

## Project Resolution

July 13, 1999

Applicant: Crystal 98 LLC on behalf of Crystal Window & Door Systems, LTD

Project Location: 31-10 Whitestone Expressway, College Point, Queens

Resolution Sought: Industrial Incentive Program Amending Inducement and Authorizing Resolution

Project Manager: Valerie Rutstein

Business: Window and door manufacturer

Employment:

At-Risk:	130	Jobs
Retained:	130	Jobs
<u>Projected Growth:</u>	<u>240</u>	<u>Jobs</u>
Total:	370	Jobs

Project Description: Crystal Window & Door Systems, LTD ("Crystal") presently leases space in Flushing for its operations and is seeking to construct an approximately 145,000 square foot manufacturing facility in College Point. Crystal purchased the 174,240 square foot site last year for \$2 million from the City of New York, and has initiated site development work. The total construction cost is approximately \$9 million, Crystal will finance the project with a loan from First Union National Bank and equity.

Prior Board Action: Inducement Resolution approved December 9, 1997

Summary of Developments: Since Inducement, Crystal has received a commitment from First Union National Bank for a loan of up to \$8 million to finance the construction of the facility. The loan will have a term of one year, and will bear interest at a rate set at LIBOR Market Index Rate plus 2.5 percent. Upon completion of construction, the loan will convert to a 5-year term loan, and will bear interest at a rate set at 1-month LIBOR plus 2 percent.

In addition, staff has reviewed the Phase I Environmental Audit and has determined that the condition of the project property is satisfactory.

A RESOLUTION OF THE NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING AS PART OF THE AGENCY'S INCENTIVE PROGRAM ON BEHALF OF CRYSTAL 98 LLC TO RENOVATE, IMPROVE, EQUIP AND INSTALL A MANUFACTURING FACILITY AS A STRAIGHT LEASE TRANSACTION TO BE LOCATED ON CERTAIN REAL PROPERTY FOR USE IN THE MANUFACTURE AND DISTRIBUTION OF ALUMINUM WINDOWS AND DOORS CONSISTING OF THE RENOVATION OF AN APPROXIMATELY 145,000 SQUARE FOOT FACILITY FOR SALE TO THE AGENCY, SUBSEQUENT LEASE TO CRYSTAL 98 LLC TO BE DETERMINED AND FURTHER SUBLEASE TO CRYSTAL WINDOWS AND DOOR SYSTEMS, AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT, A SUBLEASE AGREEMENT, AN AGENCY MORTGAGE AND A SALES TAX LETTER; AND AUTHORIZING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the New York City Industrial Development Agency, New York, New York (the "Agency") is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the "Act"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, civic and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, Crystal Window & Door Systems, Ltd. ("the Applicant") has entered into negotiations with officials of the Agency with respect to the construction and renovation of a manufacturing facility consisting of the construction and renovation of an approximately 145,000 square foot building located thereon through Crystal 98 LLC (the Lessee") on behalf of the applicant ("the Sublessee") all for the manufacture and distribution of aluminum windows and doors, located in Queens County, New York, and having an approximate facility cost of \$8,000,000 ("the Project"); and

WHEREAS, the Agency deems it advisable to approve the forms of the Agency Mortgage, the Lease Agreement, the Sublease Agreement, and Sales Tax Letter and to authorize the execution and delivery thereof and certain other matters relating thereto;

NOW, THEREFORE, THE NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:

**Section 1.** The Agency hereby determines that the Project and the financial assistance provided by the Agency as stated in the recitals to this Resolution will promote, is authorized by, and will be in furtherance of the policy of the State as set forth in the Act and will be in furtherance of the Agency's policies for the promotion, encouragement and development of

economically sound industry for the purpose of preventing unemployment and economic deterioration.

The Agency further determines that

a. the Project shall not result in the removal of any facility or plant of the Lessee or any other occupant or user of the Project from outside of the City (but within the State of New York) to within the City or in the abandonment of one or more facilities or plants of the Lessee or any other occupant or user of the Project located within the State of New York but outside of the City;

b. no funds of the Agency shall be used in connection with the Project for the purpose of preventing the establishment of an industrial manufacturing plant or for the purpose of advertising or promotional materials which depict elected or appointed government officials in either print or electronic media, nor shall any funds of the Agency be given in connection with the Project to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State of New York, and

c. not more than one-third of the total cost of the Project is in respect of facilities or property primarily used in making retail sales of goods or services to customers who personally visit such facilities within the meaning of Section 862 of the New York General Municipal Law.

**Section 2.** The Chairman, Vice Chairman, Executive Director and Deputy Executive Director of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Lessee and the Sublessee to assist in the renovation, improvement and equipping of the Project.

**Section 3.** For the purpose of setting forth the terms and provisions applicable to providing security to the Bank the Agency Mortgage, substantially in the form thereof as presented to this meeting and made a part hereof as if fully set forth herein, with such changes as the Chairman, Vice Chairman, Executive Director, Deputy Executive Director, General Counsel or Vice President for Legal Affairs of the Agency shall deem advisable, be, and the same are, hereby approved; and the Chairman, Vice Chairman, Executive Director, Deputy Executive Director, General Counsel or Vice President for Legal Affairs of the Agency is hereby authorized and directed to execute, acknowledge and deliver the Agency Mortgage in the name of the Agency, and the Secretary, Assistant Secretary, Executive Director, Deputy Executive Director, General Counsel or Vice President for Legal Affairs of the Agency, if not executing the Agency Mortgage, is hereby authorized and directed to affix the corporate seal of the Agency thereon, as applicable, and attest the same. The execution and delivery of the Agency Mortgage, and the affixation and attestation of the corporate seal of the Agency thereon, shall be conclusive evidence of due authorization and approval of the Agency Mortgage in their final form.

