SCIDA PROJECT ABSTRACT

APPLICANT NAME: Spectronics Corporation
AND ADDRESS: 956 Brush Hollow Road, Melville, NY 11590
PRINCIPALS: Richard Cooper (18.3%); Roger Cooper (15.85%); Bill Cooper 1997 Trust (13%); Iver Cooper (12.85%); Amie Cooper Voting Trust (11.25%); and Jonathan Cooper (10.75%); Florence Cooper Article Fifth 2005 Trust (6%).
PRODUCT/SERVICES: Manufacturer of ultraviolet lighting equipment and fluorescent materials, including: UV sanitizers, HVAC, automotive and industrial leak detection products; nondestructive testing lamps, radiometers and other specialty products.
PRESENT FACILITY: 956 Brush Hollow Road, Westbury, NY 11590
OWN: X LEASE: Acreage 4.72  Sq. Ft. 94,745
NEW LOCATIONS/TAX MAP#S: (1) 135 Maxess Rd., Melville - Tax Map # 400-267-01-037 (2) 265 Spagnoli Rd., Melville - Tax Map # 400-266-1-2.004
PROJECT DESCRIPTION: The project involves separating the corporate and manufacturing operations into two locations. One building will be purchased to house corporate and administrative functions and the second location involves leasing of industrial space for manufacturing:
(1) 135 Maxess Rd., Melville, NY Facility: Purchase and renovate an existing 24,244 sq. ft. building on 1.33 acres to be used for corporate offices.
(2) 265 Spagnoli Rd., Melville, NY Facility: Lease and fit-out of 42,000 sq. ft. of space within a multi-tenant industrial building totaling 85,555 sq. ft. to be used for manufacturing the Company's ultraviolet and leak detection equipment and fluorescent materials.
PROJECT COSTS
PURCHASE OF EXISTING BUILDING $4,750,000
RENOVATION OF EXISTING LEASED BUILDING 1,200,000
RENOVATIONS TO LEASED SPACE 2 - (Spagnoli Site) 0
MANUFACTURING EQUIPMENT (Sales Tax Exempt) 0
NON-MANUFACTURING EQUIPMENT 728,500 (1&2)
ENGINEERING & ARCHITECTURAL FEES 0
LEGAL FEES 0
OTHER FEES/CHARGES 0
TOTAL PROJECT COSTS $6,678,500

AUTHORIZATION SOUGHT: $6,678,500 Lease Transaction

EMPLOYMENT

# OF EMPLOYEES ANNUAL PAYROLL AVERAGE SALARY
PRESENT (All Locations) 148 $9,153,133 $61,845
PROPOSED 1ST. YEAR 95 6,815,260 71,739
PROPOSED 2ND. YEAR 11 675,095 61,369
GRAND TOTALS 106 7,490,355 70,664

Estimated Construction Jobs Created: 
COMMENTS:

MEETING DATE: 7/23/2020
July 15, 2020

Suffolk County Industrial Development Agency
The H. Lee Dennison Building, 3rd Floor
100 Veterans Highway
Hauppauge, New York 11788

Attn: Mr. Anthony J. Catapano, Executive Director

Re: Project Narrative for Spectronics Corporation
135 Maxess Road, Melville, New York
265 Spagnoli Road, Melville, New York

Dear Mr. Catapano:

Please be advised that this firm represents Spectronics Corporation (“Spectronics”). The following is a project narrative that describes the Project at 135 Maxess Road, Melville, New York and 265 Spagnoli Road, Melville, New York and the associated application for financial assistance before the Board.

The Applicant

Spectronics is a global leading manufacturer of ultraviolet equipment and fluorescent materials. Since 1955, the company began and has remained a family run business that has continued to grow by fostering a corporate culture that attracts and retains creative, talented and energetic employees within the Long Island region. Spectronics operates by the motto “innovating for today, imagining for tomorrow,” which is what has allowed the company to achieve success across various markets. Its mission continues to be to produce effective, top-quality products that are on the cutting edge of today’s technology, with the utmost dedication to customer satisfaction.

Spectronics continues to have large success throughout the Heating, Ventilation, Air Conditioning, and Refrigeration ("HVAC/R"), Automotive, and Industrial Leak Detection markets and Non-Destructive Testing markets. Their innovation in research and design has produced state-of-the-art leak detection equipment, fluorescent dyes, and UV sanitizing equipment.
**The Project**

Spectronics currently operates out of a 94,745 square foot facility located at 956 Brush Hollow Road, Westbury, New York, in a building that the company has owned since 1976. The existing building contains significantly more space than Spectronics currently uses.

