

November 10, 2022

Ms. Suzanne Loughlin, Chairperson and Member of the Board of Directors
Walter Garigliano, Esq., Agency Counsel
Jennifer Flad, Executive Director
County of Sullivan Industrial Development Agency
548 Broadway
Monticello, New York 12701

RE: Mountain Kosher Food Corp. and 286 EB LLC
286 East Broadway, Monticello, NY 12701
Tax Parcel SBL 113-4-3 (the "Property")

Dear Chairperson Loughlin, Mr. Garigliano, Ms. Flad and Members of the Board of Directors:

This office represents Mountain Kosher Food Corp. ("Mountain Kosher") and 286 EB LLC ("286 EB") (collectively, the "Applicants"). 286 EB owns the above-referenced Property, upon which sits a longstanding ethnic supermarket, Mountain Kosher, which is located in a highly distressed area of Sullivan County. Mountain Kosher is a deep discount supermarket, operating on the Property for 17 years. Operations were previously expanded in 2015 to its current size of 11,500 sq feet. Operations, operational needs, and market demand have outgrown the existing building and thus require the construction of a new modern supermarket on the Property. The Applicants plan to demolish the existing market and construct a new 27,000 sq. foot steel-framed one story building that will incorporate a large discount supermarket and accessory warehousing (the "Project").

While the current market is principally a seasonal supermarket serving summer residents, the new supermarket building will be 'winterized'. The market will still focus on seasonal demand, however, the winterization of the building will also allow limited year-round shopping in anticipation of increased overall market demand.

The Applicants, based on market analysis, believe that Mountain Kosher is well positioned to maintain its market penetration and capture an increased market share if it implements the right

combination of capital investment and financial assistance. As a further inducement to expand its investment in this highly distressed area of Sullivan County, the Applicants desire to enter into agreements with the County of Sullivan Industrial Development Agency (“CSIDA”) to assist with its financing, demolition of the existing market and construction of the new market to retain and ultimately expand its discount ethnic fresh food products and create new employment opportunities. To this end, the Applicants plan to invest approximately \$8M in the Project. The financial assistance requested from CSIDA is anticipated to be provided pursuant to its Retail Sales Program, and may include a limited real estate tax abatement, a sales and use tax exemption, and mortgage recording tax exemption (the “Financial Assistance”).

The specifics of the Financial Assistance requested are set forth more particularly in the attached application (the “Application”). In support of the Application, we bring the Agency’s attention to the following:


1. The Project Purpose –The predominant purpose of the Project will be to make available fresh ethnic foods at discounted prices. These foods would not otherwise be reasonably accessible to the residents of Monticello.
2. The Project Location – The Project is located within a highly distressed area of Sullivan County. It is anticipated that this necessary investment will lead to significant additional direct and indirect investments in the local economy.
3. Job Creation – The Project is expected to retain the existing workforce of approximately 50 full time seasonal employees and add approximately three full time year-round employees. In addition, approximately 15 temporary construction jobs are anticipated. The jobs retained will continue to benefit the region. More detail is provided on the Application.

The Applicants have already submitted two checks to CSIDA, one covering a \$250.00 application fee and the second covering a \$5,000 up-front escrow deposit.

We look forward to working with you on this Application. Should you require additional information, please do not hesitate to contact me.

Very truly yours,

CONNELL FOLEY LLP

By: 
George Duke

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY
548 Broadway
Monticello, New York 12701
845-428-7575
APPLICATION FOR FINANCIAL ASSISTANCE

I. A. APPLICANT INFORMATION:

Company Name: Mountain Kosher Food Corp.

Address: 286 East Broadway, Monticello, NY 12761 Mailing Address: 1179 E. 17 Street, Brooklyn, NY 11230

Phone No.: 845-794-4600

Telefax No.: 845-794-5918

Email Address: Office.mountainfood@gmail.com myn@krmkollel.com

Fed Id. No.: 20-4802555

Contact Person: Gerald "Moish" Neiman

Principal Owners/Officers/Directors (list owners with 15% or more in equity holdings with percentage ownership):

Principal Owners (Shareholders/Members/Owners): Gerald Neiman, President, 60%
David Itzkowitz, 40%

Directors/Managers: _____

Officers: _____

Corporate Structure (attach schematic if Applicant is a subsidiary or otherwise affiliated with another entity)

Form of Entity:

Corporation (Sub-s)

Date of incorporation: May, 2006

State of incorporation: NY

Partnership

General _____ or Limited _____

Number of general partners _____

If applicable, number of limited partners _____
Date of formation: _____
Jurisdiction formation: _____

_____ Limited Liability Company/Partnership (number of members _____)

Date of organization: _____
State of organization: _____

_____ Sole Proprietorship

If a foreign organization, is the Applicant authorized to do business in the State of New York? Yes___ No___ N/A___ (If so, please append Certificate of Authority.)

