

PLEASE NOTE - We welcome public comment on the items on the following agenda. To ensure maximum opportunity for participation, speakers representing themselves may speak for up to 2 minutes each, and those representing groups may speak for up to 4 minutes (1 speaker per group). Speakers' comments may address only items considered at today's meeting. Materials relating to matters that are scheduled for discussion in open session will be available at the meeting and will be posted on ESD's website prior to the meeting in accordance with the Public Officers Law

NEW YORK JOB DEVELOPMENT AUTHORITY

Meeting of the Members

Wednesday

April 8, 2015 – 10:30 a.m.

PROPOSED AGENDA

CORPORATE ACTION

1. Approval of Minutes of the February 2, 2015 and March 10, 2015 Members' Meetings

FOR CONSIDERATION

2. Cutchogue (Long Island Region – Suffolk County) – JDA Loans for the benefit of Rising Sun Woodworking, Inc. – Authorization to Make Loans with New York Job Development Authority Proceeds and Take Related Actions

DRAFT – SUBJECT TO REVIEW AND REVISION

NEW YORK JOB DEVELOPMENT AUTHORITY

Meeting of the Members
Empire State Development
633 Third Avenue
New York, New York 10017

and

New York State Department of Labor
State Campus
Building 12, Room 500
Albany, New York 12240

and

New York State Department of Financial Services
1 State Street
New York, New York 10006

February 2, 2015

MINUTES

Members Present:

Kenneth Adams, Commissioner of DED – Chairman
Adam Barsky
Emily Youssouf
Anthony Albanese, Designee - NYS Department of
Financial Services
James Bays, Designee - NYS Department of Agriculture and
Markets
Mario Musolino, Designee - NYS Department of Labor

JDA Staff:

Elizabeth Fine – General Counsel
Eileen McEvoy, Corporate Secretary
Kathleen Mize, Controller

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Present for ESD: John Bozek, Senior Financial Analyst – Real Estate and Project Finance
Robert Kwon, Vice President – Portfolio Management and Project Finance
Antovk Pidedjian, Senior Counsel (via telephone)
Ray Salaberrios, Senior Director – Economic Revitalization

Also Present: The Press
The Public

The meeting was called to order at 2:23 p.m. by Chairman Adams. It was noted for the record that notice to the public and news media of the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

Chairman Adams then set forth the guidelines regarding comments by the public on matters on the Agenda, as well as with regard to any conflicts of interest the Members may have regarding any of the items on the Agenda. It was noted that no such conflicts exist.

Next, Chairman Adams entertained a motion to approve the Minutes of the October 24, 2014 Members' Meeting.

Upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF THE MINUTES AND RATIFICATIONS OF ACTIONS TAKEN AT OCTOBER 24, 2014 MEMBERS' MEETING OF THE NEW YORK JOB DEVELOPMENT AUTHORITY

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RESOLVED, that the Minutes of the meeting of the Authority held October 24, 2014 as presented to this meeting, are hereby approved and all actions taken by the Members present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Authority.

* * *

The Chairman then asked Mr. Salaberrios to present the next two items on the Agenda.

Before Mr. Salaberrios began his presentation, the Chairman noted that both items were analyzed and approved for presentation to this Board by the Finance Committee.

Mr. Salaberrios then presented a JDA real estate acquisition loan and a machinery and equipment loan for the benefit of TMP Acquisition, Inc. for the Members' consideration.

Mr. Salaberrios asked the Members to authorize the Authority to make a real estate loan in the amount of \$2,160,000 and a machinery and equipment loan in the amount of \$840,300 to the above-named entity.

Mr. Salaberrios explained that the funds will be used by TMP Acquisitions for a portion of the cost of purchasing two companies, Time Release Science, Inc. and TMP Technologies.

Mr. Salaberrios provided the background information on the two companies noting that Time Release Science, Inc. was started in 2004 for the sole purpose of manufacturing the Mr. Clean Magic Eraser and that TMP Technologies, Inc. was formed in 1954 and has evolved into a

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multinational manufacturer of specialty foam, rubber, plastic and metal fabrications.

Mr. Salaberrios then noted that the total project costs are \$27.5 million. He added that Bank of America will finance \$13.2 million; the buyers will finance an additional \$43 million through equity; the Erie County IDA will fund \$2 million, and the current majority owner has agreed to hold \$6.25 million in notes.