Furthermore, Spectronics has recently sold one of its business lines, the NDT business (“Non-Destructive Testing”) which has created further excess unneeded space. Such sale involved approximately forty-five (45) employees transferring to work for the purchaser which is located in Suffolk County.

Due to the cost of operating at the current facility in Westbury, Spectronics is seeking to relocate to two (2) new facilities at 135 Maxess Road, Melville, New York (“Maxess Site”) and 265 Spagnoli Road, Melville, New York (“Spagnoli Site”). This move to smaller facilities will enhance Spectronics’ ability to compete in its markets.

The Maxess Site involves the acquisition of a fee title and the subsequent renovation of an existing 24,244 square foot building on a 1.33-acre parcel of land to be used as Spectronics’ corporate offices. The Spagnoli Site involves the lease and renovation of an existing 42,065 square foot space in an 85,556 square foot multi-tenant industrial building to be used for manufacturing. The project also involves the installation or renovation of the Maxess Road building’s roof, plumbing, heating, ventilating and air conditioning, electric and other building and mechanical systems, together with the installation of Spectronics’ manufacturing and research and development equipment at the Spagnoli Site.

The Project will have a significant positive impact on Suffolk County. By relocating to two sites in close proximity to the existing facility, Spectronics will be able to retain all of its locally employed workforce, as well as hire around 11 new employees from the Long Island region, and create much needed construction jobs for Long Island residents.

As this is a family-owned business with roots in Long Island, Spectronics has a strong commitment to not only employing locally, but also utilizing Long Island-based contractors and vendors.

Spectronics is eager to work with the Agency in relocating to Melville so that it can continue to support and stimulate the local economy. In searching for the proposed site, Spectronics strongly considered relocating to significantly larger industrial facilities with substantially lower operating costs in Georgia or Ohio. The company had numerous discussions with economic development agencies in both states, as well as flew its Chief Financial Officer to Columbus, Ohio on multiple occasions to visit a number of potential industrial properties. Ultimately, Spectronics’ desire to remain a Long Island-based company prevailed, despite the sizeable savings in costs if it were to relocate out of state. However, in order to make the Project economically feasible, Spectronics requires the Agency’s assistance.

**Suffolk IDA Financial Assistance**
Spectronics is applying to the IDA for financial assistance in the form of sales tax exemption on eligible construction materials and research and design equipment to fit out the project, and a beneficial PILOT agreement.

**Conclusion**

Without the financial assistance of the Suffolk County IDA, the Project, and all of its tremendous socio-economic benefits, will not be financially feasible.

Very truly yours,

FORCHELLI DEEGAN TERRANA LLP

By: Daniel P. Deegan

DANIEL P. DEEGAN

DPD/jal
FORM APPLICATION FOR FINANCIAL ASSISTANCE

DATE:    July 16, 2020

APPLICATION OF:  Spectronics Corporation

Name of Owner and/or User of Proposed Project

ADDRESS:  956 Brush Hollow Road, Westbury, NY 11590

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

PRIOR TO SUBMITTING A COMPLETED FINAL APPLICATION, PLEASE ARRANGE TO MEET WITH THE AGENCY’S STAFF TO REVIEW YOUR DRAFT APPLICATION.

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

- Filling in Blanks;
- Checking the Applicable Term(s);
- Attaching Additional Text (with notation in Application such as “see Schedule E, Item #1, etc…”); or
- Writing “N/A”, signifying “Not Applicable”.

All attachments responsive to questions found in this Application should be clearly labeled and attached to the Application. If more space than allotted on this application form is needed in responding to any specific question, please include your response as an attachment to this application. If an estimate is given, enter “EST” after the figure. If not submitted by email, one signed original and one photocopy of the Application (including all attachments) must be submitted. A non-refundable application fee, as noted in Schedule A, is required at the time of submission of this application to the Suffolk County Industrial Development Agency (the “Agency”). This fee will be applied to the Agency’s Administrative Fee at closing.
At the time of inducement, Transaction Counsel may require a deposit which will be applied to actual out-of-pocket disbursements made during the inducement and negotiation processes, and will be reflected on their final statement at closing.

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

Information provided herein will not be made public by the Agency prior to the passage of an Official Inducement Resolution, but may be subject to disclosure under the New York Freedom of Information Law (New York Public Officers Law § 84 et seq.) ("FOIL"). If the Applicant believes that a portion of the material submitted with this Application is protected from disclosure under FOIL, the Applicant should mark the applicable section(s) or page(s) as "confidential" and state the applicable exemption to disclosure under FOIL.