**Section 4.** For purposes of providing the terms and conditions applicable to the leasing of the Facility by the Agency to the Lessee, the Lease Agreement, substantially in the form

thereof as presented to this meeting and made a part hereof as if fully set forth herein, with such changes as the Chairman, Vice Chairman, Executive Director, Deputy Executive Director, General Counsel or Vice President for Legal Affairs of the Agency shall deem advisable, be, and the same is, hereby approved; and the Chairman, Vice Chairman, Executive Director, Deputy Executive Director, General Counsel or Vice President for Legal Affairs of the Agency is hereby authorized and directed to execute, acknowledge and deliver the Lease Agreement in the name of the Agency, and the Secretary, Assistant Secretary, Executive Director, Deputy Executive Director, General Counsel or Vice President for Legal Affairs of the Agency, if not executing the Lease Agreement, is hereby authorized and directed to affix the corporate seal of the Agency thereon, as applicable, and attest the same. The execution and delivery of the Lease Agreement, and the affixation and attestation of the corporate seal of the Agency thereon, shall be conclusive evidence of due authorization and approval of the Lease Agreement in its final form.

**Section 5.** For purposes of providing the terms and conditions applicable to the subleasing of the Facility to the Sublessee, the Sublease Agreement, substantially in the form thereof as presented to this meeting and made a part hereof as if fully set forth herein, with such changes as the Chairman, Vice Chairman, Executive Director, Deputy Executive Director, General Counsel or Vice President for Legal Affairs of the Agency shall deem advisable, be, and the same is, hereby approved; provided that the authorization of the execution and delivery of the Indenture and the Lease Agreement in the name of the Agency and the issuance of the Bonds shall be subject to negotiation of final terms and provisions of the Sublease Agreement in form and substance satisfactory to the Chairman, Vice Chairman, Executive Director, Deputy Executive Director, General Counsel or Vice President for Legal Affairs of the Agency.

**Section 6.** All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Lease Agreement shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the officers thereof by the provisions of this Resolution, the Lease Agreement shall be exercised or performed by the Agency or such officers, or by officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in the Lease Agreement or the Agency Mortgage shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Agency in the individual capacity.

**Section 7.** The Agency is hereby authorized to cause the Lessee and the Sublessee to proceed with the Project. The Lessee and the Sublessee are each authorized to proceed with the Project on behalf of the Agency as set forth in the Lease Agreement; provided, however, that it is acknowledged and agreed by the Lessee and the Sublessee that (i) fee title to the Facility shall be in the Agency for purposes of granting financial assistance only, and (ii) the Lessee and the Sublessee are each hereby constituted the agent for the Agency solely for the purpose of

effecting the Project and the Agency shall have no personal liability for any such action taken by the Lessee and the Sublessee for such purpose.

**Section 8.** The officers of the Agency are hereby designated the authorized representatives of the Agency and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for consummation of the transactions provided for or contemplated by this Resolution, the Lease Agreement, the Sublease Agreement and the Agency Mortgage, including entering into any agreement providing for the setting aside in escrow moneys of the Lessee and/or Sublessee required to make payment in lieu of real estate taxes.

**Section 9.** Any such action heretofore taken by the Lessee in initiating the Project is hereby ratified, confirmed and approved.

**Section 10.** Any expenses incurred by the Agency with respect to the Project shall be paid by the Lessee and the Sublessee. By acceptance hereof, the Lessee and the Sublessee agree to pay such expenses and further agree to indemnify the Agency, its members, directors, officers, 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 .

**Section 11.** Except as provided in or contemplated by the Lease Agreement and the Sublease Agreement, no tenant other than the Lessee, its subsidiaries or affiliates shall occupy or tenant the Project unless and until approved by the Agency in accordance with the Lease Agreement.

**Section 12.** The Agency is issuing this determination pursuant to the State Environmental Quality Review Act (SEQRA) (Article 8 of the Environmental Conservation Law) and implementing regulations contained in 6 N.Y.C.R.R. Part 617. This determination is based upon the Agency's review of information provided by the Lessee and Sublessee and such other information as the Agency has deemed necessary and appropriate to make this determination.

The Agency has determined that the proposed Project, an unlisted action pursuant to SEQRA and the implementing regulations, will not have a significant effect on the environment and that a Draft Environmental Impact Statement will not be prepared. The reasons supporting this determination are as follows:

- A. The proposal will not result in a substantial adverse change in existing air quality, traffic or noise levels.
- B. The proposal will not result in the impairment of the character or quality of important historical, archeological, architectural, or aesthetic resources or of existing community or neighborhood character.
- C. The proposal will not result in the creation of a hazard to human health.

D. No other significant effects upon the environment that would require the preparation of an Environmental Impact Statement are foreseeable.

**Section 13.** This Resolution shall take effect immediately.

ADOPTED: July 13, 1999.

Accepted \_\_, 1999

CRYSTAL WINDOWS+ DOORS  
SYSTEMS,LTD

(SEAL)

By: \_\_\_\_\_

Name:

ATTEST:

Title:

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