Mr. Salaberrios further explained that the remaining shortfall that JDA is considering financing through the real estate and machinery and equity loans being presented will be \$3,000,000.

Mr. Salaberrios continued and explained that Bank of America has agreed that should the JDA loans be approved, it will provide the bridge financing necessary to move the project forward.

Member Youssouf asked for clarification with regard to an amount provided in the Board materials and Mr. Salaberrios provided same.

Mr. Salaberrios then went on to note that if the present owner is not successful in obtaining the proposed financing structure, it is very likely that he will need to go to outside interests to sell the companies.

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The most logical outside interest, Mr. Salaberrios noted, will be its current competitors all of which are located outside of New York State. He added that if the companies are purchased by any of the outside interests, they will most likely consolidate the facilities into their current out-of-state locations.

This, Mr. Salaberrios explained, will result in the loss of 124 current jobs, future growth as well as all of the ancillary business that TMP and TRS brings the Western Region.

Following the full presentation, Chair Adams called for questions or comments. Member Bays noted that there was a discrepancy in the environmental language in the materials. Mr. Salaberrios clarified the statement, noting that environmental reviews will be conducted and further noted that the materials will be revised for the record to reflect that more accurately. Following a brief discussion, it was agreed that when it comes time to consider the resolution, it will be noted for the record that if the resolution is approved, it will be approved with the condition that the environmental reviews are completed before the loan is fully executed.

Member Youssouf then noted that the loan-to-value will be approximately 106%. She then asked how quickly it will lower.

Mr. Bozek noted that it is a five-year loan only. He then went on to outline the various reasons that from an economic development standpoint, this is a good project.

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There being no further questions or comments, the Chair called for a motion to approve the following resolution on the condition that all of the environmental reviews are completed before the loan is fully executed.

Upon motion duly made and seconded, the following resolution was unanimously adopted contingent upon the requirement set forth in the motion made by Chair Adams:

Buffalo and Wyoming (Western New York Region – Erie County) – TMP Acquisitions, Inc. – New York Job Development Authority Special Purpose Fund Direct Loan Project – Real Estate Loan and Machinery and Equipment Loan -- Authorization to Make Loans and to Take Related Action

RESOLVED, that the Chief Executive Officer of the Authority or his designee(s) be, and each of them hereby is, authorized to make a Special Purpose Fund Real Estate Loan to Statewide Local Development Corporation for the benefit of TMP Acquisitions, Inc. for an amount not to exceed \$2,160,000 or 60% of the total real estate project cost, whichever is less, and \$840,000 for machinery and equipment or 60% of the total machinery and equipment project cost, whichever is less, to be funded from the proceeds of New York State Guaranteed Special Purpose Fund bonds or notes, for the purposes and substantially on the terms and conditions set forth in the materials presented at this meeting, with such changes as the Chief Executive Officer of the Authority or his designee(s) may deem appropriate; and be it further

RESOLVED, that the Chief Executive Officer of the Authority or his designee(s) be, subsequent to the making of the Loans, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the Loans as he or she may deem appropriate in the administration of the Loans; and be it further

RESOLVED, that the Chief Executive Officer of the Authority, or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Authority to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions; and be it further

RESOLVED, that the provision of financial assistance by the Authority is expressly contingent upon: (1) the approval of the Public Authorities Control Board, as applicable, and (2) the receipt of all other necessary approvals.

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Next, Mr. Salaberrios presented a JDA real estate acquisition loan in the amount of \$2,160,180 to Upstate Specialty Properties, LLC for the benefit of Upstate Veterinary Specialties, PLLC.

Mr. Salaberrios explained that the funds will be used for a portion of the cost of construction and development of a new 30,000 square foot facility. The proposed new facility, he added, will be open 24 hours a day, seven days a week with veterinary staff overnight for emergency receiving and inpatient care.

The expansion, Mr. Salaberrios continued, will allow Upstate Veterinary Specialties to add new services such as oncology, emergency critical care and to expand existing services such as cardiology, surgery and neurology.

Mr. Salaberrios went on to explain that the practice currently employs 44 individuals and the expansion will create 14 new jobs for the skilled workers in existing specialty services and at least 14 new jobs for the new oncology and emergency services.

Mr. Salaberrios noted that as a result of recently received updated information regarding the environmental review of this project, the language contained in the materials will be revised.