PLEASE NOTE: It is the policy of the Suffolk County Industrial Development Agency to strongly encourage project applicants to support LONG ISLAND FIRST. This means that to the greatest extent possible project applicants should consider purchasing goods and services from Long Island-based providers, businesses and vendors and that to the greatest extent possible all employment opportunities should be provided to Long Island residents first.

It is also the policy of the Suffolk County IDA to encourage the use of local labor and the payment of the area standard wage during construction of the project.
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PART I  OWNER AND USER DATA
PART II  OPERATION AT CURRENT LOCATION
PART III PROJECT DATA
PART IV  PROJECT COSTS AND FINANCING
PART V  PROJECT BENEFITS
PART VI  EMPLOYMENT DATA
PART VII REPRESENTATIONS, CERTIFICATIONS AND INDEMNIFICATION
PART VIII SUBMISSION OF MATERIALS

EXHIBIT A  Proposed PILOT Schedule
SCHEDULE A Agency’s Fee Schedule
SCHEDULE B Long Island First Policy
SCHEDULE C Construction Wage Policy
SCHEDULE D Recapture Policy
SCHEDULE E Background, Credit and Litigation Review Authorization Form
Part I: Owner & User Data

1. Owner Data:

A. Owner (Applicant for assistance): **Spectronics Corporation**

   Address: 956 Brush Hollow Road, Westbury, NY 11590

   Federal Employer ID #: **11-1984545**  Website: **www.spectroline.com**

   NAICS Code: **335110**

   Owner Officer Certifying Application: **Jonathan Cooper**

   Title of Officer: **President**

   Phone Number: **516-333-4840**  E-mail: jon.cooper@spectroline

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”)

   **Manufacturer of ultraviolet lighting equipment and fluorescent materials.**

D. Owner Counsel:

   Firm Name: **Forchelli Deegan Terrana, LLP**

   Address: 333 Earle Ovington Blvd., Suite 1010

   Uniondale, NY 11553

   Individual Attorney: **Daniel P. Deegan, Esq.**

   Phone Number: **516-248-1700**  E-mail: ddeegan@forchelli law.com
E. Principal Stockholders, Members or Partners, if any, of the Owner (5% or more equity):

<table>
<thead>
<tr>
<th>Name</th>
<th>Percent Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richard Cooper - 18.3%</td>
<td>Iver Cooper - 12.85%</td>
</tr>
<tr>
<td>Roger Cooper - 15.85%</td>
<td>Amie Cooper Voting Trust - 11.25%</td>
</tr>
<tr>
<td>Bill Cooper 1997 Trust - 13%</td>
<td>Jonathan Cooper 10.75%</td>
</tr>
<tr>
<td>Florence Cooper Article Fifth 2005 Trust - 6%</td>
<td></td>
</tr>
</tbody>
</table>

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.

Not applicable.

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:

Not applicable.
1. List parent corporation, sister corporations and subsidiaries:

None

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:

TD Bank: Dominick Trovato, Manager – 516-338-0489

Bank of America: Anne Powers, Assistant Vice President – 631-547-7552

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”):

N/A

Address: N/A

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

NAICS Code: N/A

Owner Officer Certifying Application: N/A

Title of Officer: N/A

Phone Number: N/A             E-mail: N/A
B. Business Type:

- Sole Proprietorship □
- Partnership □
- Privately Held □
- Public Corporation □
- Listed on ________________________________
- State of Incorporation/Formation: ________________________________

C. Nature of Business:
(e.g., "manufacturer of _____ for _____ industry"; "distributor of _____"; or "real estate holding company")

N/A

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

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

ii. If no, please complete all questions below.

E. User's Counsel:

- Firm Name: N/A
- Address: __________________________________________
- Individual Attorney: ________________________________
- Phone Number: ________________________ E-mail: ________________________

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Percent Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td></td>
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<tr>
<td></td>
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</table>

7
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)
   N/A

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

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:
   N/A

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:

N/A

L. List major bank references of the User:

N/A

Part II - Operation at Current Location

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

1. Current Location Address:
   
   956 Brush Hollow Road, Westbury, NY 11590

2. Owned or Leased: **Owner**

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

   The site is a 4.72-acre, industrial zoned parcel improved with a one-story building totaling 94,745 square feet.

