

# PROJECT APPLICATION

## Confidentiality

All Information contained in this Application will be treated confidentially to the extent permitted by law (see "Certification" section IV of this Application). Under the New York State Freedom of Information Law, Information must be disclosed unless such Information contains trade secrets (which, if disclosed, would cause irreparable harm). Please indicate which Information provided in this Application constitutes trade secrets with an explanation as to why in a letter accompanying this Application. The letter should be addressed to the New York City Industrial Development Agency.

Are you applying for:                      Bond Program  
    Small Industry Incentive Program  
    Industry Incentive Program X

(SIIP, if annual revenues are less than \$5 million and IIP, if annual revenues are greater than \$5 million)

By what date do you wish to close the proposed project financing?                      5/30/2000

### I. Applicant Information

Applicant's Name:	1 Rewe Street Realty, LLC on behalf of Foto Electric Supply Company, Inc.		
Address:	35 Essex Street, New York, NY 10002		
Phone/Fax Numbers:	212.673.5222	Fax #	212.473.1873
IRS Employer ID Number:	[REDACTED]		
S.I.C. Code:			
NYS State Dept. of Labor Number (if applicable)	75-215787		

Officer of Applicant completing this application (contact person):

Name: Emerich Goldstein Title: President  
Phone #: 212.673.5222 Fax #: 212.473.1873

Applicant's Operation:    Manufacturing                      Service                      X Wholesale                      Other

Brief Description of business: Wholesale distributor of consumer electronic goods.

To describe what kind of entity Applicant is, please check one of the following:

Public Corp.    Private Corp.    General Partnership    Limited Partnership    C Corp    X S Corp  
Limited Liability Company    Other (specify) \_\_\_\_\_

Applicant's State of Incorporation or Registration: New York  
States in which Applicant is qualified to do business: All the States

Applicant's Attorney: Name: Harvey Greene Phone #: 212.983.4700 Fax #: 212.573.0067  
Firm and Address: Harvey Greene Esq. 220 East 42<sup>nd</sup> Street, 20<sup>th</sup> Floor, New York, NY 10017  
Applicant's Accountant: Name: C.H. (Herb) Leshkowitz Phone #: 212.532.5550 Fax #: 212.532.4007

**II. PROJECT INFORMATION**

1. Please briefly describe the proposed project; if machinery and equipment is to be acquired, please list the type:

The Applicant intends to add 55,000 square feet extension to its existing building (58,000 s.f.) at 1 Rewe Street, Brooklyn, all to expand warehouse space needed to accommodate business growth. The title to 1 Rewe Street building was conveyed to NYCIDA as part of a straight lease transaction completed in December 1997. Since then, the Company has outgrown its facilities and need another 55,000 s.f space.

2. Please give bet estimated for all anticipated costs and proposed sources of financing involved in the project:

<u>Uses of Funds</u>		<u>Sources of Funds</u>	
Land & Building (Acquisition)	_____	Bonds	_____
New Construction (Addition)	<u>\$3,000,000</u>	Loans (Bank Leumi)	<u>\$2,100,000</u>
Renovations/Building Improvements	_____	NYBDC SBA 504 Program	<u>\$ 350,000</u>
Machinery/Equipment	_____	Company Funds	<u>\$ 650,000</u>
Fees/Other Soft Costs	<u>\$100,000</u>	Officer Equity/Loans	_____
Other (explain)	_____	Other Sources (Please identify)	_____
<b>Total Project Costs</b>	<u><b>\$3,100,000</b></u>	<b>Total Project Costs</b>	<u><b>\$3,100,000</b></u>

Please explain costs, loans and other sources of funding on a separate sheet.

3. Please provide the following information relating to the proposed project site:

Street Address & Borough	Block Lot & Section Number	Square Footage of Land	Square Footage of Building	Currently owned or leased	Number of Floors Including Basement	Zoning
1 Rewe Street Brooklyn, NY	Block 2927 Lot 42	58,000	58,000	Own	2 floors (after project expansion)	M1-1

4. Please provide the following information regarding all present and proposed tenant(s) and sub-tenant(s) at the proposed project site, their percentage of occupancy, and affiliation with the Applicant:

**Only the operating companies**

Name Contact & Phone	Affiliation with Applicant	Square Feet & Floors (Percent of Occupancy)	Lease Expiration	Tenant Business

5. Provide street address, borough or town, for premises, which you currently own or lease, even if you don't occupy same. Do you plan to terminate/sell/vacate/remain at such premises? With respect to currently leased premises, provide the name and address of the landlord and the expiration date of the lease term. Please provide additional details on an attached sheet.