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Mr. Salaberrios then read the revised language into the record and stated that the materials will be revised for the Corporate Record to include that language.

In that regard, Mr. Salaberrios noted that the Town of Colony Planning Board, the lead agency, issued a Negative Declaration on October 21, 2014 and staff recommends that the Authority make a Determination of No Significant Effect on the Environment regarding JDA's mortgage bridge loan.

Mr. Salaberrios further noted that a Phase I Environmental Assessment must be submitted to JDA for review and approval prior to closing the loan.

Member Youssouf asked about a distribution taken by the sole proprietor and the negative impact that that has had on the borrower's current liabilities.

A lengthy discussion then ensued on this matter and it was ultimately decided that the loan authorization will contain a covenant barring the sole proprietor from taking further distributions without JDA's approval.

Member Youssouf asked if the bank looked into the demand for this type of service. Mr. Salaberrios stated that the bank did look into this and shared their research that showed that there is a demand because of the lack of facilities in the region.

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Member Youssouf stated that matters such as the distribution taken by the sole proprietor that are discussed at the Finance Committee meeting should be addressed in the materials. She further noted that market studies such as the one done by the bank should also be referenced in the Board materials. Member Youssouf was assured that going forward matters such as these will be included in the Board materials.

Following the full presentation, Chair Adams called for and further questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Latham (Capital Region – Albany County) – Upstate Specialty Properties, LLC (Upstate Veterinary Specialties, PLLC) – New York Job Development Authority Special Purpose Fund Direct Loan Project – Real Estate Loan – Authorization to Make Loans and to Take Related Action

RESOLVED, that the Chief Executive Officer of the Authority or his designee(s) be, and each of them hereby is, authorized to make a Special Purpose Fund Loan to Statewide Local Development Corporation for the benefit of Upstate Specialty Properties, LLC (Upstate Veterinary Specialties, PLLC) for an amount not to exceed \$2,160,180 or 40% of the total project cost, whichever is less, to be funded from the proceeds of New York State Guaranteed Special Purpose Fund bonds or notes, for the purposes and substantially on the terms and conditions set forth in the materials presented at this meeting, with such changes as the Chief Executive Officer of the Authority or his designee(s) may deem appropriate; and be it further

RESOLVED, that the Chief Executive Officer of the Authority or his designee(s) be, subsequent to the making of the Loans, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the Loans as he or she may deem appropriate in the administration of the Loans; and be it further

RESOLVED, that the Chief Executive Officer of the Authority, or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Authority to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions; and be it further

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RESOLVED, that the provision of financial assistance by the Authority is expressly contingent upon: (1) the approval of the Public Authorities Control Board, as applicable, and (2) the receipt of all other necessary approvals.

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There being no further business, the meeting was adjourned at 2:50 p.m.

Respectfully submitted,

Eileen McEvoy
Secretary

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NEW YORK JOB DEVELOPMENT AUTHORITY

Meeting of the Members
Empire State Development Corporation
633 Third Avenue
New York, New York 10017

and

New York State Department of Labor
State Campus
Building 12, Room 500
Albany, New York 12240

and

New York State Department of Financial Services
1 State Street
New York, New York 10006

March 10, 2015

MINUTES

Members Present:

Howard Zemsky, Acting Commissioner of DED – Chairman
Adam Barsky
Emily Youssouf
Anthony Albanese – Designee – New York State
Department of Financial Services
James Bays, Designee – New York State Superintendent of
Agriculture and Markets
Mario Musolino, Acting Commissioner – New York State
Department of Labor

JDA Staff:

Elizabeth Fine, General Counsel
Eileen McEvoy, Corporate Secretary
Kathleen Mize, Controller

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Present for ESD: John Bozek, Senior Financial Analyst/ Underwriter-
Portfolio Management and Project Finance
Robert Kwon, Vice President – Portfolio Management &
Project Finance
Mehul Patel, Chief of Staff
Antovk Pidedjian, Senior Counsel
Ray Salaberrios, Senior Director – Economic Revitalization
Margaret Tobin, Chief Financial Officer

Also Present: The Press
The Public

The meeting was called to order at 11:42 a.m. by Chairman Zemsky. It was noted for the record that notice to the public and news media of the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

Chairman Zemsky then set forth the guidelines regarding comments by the public on matters on the Agenda.

The Chair then called upon Mr. Salaberrios to present the Beets Factory, Inc. JDA Loan item for the Members' consideration.