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

   Manufacturer of ultraviolet lighting equipment and fluorescent materials, including UV sanitizers; HVAC, automotive and industrial leak detection products; nondestructive testing lamps and radiometers and other specialty products.
5. Are other facilities or related companies of the Applicant located within the State?
   □ Yes  □ No
   
   A. If yes, list the Address:
   
   Not applicable; current location in Westbury is only location.

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:
   
   Not applicable.

   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:
   
   Not applicable.

7. Has the Applicant actively considered sites in another state?
   □ Yes  □ No
   
   A. If yes, please list states considered and explain:
   
   The Applicant has had multiple discussions and meetings with economic development agencies in both Georgia and Ohio. While the Applicant ideally wants to remain on Long Island, the costs of operating in either state would be substantially lower than in New York.
8. Is the requested financial assistance reasonably necessary to prevent the Applicant from moving out of New York State?  

☐ Yes  ☐ No

A. Please explain:

Applicant requires the agency's assistance to defray the higher operating expenses and payroll that result from keeping the facility within New York State, and particularly the Long Island region.

9. Please explain, in as much detail as possible, the Applicant's/User's efforts to comply with the Agency's 'Long Island First Policy' (see Schedule B). In addition, please list the local Long Island-based vendors and/or contractors you use during the course of business operation. These could be raw material, packaging, supplies, equipment vendors, etc... Attach a separate listing to the Application if necessary:

The Applicant makes considerable efforts to use Long Island vendors and contractors. The attached lists demonstrate that the applicant utilizes over 125 local vendors and contractors.

Outside vendors are and will continue to only be used if a service or material cannot be found on Long Island after a diligent attempt has been made to procure such services or materials. The project is run by Long Islanders who will continue to utilize local vendors and contractors.
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: (1) 135 Maxess Road, Melville, NY 11747; (2) 265 Spagnoli Road, Melville, NY 11747
   B. Tax Map: District 0400 Section 267.00 Block 01.00 Lot(s) 037.00
      (2) 0400 Section 266.00 Block 01.00 Lot(s) 002.004
   C. Municipal Jurisdiction:
      i. Town: (1) Huntington; (2) Huntington
      ii. Village: N/A
      iii. School District: (1) Half Hollow Hills; (2) Half Hollow Hills
   D. Acreage: (1) 1.33 acres; (2) 6.09 acres

3. Project Components (check all appropriate categories):
   A. Construction of a new building ☐ Yes ☑ No
      i. Square footage:
   B. Renovations of an existing building ☑ Yes ☐ No
      i. Square footage: (1) 24,244 SF; (2) 42,065 SF (Total Building: 85,556 SF)
   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: (1) 24,244 SF; (2) 42,065 SF (Total Building: 85,556 SF)

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

   Plumbing, heating, ventilating and air conditioning, electric and other building and mechanical systems, office furniture, together with Applicant's manufacturing and R&D equipment.

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:
      (1) Applicant is contract vendee; present owner is TMS11747, LLC; (2) Owner/Landlord is Rechler Equity B-2 LLC.

   B. Present use of the proposed location:
      (1) Office Building---Mortgage Lender; (2) Warehouse Building

   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
      (1) Yes-Applicant is in contract to purchase the site, subject to IDA assistance; (2) N/A
E. Is there an existing or proposed lease for the site?  
(If yes, explain):
☑ Yes  □ No

(1) N/A; (2) Applicant anticipated entering into lease for site.

Proposed Use:

F. Describe the specific operations of the Applicant or other users to be conducted at the project site:
Applicant will manufacture HVAC leak detection products, automotive leak detection products, industrial leak detection products, electric pipe freezers and other specialty products as well as perform corporate and administrative functions.

G. Proposed product lines and market demands:
The Applicant's primary product lines and market demands are leak detection equipment in the automotive, HVAC/R and industrial industries, as well as electric pipe freezers for maintenance of nuclear submarines.

H. 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:
Not applicable.

I. Need/purpose for project (e.g., why is it necessary, effect on Applicant's business):
The Applicant conducts a niche business with a national market demand, however it needs to relocate due to the cost of operating the existing facility.
J. 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?

N/A

5. **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? (1) & (2): I-2 Light Industry District

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:

Not applicable.
E. Have site plans been submitted to the appropriate planning department?