Property Location	Borough/ Town	Own/Lease	Landlord	Lease Expiration	Planned Disposition
Project Building @ 1 Rewe Street	Brooklyn	Own	<u>Realty Company</u> 1 Rewe Street Realty		Expand the existing premises

6. Is there a relationship, by virtue of common control or through related persons, directly or indirectly, between the Applicant and the present owner of the project site?

YES NO X  
(if YES, please provide all details on attached sheet.)

7. Will a real estate holding company, limited liability company, or partnership be formed to own the project or premises?

YES NO  
(if YES, please provide the name and address of the same, the kind of entity, e.g. corporation, partnership, etc., and its officers, partners, shareholders, members, and their respective percentage ownership, etc.)

**The Project facility is under the ownership of a real estate holding company, which was formed in 1997 as part of the previous straight lease transaction.**

**1 Rewe Street Realty. LLC**

### III. DUE DILIGENCE

1. List names(s), address(es), phone and fax numbers of any other entity in which, directly or indirectly, Applicant or any of its shareholders, partners, directors, or officers individually or collectively hold 5% or more of the stock or ownership interest (an "Affiliate"). Please include real estate holding companies if applicable.

Entity Name	Address	Phone/Fax Number	Percent Interest
Teleface USA, Inc.	35 Essex Street, NY	[REDACTED]	100%
Happy Lady, Inc.	35 Essex Street, NY	[REDACTED]	100%
Record-A-Phone, Inc.	35 Essex Street, NY	[REDACTED]	50%

2. Has Applicant or any of its Affiliates ever received, or is currently receiving, financial assistance or any kind of discretionary benefit from any governmental entity or agency, including the New York City Industrial Development Agency?

YES  NO

The company received financial incentives in December 1997 under the straight lease program. 1 Rewe Street Realty, LLC was the real estate holding company established to own the property.

3. Has the Applicant, or any existing or proposed tenant of the proposed facility, or any person related to any of the forgoing, received or benefited from within the past six months, or is contemplating to receive or benefit from within the next six months, tax-exempt financing anywhere within the United States?

YES  X NO

(If YES, please provide all details on attached sheet.)

4. Has Applicant, or any stockholder, partner, officer or director, or any entity with which any of the foregoing individuals have been associated, ever been adjudicated bankrupt or placed in receivership, or otherwise been the subject of a bankruptcy or similar proceedings (prior or current)

YES  X NO

(If YES, please provide all details on attached sheet.)

5. Have any of Applicant's stockholders, partners, officers or directors ever been convicted of any criminal proceedings?

YES  X NO

(If YES, please provide all details on attached sheet.)

6. Is Applicant, or any stockholder, partner, officer or director of Applicant, a plaintiff or defendant in any civil or criminal proceedings?

YES  X NO

(If YES, please provide all details on attached sheet.)

7. If you responded YES to the previous two questions, in what litigation is Applicant, or any of the individuals and entities currently involved, either as plaintiffs or as named defendants? Provide all details on attached sheet.

8. Does Applicant have any contingency liabilities? (e.g. pending claims; federal, state or local tax liabilities; judgement liens; other liens etc.)

YES                                  X NO

(If YES, please provide all details on attached sheet.)

9. Has Applicant filed all required tax returns with appropriate governmental jurisdictions entities?

X YES                                  NO (if NO, please provide all details on attached sheet.)

