers and corporate guarantors to maintain **Combined Debt Service Coverage Ratio** at a minimum of 1.25X to 1.0 at all times during the term of the proposed credit facilities, defined as:

"Net income *plus* Depreciation & Amortization *plus* Interest expense Less Distributions *Divided* by Current Portion of all Long Term Debt Less Annual Debt Service for all Borrowings"

- b) Maximum Debt to Tangible Net Worth Ratio (to be determined).

**REPORTING
REQUIREMENTS:**

Financial Information from Borrowers And Corporate Guarantors.
Borrower and Corporate Guarantors to provide financial information and statements in form and content acceptable to the Lender indicated below:

- Within 90 days of fiscal year end, submission of CPA prepared review level financial statements for all borrowers and corporate Guarantors prepared on a combined and combining basis.
- CPA prepared compiled level six month statement for Gallant & Wein Corporation, Gallant & Wein New Jersey Corp. and Gallant & Wein L.I. Corp. prepared on a combined and combining basis.
- Submit copies of federal income tax returns for all borrowers and corporate guarantors within 30 days of filing, and if requested by

Lender, copies of any filing extensions

- Borrower's monthly borrowing base along with a receivables aging and payable aging, in form satisfactory to Lender in its sole discretion.

Financial Information from Individual Guarantor. Individual guarantor to provide financial information and statements in form and content acceptable to Lender as indicated below:

- Within 90 days of December 31 each year the Annual Personal Financial Statement of the guarantor to be duly executed on Lender's form.

Copies of the guarantor's federal income tax returns, within 30 days of filing, and, if requested by Lender, copies of any filing date extensions.

EXPENSES:

Borrower will pay all reasonable costs and expenses associated with the preparation, due diligence, administration and enforcement of all documentation executed in connection with the Credit Facilities, including, without limitation, attorney's fees (including the allocated cost of internal counsel) whether or not the Credit Facilities are closed.

EVENTS OF DEFAULT:

Usual and customary in transactions of this type, to include without limitation: (i) nonpayment of principal, interest, fees or other amounts; (ii) violation of covenants; (iii) inaccuracy of representations and warranties; (iv) cross-default to other material agreements and indebtedness; (v) bankruptcy and other insolvency events; (vi) creditor or forfeiture proceedings; (vii) actual or asserted invalidity of any loan documentation or security interests; (viii) material events affecting guarantor; (ix) change in control and (x) material adverse change.

**GOVERNING LAW /
DISPUTES:**

State of New York. Any dispute arising out of or related to this letter or the final loan documentation shall be determined by a non-jury trial.

GOOD FAITH DEPOSIT:

IF YOU WISH FOR THE BANK TO PROCEED WITH ITS DUE DILIGENCE AND THE APPROVAL PROCESS, PLEASE REMIT A \$15,000 GOOD FAITH DEPOSIT. THIS WILL BE APPLIED AS A PARTIAL PAYMENT OF THE ORIGINATION FEE. IN THE EVENT WE ISSUE A COMMITMENT LETTER AND YOU ELECT NOT TO ACCEPT SAID COMMITMENT, THE DEPOSIT WILL BE CONSIDERED EARNED BY THE BANK TO OFFSET OUR EXPENSES INCURRED IN CONSIDERING YOUR FINANCING REQUEST. TO MEET YOUR TIMING NEEDS, PLEASE RETURN AN EXECUTED COPY OF THIS TERM SHEET ALONG WITH THE GOOD FAITH DEPOSIT BY OCTOBER 28, 2011.

Corporate Guarantor:
J & B Realty LLC

By: 

Name: _____

_____ Date

Personal Guarantor:

By: 

Stuart Gruman

_____ Date

Personal Guarantor:

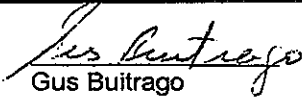
By: 

Harold Rosenberg

_____ Date

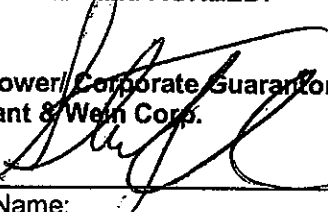
**FOR DISCUSSION
PURPOSES
ONLY:**

This Summary of Terms and Conditions does not constitute a commitment to lend by The Flushing Savings Bank, FSB or any of its affiliates and is presented for discussion purposes only. The actual terms and conditions upon which The Flushing Savings Bank, FSB may extend credit to Borrower is subject to satisfactory completion of due diligence, necessary credit approval and such other terms and conditions as determined by The Flushing Savings Bank, FSB, in its sole discretion.

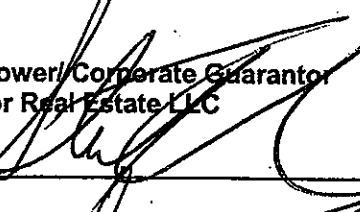

Gus Buitrago
Vice President
Business Banking

ACCEPTED and AGREED:

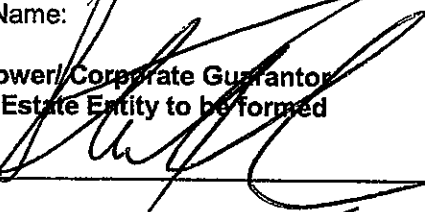
Borrower/ Corporate Guarantor
Gallant & Wein Corp.

By:  _____
Name: _____ Date: 11/2/11
Title: _____

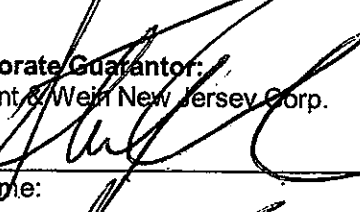
Borrower/ Corporate Guarantor
Linlor Real Estate LLC

By:  _____
Name: _____ Date: 11/2/11

Borrower/ Corporate Guarantor
Real Estate Entity to be formed

By:  _____
Name: _____ Date: 11/2/11

Corporate Guarantor:
Gallant & Wein New Jersey Corp.

By:  _____
Name: _____ Date: 11/2/11

Corporate Guarantor:
Gallant & Wein L.L.C. Corp.

By:  _____
Name: _____ Date: 11/2/11