☐ Yes  ☑ No

Project Completion Schedule:

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

i. Acquisition: (1) August 2020; (2) August 2020

ii. Construction/Renovation/Equipping: (1) August 2020; (2) August 2020

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

The estimated construction time is 18 months for each location. The Applicant anticipates operating in 135 Maxess by November 30, 2020 and operating in 265 Spagnoli by December 1, 2020.
Part IV – Project Costs and Financing

1. **Project Costs:**

A. Give an accurate estimate of cost of each of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXISTING BUILDINGS (PURCHASE):</strong></td>
<td></td>
</tr>
<tr>
<td>Purchase price of existing building</td>
<td>$ 4,750,000 (1)</td>
</tr>
<tr>
<td>Cost of renovations to existing building</td>
<td>$ 1,200,000 (1)</td>
</tr>
<tr>
<td>Cost of new additions to existing building</td>
<td>$ 0</td>
</tr>
<tr>
<td><strong>EXISTING BUILDINGS (LEASING/RENTING SPACE):</strong></td>
<td></td>
</tr>
<tr>
<td>Cost of renovations to leased space</td>
<td>$ 0 (2)*</td>
</tr>
<tr>
<td><strong>NEW CONSTRUCTION</strong></td>
<td></td>
</tr>
<tr>
<td>Cost of raw land</td>
<td>$ 0</td>
</tr>
<tr>
<td>Cost of construction for building or new addition</td>
<td>$ 0</td>
</tr>
<tr>
<td><strong>ENGINEERING &amp; ARCHITECTURAL FEES</strong></td>
<td>$ TBD</td>
</tr>
<tr>
<td><strong>EQUIPMENT TO BE INSTALLED AT FACILITY</strong></td>
<td></td>
</tr>
<tr>
<td>Manufacturing equipment (sales tax exempt equipment)</td>
<td>$</td>
</tr>
<tr>
<td>Non-manufacturing equipment (warehousing, fixtures, office equipment)</td>
<td>$ 80,000 (1) &amp; 648,500 (2)</td>
</tr>
<tr>
<td><strong>LEGAL FEES (Bank &amp; Company)</strong></td>
<td>$ TBD</td>
</tr>
<tr>
<td><strong>FINANCIAL CHARGES (please specify)</strong></td>
<td>$ 0</td>
</tr>
<tr>
<td><strong>OTHER FEES, etc. (please specify)</strong></td>
<td>$</td>
</tr>
</tbody>
</table>

**TOTAL PROJECT COSTS:** $ 6,678,500.00

*Landlord is performing work on Spagnoli property.*
2. **Method of Financing:**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Tax-exempt bond financing:</td>
<td>$_______</td>
<td>_______ years</td>
</tr>
<tr>
<td>B. Taxable bond financing:</td>
<td>$_______</td>
<td>_______ years</td>
</tr>
<tr>
<td>C. Conventional Mortgage:</td>
<td>$_______</td>
<td>_______ years</td>
</tr>
<tr>
<td>D. SBA (504) or other governmental financing:</td>
<td>$_______</td>
<td>_______ years</td>
</tr>
<tr>
<td>E. Public Sources (include sum of all</td>
<td>$_______</td>
<td></td>
</tr>
<tr>
<td>State and federal grants and tax credits):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F. Other loans:</td>
<td>$_______</td>
<td>_______ years</td>
</tr>
<tr>
<td>G. Owner/User equity contribution:</td>
<td>$6,678,500</td>
<td>_______ years</td>
</tr>
</tbody>
</table>

**Total Project Costs** $6,678,500

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

0%

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  [x]  
   
   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:

Not applicable.

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:

Not applicable.
Part V – Project Benefits

1. Mortgage Recording Tax Benefit:
   
   A. Mortgage Amount for exemption (include sum total of construction/permanent/bridge financing):
      
      $ N/A

   B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and ______%):
      
      $ N/A

2. Sales and Use Tax Benefit:
   
   A. Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax (such amount to benefit from the Agency’s exemption):
      
      $ [1,200,000 * .60] + 728,500 = 1,448,500.00

   B. Estimated State and local Sales and Use Tax exemption (product of 8.625 % and figure above):
      
      $ 124,933

   C. If your project has a landlord/tenant (owner/user) arrangement, please provide a breakdown of the number in “B” above:
      i. Owner: $ N/A
      ii. User: $ N/A

3. Real Property Tax Benefit:
   
   A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency’s PILOT benefit:
      
      N/A
B. Agency PILOT Benefit:

i. Term of PILOT requested:

15 years

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

**This application will not be deemed complete and final until Exhibit A hereto has been completed and executed.**
Part VI – Employment Data

Employment Information: Please complete the charts below to show the Applicant’s and each user present full-time or equivalent ("FTE") employment and salaries (excluding benefits) as well as estimates of employment salaries at the proposed project location at the end of year one and year two following project completion.