Please provide the following information:

10. Company Principals (please attach a brief resume for each principal.)

Name	Title	Home Address	Social Security Number	Date of Birth
Emerich Goldstein	President	1651 48 <sup>th</sup> Street, Brooklyn, NY 11204	██████████	1/23/36
Benjamin Goldstein	Secretary	1134 East 27 <sup>th</sup> Street, Brooklyn, NY 11210	0 ██████████	7/5/68
David Goldstein		██████████ Englewood, Nj 07631	██████████	5/9/74

11. Major Customers

Company Name	Address	Phone/Fax Number	Contact	Percent of Sales
EastCoast Distributors	81 Ruckman Road, Closer, NJ 07624	██████████	Mr. Nagaraja	7%
Bernies Distributors, Inc.	6 Kennedy Court, Monroe, NY 10950	7 ██████████	Mr. Bernie Klienman	4%
42 <sup>nd</sup> Street ██████████	██████████ ██████████ ██████████ New York, NY 10018	██████████	Mr. Elliot Brucha	2%

12. Major Suppliers

Company Name	Address	Phone/Fax Number	Contact
JVC Co.	I-80 and New Maple Avenue Pinebrook, NJ 07430	[REDACTED]	Maura Shand
SONY Co.	386 Route 17 South Mahwah, NJ 07430	[REDACTED]	Carmelita Marcello
TDK	12 Harbor Park Drive Port Washington, NY 11050	[REDACTED]	Eric Beutrin

13. Unions  
Not Applicable

Union	Address	Phone/Fax Number	Contract Expiration

14. Banks

Bank Name	Contact Person	Phone/Fax Number	Type of Account
Bank Leumi	Iris Shechter	[REDACTED]	[REDACTED]

#### **IV. Certification**

I, the undersigned, request on behalf of 1 Rewe Street Realty, LLC ("Applicant") that this Application, including financial data and any tax returns submitted herewith, be submitted for review by the Board of Directors of the New York City Industrial Development Agency ("IDA"). I hereby certify that the information contained herein and in the attachments hereto, are, to the best of my knowledge and belief, accurate, true and correct. I understand that any intentional misstatements or misleading information contained herein, or the omission of relevant information, could be cause for rescission of IDA approval and IDA benefits. Further, I fully understand and accept the fees associated with the IDA program, including but not limited to the IDA Closing Fee; I fully understand and accept the benefit package I am to receive under the IDA program; and I acknowledge receipt from the IDA of a memorandum explaining legal, insurance and various real estate related requirements, all of which will be necessary for the contemplated project.

On behalf of Applicant, I hereby acknowledge and agree that Applicant shall be, and is responsible for, and shall promptly pay all costs incurred by the IDA, in connection with document negotiations, closing and, where applicable, bond issuance and sale, whether or not closing occurs and whether or not bond issuance and sale occur in applicable instances. The aforesaid costs, and Applicant's obligation hereunder to pay for same, shall include, but not be limited to, attorney's fees. Applicant's obligations hereunder are absolute and shall in no event be contingent upon closing.

On behalf of myself, all other principals of Applicant, and Applicant, I hereby authorize the IDA and the New York City Department of Investigation (DO 1) to initiate their background clearance procedure with respect to myself, all other principals of Applicant, and Applicant. I, all other principals of Applicant, and Applicant agree to give the DOI permission to secure all necessary personal data from all relevant sources, public and private, and I, all other principals of Applicant, and Applicant further agree to cooperate in all phases of the DOI background and clearance procedure. I, all other principals of Applicant, and the Applicant agree to hold the IDA and the City of New York harmless with respect to any claims for injury, damage, loss or expense which may arise should the above mentioned background clearance procedure not be completed satisfactorily.

On behalf of Applicant and its existing and future affiliates, I authorize any private or governmental entity, including but not limited to The New York State Department of Labor ("DOL"), to release to the IDA and/or to the New York City Economic Development Corporation ("EDC"), and/or to the successors and assigns of either (collectively, the "Information Recipients"), any and all employment information under its control and pertinent to Applicant and its existing and future affiliates and the employees of same. In addition, upon the IDA's request, Applicant shall provide to the IDA any employment information in Applicant's possession or in the possession of any of Applicant's existing and future affiliates, which is pertinent to Applicant and Applicant's existing and future affiliates and the employees of same. Information released or provided to Information Recipients by the DOL, or by any other governmental entity, or by any private entity, or by Applicant itself (collectively, "Employment Information"), may be disclosed by the Information Recipients in connection with the administration of the programs of the IDA, and/or EDC, and/or the successors and assigns of either, and/or the City of New York, and/or as may be necessary to comply with law; and, without limiting the foregoing, the Employment Information may be included in (x) reports prepared by the Information Recipients pursuant to New York City Local Law 69 of 1 993, (y) other reports required of the IDA, and (z) any other reports required by law. If the IDA approves this Application and the IDA Board of Directors approves the financing project which is the subject of this Application, this authorization shall remain in effect through the term of the financial assistance documents which the Applicant and the IDA will enter into at closing. If the IDA does not approve this Application, and/or the IDA Board of Directors does not approve the project, which is the subject of this Application, this authorization shall remain in effect through the earlier to occur of the aforesaid decisions not to approve.