Mr. Salaberrios then explained that the Members were being asked to approve a \$5,340,000 JDA loan to Beets Factory, Inc. to assist in the purchase and installation of machinery and equipment in the Company's Rochester facility.

Mr. Salaberrios went on to note, that Beets Factory, Inc. was founded to receive,

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process, package and ship beets across the United States. He added that Beets Factory, Inc. is owned 50 percent by G's Group, Europe's leading fresh produce company, 40 percent by LiDestri Foods, a pasta sauce company that had over \$490 million in sales in 2014 and 10 percent by Andrew Schwartz, a marketing guru.

Mr. Salaberrios went on to note that the Company will operate out of a 100,000 square foot facility in Rochester which is currently owned by LiDestri.

Mr. Salaberrios explained that the cost to renovate the facility and outfit it with the required machinery and equipment is \$17.1 million with the machinery and equipment acquisition portion costing \$8.9 million. The proposed JDA loan, he noted is 60 percent of that amount or \$5.3 million.

Among other things, Mr. Salaberrios explained that if the Board approved this loan, JDA will be partnering with M&T Bank on the project.

Mr. Salaberrios then explained the timing of the loan disbursement and the terms relevant thereto.

Mr. Salaberrios added that with the approval of this project, JDA will facilitate the creation of 89 full time jobs by 2018 and 140 full time jobs by 2020.

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Member Youssouf asked if the Company will be paying initially or will there be a deferred initial payment until the factory actually starts producing.

Mr. Salaberrios stated that the Company will start paying principal and interest at disbursement.

Member Youssouf asked if it was going to be paid by the guarantors and Mr. Salaberrios stated that the expectation is that by the middle of year one, the Company will be up and running. Mr. Salaberrios added that JDA expects that any shortfalls will be provided by the guarantors.

Member Youssouf asked for clarification regarding Mr. Salaberrios' statement that JDA is partnering with M&T Bank and the materials reference the Bank of Scotland. Mr. Salaberrios explained that the Royal Bank of Scotland is G Fresh's current bank and because G Fresh is a foreign company, JDA is requiring a Letter of Credit as part of their guarantee.

Member Youssouf asked what period of time the Letter of Credit will cover and Mr. Salaberrios stated that it will run for the life of the loan.

In answer to further questions, Member Youssouf was informed that the loan was for a term of ten years and the Letter of Credit will run for five with a five year renewal.

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Member Barsky asked if this was a done deal or if the company was still weighing its options. Mr. Salaberrios stated that the company is most likely still considering New Jersey as an option. He then pointed out the numerous challenges posed by a move to New Jersey.

Following the full presentation, the Chair called for questions or comments. Member Bays noted the Department of Agriculture’s appreciation for loans such as this and he asked that the record reflect the Department had reviewed the materials and views the loan as quite positive.

There being no further questions and comments, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Rochester (Finger Lakes Region – Monroe County) – JDA Loans for the benefit of Beets Factory, Inc. – New York Job Development Authority Special Purpose Fund Direct Loan Project – Machinery and Equipment Loan -- Authorization to Make Loans and to Take Related Action

RESOLVED, that the Chief Executive Officer of the Authority or his designee(s) be, and each of them hereby is, authorized to make a Special Purpose Fund Machinery and Equipment Loan to Statewide Local Development Corporation for the benefit of Beets Factory, Inc. for an amount not to exceed \$5,340,000 or 60% of the total machinery and equipment project cost, whichever is less, to be funded from the proceeds of New York State Guaranteed Special Purpose Fund bonds or notes, for the purposes and substantially on the terms and conditions set forth in the materials presented at this meeting, with such changes as the Chief Executive Officer of the Authority or his designee(s) may deem appropriate; and be it further

RESOLVED, that the Chief Executive Officer of the Authority or his designee(s) be, subsequent to the making of the Loans, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the Loans as he or she may deem appropriate in the administration of the Loans; and be it further

RESOLVED, that the Chief Executive Officer of the Authority, or his designee(s) be, and each of

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them hereby is, authorized in the name and on behalf of the Authority to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions; and be it further

RESOLVED, that the provision of financial assistance by the Authority is expressly contingent upon: (1) the approval of the Public Authorities Control Board, as applicable, and (2) the receipt of all other necessary approvals.