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

Full-Time Equivalent Job (FTE): a) a full-time, permanent, private-sector employee on the Company’s payroll, who has worked at the Company’s location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by the Company to other employees with comparable rank and duties; or b) two part-time, permanent, private-sector employees on the Company’s payroll, who have worked a the Company’s location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to the receive the usual and customary fringe benefits extended by the Company to other employees with comparable rank and duties.

Full-Time Equivalent Contract Employee: is a full-time private sector employee (or self-employed person) who is not on the Company’s payroll, but who works for the Company at the Company’s location for a minimum of thirty-five hours per week for not less than four consecutive weeks, providing services similar to services that would otherwise be provided by full-time equivalent company employees.

1) Please answer the following in regards to all currently existing FTE positions at all facilities, both within and outside of Suffolk County.

<table>
<thead>
<tr>
<th>Total Employment</th>
<th>Total Number of Employees</th>
<th>Total Pay-All Employees ($)</th>
<th>Average Salary-All Employees ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present Jobs (All Current Facilities)</td>
<td>148</td>
<td>$9,153,133</td>
<td>$61,845.49</td>
</tr>
</tbody>
</table>

21
2) Labor Market Area Locations-Existing Employment Information:
Please answer the following *only* in regards to FTE positions that currently exist in Suffolk County.

<table>
<thead>
<tr>
<th>Line #</th>
<th>Existing-LMA</th>
<th>Total Number</th>
<th>Total Payroll ($)</th>
<th>Average Salary ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>C-Level Executives**</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>Salary Wage Earners</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>Commission Wage Earners</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>Hourly Wage Earners</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td>Contract Employees</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Existing Employees</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

**C-Level executives include: President, Chief Executive Officer, Chief Financial Officer, Chief Technology Officer, Chief Marketing Officer, Chief Investment Officer, Chief Sustainability Officer, Chairman of the Board, General Council**

3) First Year-New Employment:
Please answer the following *only* in regards to FTE positions that will be created after the *first year* of the project completion in Suffolk County.

<table>
<thead>
<tr>
<th>Line #</th>
<th>First Year</th>
<th>Total Number</th>
<th>Total Payroll ($)</th>
<th>Average Salary ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>C-Level Executives</td>
<td>5</td>
<td>$1,050,261</td>
<td>$210,052</td>
</tr>
<tr>
<td>7</td>
<td>Salary Wage Earners</td>
<td>43</td>
<td>$3,904,255</td>
<td>$90,797</td>
</tr>
<tr>
<td>8</td>
<td>Commission Wage Earners</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>9</td>
<td>Hourly Wage Earners</td>
<td>46</td>
<td>$1,818,744</td>
<td>$39,538</td>
</tr>
<tr>
<td>10</td>
<td>Contract Employees</td>
<td>1</td>
<td>$42,000</td>
<td>$42,000</td>
</tr>
<tr>
<td><strong>Total First Year Employees</strong></td>
<td>95</td>
<td>$6,815,260</td>
<td>$71,739</td>
<td></td>
</tr>
</tbody>
</table>
4) Second Year-New Employment:
Please answer the following *only* in regards to FTE positions that will be created after the *second year* of the project completion in Suffolk County.

<table>
<thead>
<tr>
<th>Line #</th>
<th>Second Year</th>
<th>Total Number</th>
<th>Total Payroll ($)</th>
<th>Average Salary ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>C-Level Executives</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>12</td>
<td>Salary Wage Earners</td>
<td>5</td>
<td>$432,730</td>
<td>$86,546</td>
</tr>
<tr>
<td>13</td>
<td>Commission Wage Earners</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>14</td>
<td>Hourly Wage Earners</td>
<td>5</td>
<td>$200,365</td>
<td>$40,073</td>
</tr>
<tr>
<td>15</td>
<td>Contract Employees</td>
<td>1</td>
<td>$42,000</td>
<td>$42,000</td>
</tr>
<tr>
<td><strong>Total Second Year Employees</strong></td>
<td><strong>11</strong></td>
<td><strong>$675,095</strong></td>
<td><strong>$61,369</strong></td>
<td></td>
</tr>
</tbody>
</table>

5) Total Employment-Existing Labor Market Area and New Jobs Created:
Please answer the following in regards to FTE positions that will be in existence in Suffolk County after the first two years of the project completion (*both existing and new*).