I, all other principals of Applicant, and Applicant, understand that the IDA may be requested to disclose the information contained in this Application and the attachments hereto, under applicable disclosure laws, or at the request of investigative law enforcement or other governmental bodies. On behalf of myself, all other principals of Applicant, and Applicant, I authorize the IDA to disclose any such information, under such law or where so requested, and I, all other principals of Applicant and the Applicant release the IDA from any liability to the Applicant, all other principals, and/or myself for such disclosure. I also authorize the IDA at its discretion to transmit this Application, including any financial data or tax returns submitted herewith, to the IDA's financial advisors.

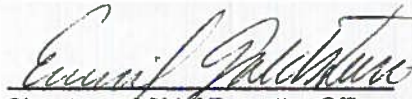
On behalf of Applicant, I acknowledge and agree that the IDA reserves the right to require Applicant to submit at Applicant's sole expense, such other documentation as the IDA may require in addition to the documentation required hereunder, and that all such documentation, whether requested hereunder or hereafter, shall be provided at Applicant's sole cost and expenses, and shall be in form and substance satisfactory to the IDA.

Approval of this Application may only be granted by the IDA's Board of Directors through the Board's adoption of an inducement or authorizing resolution for the project described in this Application. Additionally, it is understood and agreed that the \$2,500 Application fee accompanying this Application is non-refundable, regardless of whether or not this Application is so approved. Applicant acknowledges and accepts that: the \$2,500 Application fee will accrue toward payment of the IDA Closing Fee should closing occur; and if and when the IDA's Board of Directors approves this Application, the Agency may additionally require Applicant to pay at such time an amount equal to 1 /1 0 of a percent of the bond/project amount (as applicable), which payment shall also accrue toward payment of the IDA Closing Fee should closing occur.

Date:

3/20/2000

Certification By:

  
Signature of Chief Executive Officer

Emerich Goldstein

Printed Name

Attested By:

\_\_\_\_\_  
Chief Financial Officer/Secretary

Benjamin Goldstein

Printed Name



## RETAIL QUESTIONNAIRE

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

B. If the answer to question A 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 \_\_\_\_\_

C. 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  \_\_\_\_\_

D. If the answer to question A or question C 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?

% \_\_\_\_\_

E. If the answer to question A or question C is yes, and the answer to question D is more than 33.33%, indicate whether any of the following apply to the Project:

1. Will the project be operated by a not-for-profit corporation?

YES \_\_\_\_\_ NO \_\_\_\_\_

2. Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located?

YES \_\_\_\_\_ NO \_\_\_\_\_

3. Would the project occupant, but for the contemplated financial assistance from the IDA, locate the related jobs outside the State of New York?

YES \_\_\_\_\_ NO \_\_\_\_\_

4. Is the predominant purpose of the Project to make available goods or services, which would not, but for the Project, be reasonably accessible to New York City residents, because of a lack of reasonably accessible retail trade facilities offering such goods or services?

YES \_\_\_\_\_ NO \_\_\_\_\_

5. Will the Project be located in one of the following: (a) an area designed as an economic development zone pursuant to Article 1 B-B of the General Municipal Law; or (b) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (i) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of 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 \_\_\_\_\_

- F. If the answers to any subdivisions (3) through (5) of question E is yes, will the project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the Sate of New York?  
If yes, please furnish details in a separate attachment.
  
- G. If the answer to any subdivisions (1) to (5) of question E is yes, please furnish details in a separate attachment.

Signature: *Emerich Goldstein*  
Name: Emerich Goldstein  
Title: President  
Date: 3/20/2000