* * *

Mr. Salaberrios then asked the Members to authorize JDA to make a machinery and equipment loan of \$960,000 to Ronnybrook Farm Dairy.

Mr. Salaberrios set forth the background information with regard to this request noting, in part, that the Dairy is a family owned farm, established in 1941 that began making quality value added dairy products in 1991. Since 1991, he added, Ronnybrook has identified and built a lucrative market niche, providing high quality and high value added dairy products to upscale discerning customers in the Greater New York City region.

Following the full presentation, the Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Ancramdale (Capital Region – Columbia County) – Ronnybrook Farm Dairy – New York Job Development Authority Special Purpose Fund Direct Loan Project – Machinery and Equipment Loan -- Authorization to Make Loans and to Take Related Action

RESOLVED, that the Chief Executive Officer of the Authority or his designee(s) be, and each of them hereby is, authorized to make a Special Purpose Fund Loan to Statewide Local Development Corporation for the benefit of Ronnybrook Farm Dairy for an amount not to

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exceed \$960,000 or 60% of the total project cost, whichever is less, to be funded from the proceeds of New York State Guaranteed Special Purpose Fund bonds or notes, for the purposes and substantially on the terms and conditions set forth in the materials presented at this meeting, with such changes as the Chief Executive Officer of the Authority or his designee(s) may deem appropriate; and be it further

RESOLVED, that the Chief Executive Officer of the Authority or his designee(s) be, subsequent to the making of the Loans, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the Loans as he or she may deem appropriate in the administration of the Loans; and be it further

RESOLVED, that the Chief Executive Officer of the Authority, or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Authority to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions; and be it further

RESOLVED, that the provision of financial assistance by the Authority is expressly contingent upon: (1) the approval of the Public Authorities Control Board, as applicable, and (2) the receipt of all other necessary approvals.

* * *

There being no further business, the meeting was adjourned at 11:59 a.m.

Respectfully submitted,

Eileen McEvoy
Secretary



Date: April 8, 2015

TO: The Members

FROM: Howard Zemsky

Subject: Cutchogue (Long Island Region – Suffolk County) – JDA Loan for the benefit of Rising Sun Woodworking, Inc. - Authorization to Make Loans with New York Job Development Authority Proceeds and Take Related Actions

JDA Loan Terms	
Borrower:	Rising Sun Woodworking, Inc.
Economic Region:	Long Island Region
Loan Amount Requested:	\$480,000
Rate:	4.33% (fixed)
Term:	20 years
Classification:	IB+
Distressed Area:	No
Initial Payment:	\$2,992.85

JDA Project Budget					
Uses			Sources		
Real Estate Acquisition	\$1,200,000	100%	Bank Loan	\$600,000	50%
			JDA Loan*	480,000	40%
			Equity	120,000	10%
Total JDA Project Cost	\$1,200,000		Total JDA Project Financing	\$1,200,000	
*20-year term at 4.33% fixed apr with second collateral mortgage on RE					
Total Project Budget					
Uses			Sources		
Real Estate Acquisition	\$1,200,000	74%	Bank Loan	\$600,000	37%
Renovation of Property	360,000	22%	Equity	540,000	33%
M&E Acquisition and Installation	60,000	4%	JDA Loan	480,000	30%
Total Project Cost	\$1,620,000		Total Project Financing	\$1,620,000	

Security: The JDA Loan will be secured by a second mortgage on the Real Estate located at 4460 Depot Lane in Cutchogue, NY.

Guarantors: Repayment of the Loan will be guaranteed by the owner of the Company, Michael Drobot.

Job Information (at project sites):

Existing: 19 full-time

New Jobs Projected: 3 full-time by three years after project completion

JDA Loan Amount per job: \$21,818

Project Summary:

Borrower: Rising Sun Woodworking, Inc.
7280 Sound Avenue (PO Box 1616)
Mattituck, New York 11952

Contact: Michael Drobot, President
Phone: 631-298-2191
Mike@risingsunw.com

Ownership: Michael Drobot, Founder and President - 92%
Dion Lynch, Director of Operations - 8%

Nature of Business: The Company is an architectural woodworking shop that produces custom architectural cabinetry and millwork, serving general contractors and architects on Long Island's East End.