<table>
<thead>
<tr>
<th>Grand Totals</th>
<th>Total Number</th>
<th>Total Payroll ($)</th>
<th>Average Salary ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>C-Level Executives (Lines 1+6+11=Total)</td>
<td>5</td>
<td>$1,050,261</td>
<td>$210,052</td>
</tr>
<tr>
<td>Salary Wage Earners (Lines 2+7+12=Total)</td>
<td>48</td>
<td>$4,336,985</td>
<td>$90,354</td>
</tr>
<tr>
<td>Commission Wage Earners (Lines 3+8+13=Total)</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Hourly Wage Earners (Lines 4+9+14=Total)</td>
<td>51</td>
<td>$2,019,109</td>
<td>$39,590</td>
</tr>
<tr>
<td>Contract Employees (Lines 5+10+15=Total)</td>
<td>2</td>
<td>$84,000</td>
<td>$42,000</td>
</tr>
<tr>
<td><strong>Grand Total Employees</strong></td>
<td><strong>106</strong></td>
<td><strong>$7,490,355</strong></td>
<td><strong>$70,664</strong></td>
</tr>
</tbody>
</table>
6) Please estimate the percentage of the total workforce that resides in either Suffolk or Nassau Counties.

a) % of existing workforce who are residents of Suffolk or Nassau............. 92% %

b) % of existing plus new workforce who are residents of Suffolk or Nassau... 92% %

2. Please describe, in as much detail as possible, benefits offered to employees of the Applicant/User (Health, Retirement, etc...).

All non-union employees are offered medical, dental, vision, basic life insurance, accidental death and dismemberment insurance, short and long term disability, health reimbursement arrangement, flexible spending, and 2% matched pre-tax retirement plan. All union employees are provided medical, dental and a pension directly through the union.

Part VII -- Representations, Certifications and Indemnification

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

☐ Yes ☑ No

2. Has the Applicant or any of the management of the Applicant, the anticipated users or any of their affiliates, or any other concern with which such management has been connected, been cited for a violation of federal, state or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution or other operating practices? (If yes, furnish details on a separate sheet)

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

☑ Yes  □ No

The high cost of construction, labor and real estate taxes on Long Island would be prohibitive without the requested financial assistance.

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 strongly consider relocating out of state, which would result in the loss of millions of dollars in tax revenue to the county, as well as the loss of 201 of local 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  

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

Initial 🟦

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

Initial 🟦

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

Initial 🟦

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

Initial 🟦

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

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

Initial  

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

Initial  

13. The Applicant confirms and hereby acknowledges it has received the Agency’s [Long Island First] Policy attached hereto as Schedule B and agrees to comply with the same.

Initial  

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

Initial  

15. 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 D.

Initial  

Initial  

Initial  

Initial
16. The Applicant confirms and hereby acknowledges it has received the Agency's [Background Credit and Litigation Review] Authorization Form attached hereto as Schedule E and agrees to consent with the same.

Initial 

Part VIII – Submission of Materials

1. Completed Short Environmental Assessment Form (Long Form where applicable).

2. 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.
Part IX – Certification

Jonathan Cooper (name of representative of company submitting application) deposes and says that he or she is the President (title) of Spectronics Corporation (company name) named in the attached application; that he or she has read the foregoing application and knows the contents thereof; and that the same is true to his or her knowledge.

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

[Signature]
Representative of Applicant

Sworn to me before this 16th Day of July 2020

[Seal]

LINDA E. STEIGERWALD
Notary Public, State of New York
No. 01516326723
Qualified in Nassau County
Commission Expires June 1, 2023
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.

[Signature]
Applicant Signature

[Signature]
Suffolk County IDA Signature

7/16/20
Date
SCHEDULE A

SUFFOLK COUNTY INDUSTRIAL DEVELOPMENT AGENCY

ADMINISTRATIVE FEE SCHEDULE

FOR BONDS (TAX-EXEMPT & TAXABLE) AND LEASE TRANSACTIONS

A non-refundable application fee of $2,000 for applications under $5 million and $4,000 for applications over $5 million is required at the time of application. This fee will be credited to the Agency’s Administrative Fee, payable if, and when, the financing is completed/closed.

The Administrative Fee charged by the Agency at closing is as follows:

3/4 of 1% of the bond/lease project amount on the first $15 million
1/2 of 1% of the bond/lease project amount between $15 million and $25 million
1/4 of 1% of the bond/lease project amount between $25 million and $35 million
1/10 of 1% of the bond lease project amount over $35 million

Applicant pays Bond or Transaction Counsel fees at closing to handle the bond or lease transaction.

SUFFOLK COUNTY INDUSTRIAL DEVELOPMENT AGENCY

ANNUAL REPORTING/COMPLIANCE FEE

For bond/lease projects up to $5 million - $750 at closing and $500 annually.

For bond/lease projects between $5 million and $10 million - $1,000 at closing and $750 annually.

For bond/lease projects over $10 million - $1,500 at closing and $1,000 annually.
SCHEDULE B

Long Island First

It is the policy of the Suffolk County Industrial Development Agency to strongly encourage project applicants to support LONG ISLAND FIRST. This means that to the greatest extent possible project applicants should consider purchasing goods and services from Long Island-based providers, businesses and vendors and that to the greatest extent possible all employment opportunities should be provided to Long Island residents first.

Signature

Date

Print Name
SCHEDULE C

CONSTRUCTION WAGE POLICY
SUFFOLK COUNTY INDUSTRIAL DEVELOPMENT AGENCY
EFFECTIVE JANUARY 1, 2006

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

The Agency has consistently sought to ensure that skilled and fair paying construction jobs be encouraged in projects funded by the issuance of IDA tax exempt bonds in large projects.

The following shall be the policy of the Suffolk County Industrial Development Agency for applications received after January 1, 2006 for financial assistance in the form of tax-exempt financing for projects with anticipated construction costs in excess of $5,000,000 per site.

Any applicant required to adhere to this policy shall agree to:

(1) Be governed by the requirements of Section 220d of Article 8 of the Labor Law of the State of New York; and when requested by the Agency, provide to the Agency a plan for an apprenticeship program.

OR

(2) Provide to the Agency a project labor agreement or alternative proposal to pay fair wages to workers at the construction site.

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

Signature

Date

Jonathan Cooper
Print Name
SCHEDULE D

RECAPTURE AND TERMINATION POLICY

SUFFOLK COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
EFFECTIVE JUNE 23, 2016

Pursuant to Sections 874(10) and (11) of Title 1 of Article 18-A of the New York State General Municipal Law (the “Act”), the Suffolk County Industrial Development Agency (the “Agency”) is required to adopt policies (i) for the discontinuance or suspension of any financial assistance provided by the Agency to a project or the modification of any payment in lieu of tax agreement and (ii) for the return of all or part of the financial assistance provided by the Agency to a project. This Recapture and Termination Policy was adopted pursuant to a resolution enacted by the members of the Agency on June 23, 2016.

I. Termination or Suspension of Financial Assistance

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

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

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

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

(i) any exemption from any applicable mortgage recording tax with respect to the Facility on mortgages granted by the Agency on the Facility at the request of the Applicant;

(ii) sales tax exemption savings realized by or for the benefit of the Applicant, including and savings realized by any agent of the Applicant pursuant to the Project Agreements in connection with the Facility; and

(iii) real property tax abatements granted under the Project Agreements.
II. Recapture of Financial Assistance

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

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

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

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

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

III. Modification of Payment In Lieu of Tax Agreement

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

Signature

Date

Print Name
SCHEDULE E

Background, Credit and Litigation Review Authorization Form

I give, consent and authorize to the Suffolk County Industrial Development Agency, including its officers, directors, affiliates, agents and representatives (the “Agency”) the right to contact and obtain information from all references, credit reporting companies, financial institutions, governmental agencies or departments, and other agencies regarding my creditworthiness and background and to otherwise verify the accuracy of the information that I have provided in my application or other information which I have provided to the Agency for the purpose of applying for financial assistance. In connection with my application for financial assistance with the Agency, I understand that investigative background inquiries may be requested and obtained, including credit and criminal background history information. I hereby release from liability the Agency and its agents, employees and representatives for seeking, gathering, and using such information and all other persons, corporations, or organizations for furnishing such information.

I shall cooperate with the reasonable requests made by the Agency in connection with obtaining and completing the background, credit and litigation review process referenced herein. I agree to be responsible for the cost of such background, credit and litigation review and agree to reimburse the Agency for such expenses.

This authorization shall be perpetual and shall remain in full force and effect unless revoked by me in writing to the Agency. My revocation shall not affect in any way or manner any activities of the Agency in accordance with this authorization that occur or in process on or before the date that the Agency receives my written notice of revocation of this authorization.

Signature

Date

Jona-than Cooper
Print Name