This report concerns a proposed New York Job Development Authority ("JDA") loan for the amount of \$480,000 (the "JDA Loan"). Bridgehampton Bank (the "participating bank") will provide a loan to finance the \$1,200,000 acquisition of the real estate. Once the project is completed, the JDA Loan is to be used to take out 40% of the loan provided (the "RE Loan"). Including the property renovations and M&E costs along with the property acquisition, the total project cost is \$1,620,000. Per the JDA statutes, a firm commitment from the participating bank will be required before the potential JDA loan is approved.

Project location: 4460 Depot Lane, Cutchogue, NY

Project Completion: Second Quarter 2015

1) PROJECT OVERVIEW AND RECOMMENDATION**Background**

Rising Sun Woodworking ("RSW" or "the Company") opened in 1983 as a one-man shop operating out of a small garage in Riverhead, NY. By 1987, RSW moved into larger, rented space at its current location in Mattituck, which has continued to expand in terms of size and also employees. The Company supplies builders and homeowners with high-end custom cabinetry and millwork, including doors and windows, running trim, and interior/exterior wood components and details. RSW currently employs 19 people (including the two principals).

Project Description

RSW is planning the purchase and renovation of new manufacturing space at 4460 Depot Lane in Cutchogue. The 14,600 square foot manufacturing space, which is located four miles from RSW's current location, is under contract pending financing and permitting.

RSW is currently operating in rented shop space that occupies seven “bays” across 8,400 square feet, along with offsite storage. The new location will allow it to consolidate operations under one roof, and retain and attract technically proficient woodworkers by providing a superior and optimally planned work environment. The Company will also be able to better control its electrical costs with the installation of efficient lighting, enhanced insulation, and passive and active solar systems.

RSW is planning to finance the purchase and renovation of the property and the acquisition and installation of machinery and equipment. The total project cost will be \$1.62MM, of which \$1.2MM will be for real estate acquisition. The owner will contribute \$120K in equity, and the bank will finance the rest of the property purchase (\$1.08MM). Once the property has been acquired, the owner is looking for JDA to take-out 40% of the bank loan. The JDA Real Estate Loan of \$480,000 would be secured by a second mortgage (behind the first mortgage of the participating bank) on the property located at 4460 Depot Lane in Cutchogue, NY.

In January of 2015, RSW signed an incentive offer from ESD for a grant of up to \$19,500 to acquire a \$96,000 computer-aided cutting machine to improve the capability of its woodworking operation.

Market Analysis

RSW’s sales are directly related to the strength of the Hamptons’ real estate market. The fourth quarter 2014 reports from Hamptons’ real estate brokers indicate that the median sales price is now \$975,000, the highest in 7 years, and an increase of 26.5% compared to the same quarter last year. The number of sales jumped 48%, to 734, the most sales in a quarter for almost ten years. The average sales price increased 31% to \$2,062,072. Inventory is up very slightly at 0.4%.

In the third quarter of 2014, the market share of sales above \$1M increased; in the fourth quarter about 48% were above \$1M, the highest share ever tracked. 57 homes sold above \$5M, a 78% increase and the highest number since 2006. Nearly 75 percent of Hamptons’ buyers come from New York City, and most work in finance. With the stock market up roughly 30 percent last year, many use their gains and buy hard assets such as real estate. As the results from Wall Street continue to be positive, the Hamptons market will remain strong.¹

Conclusions

- If the Company successfully completes the proposed move and renovation project, management projects that the Company will experience an increase in total revenue and profitability. The increase in profitability will stem from efficiencies and heightened capacity at the new location

¹ <http://hamptons.curbed.com/tags/market-reports>

- At the completion of this project, 19 full-time jobs will be retained and three will be created.
- Based on the IB+ rating, the Company currently generates sufficient cash flow from operations to service the debt, and staff believes there are adequate collateral and guarantees to mitigate the risks involved with the request.

2) COVENANTS AND CONDITIONS

The JDA Loans are predicated upon the following financial conditions:

- The Company must obtain firm commitments satisfactory to JDA from responsible financial sources for the total project cost exclusive of any loan requested from JDA.
- The Company must provide evidence of the subject property that indicates a loan to cost not to exceed 90% at the time of closing.
- The Company must maintain a minimum debt service coverage ratio of 1.20 throughout the term of the loan.
- The Company must meet all other standard JDA requirements as follows:
 - a. Completion of the Project to the satisfaction of JDA.
 - b. Procurement by the Company of funds which shall be used at or prior to the closing to pay the Project Cost, exclusive of the proceeds of the Loan.
 - c. Receipt by JDA of policies of insurance, including flood insurance if required, in amount, form and substance and issued by companies satisfactory to JDA.
 - d. Receipt by JDA of an itemized statement of Project Cost, satisfactory to JDA.
 - e. Receipt by JDA of financing documents of other lender(s) satisfactory to JDA.
 - f. Satisfaction of such other conditions as JDA, with advice of counsel, deems necessary or advisable to effectuate the Loan, secure the interest of JDA and insure compliance with the JDA Statute and applicable provisions of the Internal Revenue Code.
 - g. Execution of documents to permit monthly electronic debit of the Company's checking account to repay the Loan.
 - h. Compliance with ADDITIONAL REQUIREMENTS stipulated in all Schedules, Exhibits and Riders, attached hereto and made a part hereof.
 - i. Compliance with any other terms and conditions deemed to be necessary and appropriate in the opinion of the General Counsel of JDA.
 - j. The Company or the Company's owners will contribute at least 10% in equity to the Real Estate Project. Equity is defined as any non-debt source of capital and should be auditable through the

Company's financial statements or bank accounts, if so requested by JDA.

- k. Subordination of any loans to the Company from those certain officers and members of the Company stipulated herein in a manner satisfactory to JDA.
- l. The Company shall not enter into any agreement by which the terms of payment of any principal or interest under any other bank loan are waived, modified, deferred, delayed, increased or reduced in rate or amount, without the prior written consent of JDA.
- m. All certifications and permits for the operating purposes of the Facility to be in full force and effect prior to closing the Loan.
- n. Collateralization of the Loan with insurance of the life of Michael Drobot in an amount sufficient to pay the outstanding principal balance of the Real Estate Loan at any time.

3) ADDITIONAL MORTGAGE AND LIEN DETAILS

Promissory notes in the principal amount of the JDA Real Estate Loan, with interest thereon (the "Note"), shall be secured by a second mortgage to JDA on the premises located at 4460 Depot Lane in Cutchogue, NY.

The Mortgage may be junior to the liens of the principal bank, but not to any modifications, extensions or renewals thereof. The Bank Mortgage shall not be collateral security for any other loans.

4) ENVIRONMENTAL REVIEW

ESD staff on behalf of the JDA has determined that the project constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. Due to the JDA's mortgage position on the loan, a Phase I Environmental Site Assessment must be submitted to the JDA for review and approval prior to closing on the loan.

5) NON-DISCRIMINATION AND CONTRACTOR & SUPPLIER DIVERSITY

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBES) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% (\$144,000) related to the total value of ESD's funding.

6) ADDITIONAL SUBMISSIONS TO MEMBERS

New York State Map
JDA Loan Underwriting Classification System
Diagrams and Photos

April 8, 2015

Cutchogue (Long Island Region – Suffolk County) – JDA Loan for the benefit of Rising Sun Woodworking, Inc. – New York Job Development Authority Special Purpose Fund Direct Loan Project – Real Estate Loan -- Authorization to Make Loan and to Take Related Action

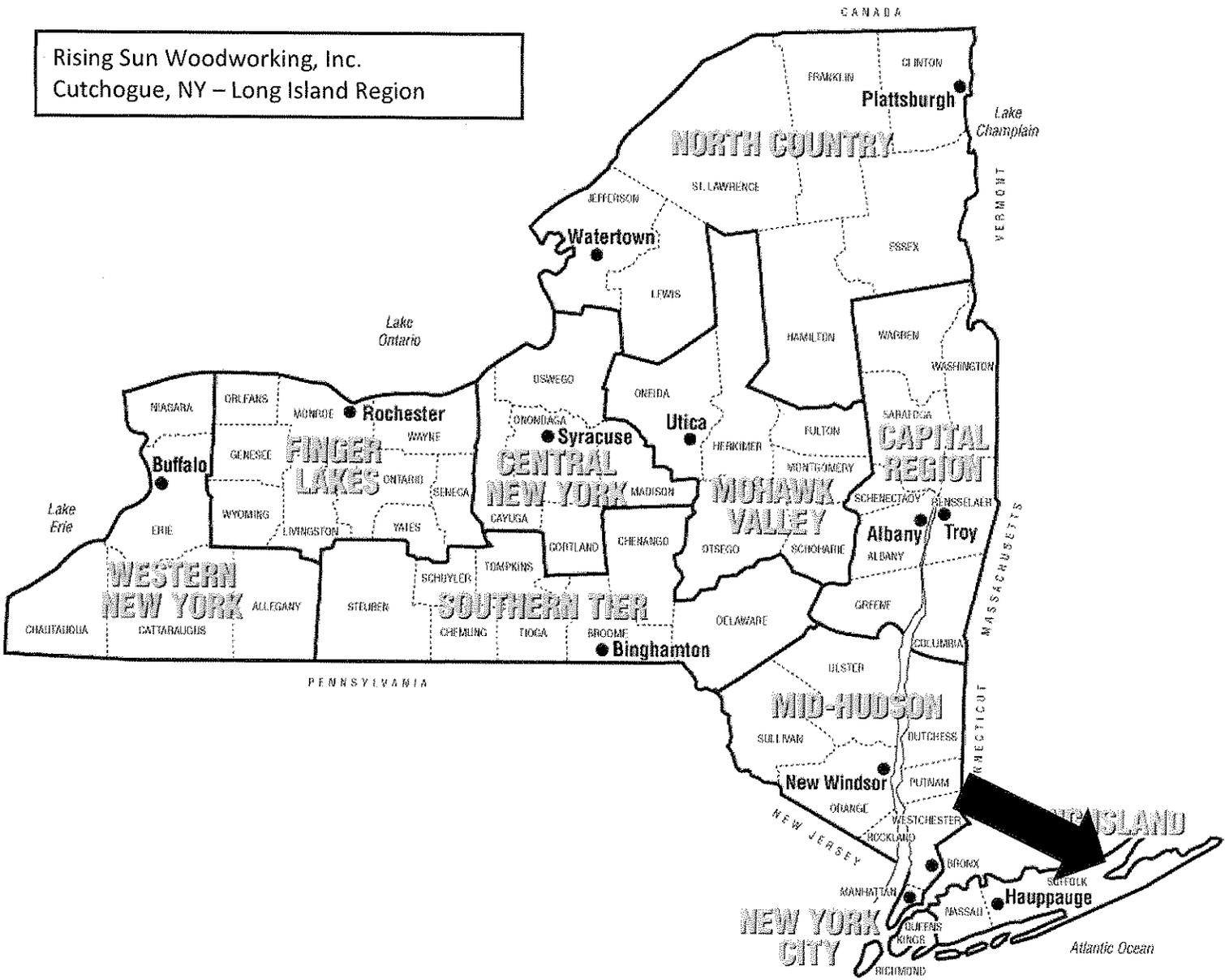
RESOLVED, that the Chief Executive Officer of the Authority or his designee(s) be, and each of them hereby is, authorized to make a Special Purpose Fund Real Estate Loan to Statewide Local Development Corporation for the benefit of Rising Sun Woodworking, Inc. for an amount not to exceed \$480,000 or 40% of the total project cost, whichever is less, to be funded from the proceeds of New York State Guaranteed Special Purpose Fund bonds or notes, for the purposes and substantially on the terms and conditions set forth in the materials presented at this meeting, with such changes as the Chief Executive Officer of the Authority or his designee(s) may deem appropriate; and be it further

RESOLVED, that the Chief Executive Officer of the Authority or his designee(s) be, subsequent to the making of the Loan, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the Loan as he or she may deem appropriate in the administration of the Loan; and be it further

RESOLVED, that the Chief Executive Officer of the Authority, or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Authority to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions; and be it further

RESOLVED, that the provision of financial assistance by the Authority is expressly contingent upon: (1) the approval of the Public Authorities Control Board, as applicable, and (2) the receipt of all other necessary approvals.

Rising Sun Woodworking, Inc.
Cutchogue, NY – Long Island Region



JDA Underwriting Classification Chart

Level I: Cash Flow	Level II: Default Risk	Level III: Collateral Value
I Actual or Adjusted Debt Service Coverage \geq 1.2:1	A Score of \geq 4 on the Default Risk Model Low Risk	Liquid value of collateral + adjusted value of personal guarantee \geq total loan value
II Actual or Adjusted Debt Service Coverage $<$ 1.2:1, but with Projected Debt Service Coverage \geq 1.2:1	B Score of 3 on the Default Risk Model Moderate Risk	Liquid value of collateral+ adjusted value of personal guarantee $<$ total loan value
	C Score of \leq 2 on the Default Risk Model Higher Risk	