B. APPLICANT INFORMATION:

Company Name: 286 EB LLC

Address: Mailing Address: 1179 E. 17 Street, Brooklyn, NY 11230

Phone No.: 917-693-5563

Telefax No.: _____

Email Address: myn@krmkollel.com

Fed Id. No.: 83-1473523

Contact Person: Gerald "Moish" Neiman

Principal Owners/Officers/Directors (list owners with 15% or more in equity holdings with percentage ownership):

Principal Owners (Shareholders/Members/Owners): Gerald "Moish" Neiman, President, 60%
David Itzkowitz, 40%

Directors/Managers: same as owners

Officers: same as owners

Corporate Structure (attach schematic if Applicant is a subsidiary or otherwise affiliated with another entity)

Form of Entity:

_____ Corporation (Sub-s)

Date of incorporation: _____
State of incorporation: _____

____ Partnership

General _____ or Limited _____
Number of general partners _____
If applicable, number of limited partners _____
Date of formation: _____
Jurisdiction formation: _____

Limited Liability Company/Partnership (number of members _____)

Date of organization: 2018
State of organization: NY

____ Sole Proprietorship

If a foreign organization, is the Applicant authorized to do business in the State of New York? Yes___ No___ N/A___ (If so, please append Certificate of Authority.)

APPLICANT'S COUNSEL

Name: Connell Foley LLP, c/o George Duke

Address: 875 Third Avenue, 21st Floor, New York, NY 10022

Phone No.: 212-542-3772

Telefax No.: _____

Email Address: gduke@connellfoley.com

II. REQUESTED FINANCIAL ASSISTANCE

Estimated Value

| | |
|--|-------------------|
| Real Property Tax Abatement (estimated) | \$ <u>TBD</u> |
| Mortgage Tax Exemption | \$ <u>50,000</u> |
| Sales and Use Tax Exemption | \$ <u>307,000</u> |
| Issuance by the Agency of Tax Exempt Bonds | \$ <u>N/A</u> |

III. PROJECT INFORMATION

A.) Project Location:

Project Address: 286 East Broadway, Monticello, NY 12701
Tax Map Number(s): 113-4-3
Located in the Village of: Monticello
Located in Town of Thompson
Located in the School District of Monticello
Located in Hamlet of N/A

(i) Are Utilities on Site?

Water/Sewer ✓ Electric ✓
Gas currently being installed Storm Sewer ✓

(ii) Present legal owner of the site: 286 EB LLC

If other than Applicant, by what means will the site be acquired for this Project:
N/A

(iii) Zoning of Project Site: Current: EBV Proposed: EBV

(iv) Are any variances needed: No

(v) Principal Use of Project upon completion: Fresh food supermarket specializing in ethnic foods.

B.) Will the Project result in the removal of a plant or facility of the Applicant or a proposed Project occupant from one area of the State of New York to another area of the State of New York? No; If yes, please explain:

N/A

C.) Will the Project result in the abandonment of one or more Plants or facilities of the Applicant or a proposed Project occupant located in the State of New York? No; If yes, please explain:

N/A

D.) If the answer to either question B or C above is yes, you are required to indicate whether any of the following apply to the Project:

1. Is the Project reasonably necessary to preserve the competitive position of the Applicant or such Project Occupant in its industry? Yes _____; No _____. If yes, please explain:

N/A

2. Is the Project reasonably necessary to discourage the Applicant or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes _____; No _____. If yes, please explain:

N/A

E.) Will the Project include facilities or property that will be primarily used in making retail sales of goods or provide services to customers who personally visit such facilities? Yes; If yes, please contact the Agency for additional information.

F.) Please provide a narrative of the Project and the purpose of the Project (new build, renovations, and/or all equipment purchases). Identify specific uses occurring within the Project. Describe any and all tenants and any/all end users. Describe the proposed acquisitions, construction or reconstruction and a description of the costs and expenditures expected. Attach additional sheets, if necessary.

See Attachment A

G.) COSTS AND BENEFITS OF THE PROJECT

Costs = Financial Assistance

| | |
|--------------------------------------|-------------------|
| Estimated Sales Tax Exemption | \$ <u>307,000</u> |
| Estimated Mortgage Tax Exemption | \$ <u>50,000</u> |
| Estimated Property Tax Abatement | \$ <u>TBD</u> |
| Estimated Interest Savings IRB Issue | \$ <u>N/A</u> |

Benefits= Economic Development

| | |
|------------------------|---|
| Jobs created | \$ <u>3</u> year round FTE |
| Jobs retained | \$ <u>50</u> seasonal and 3 year round FTE jobs |
| Private funds invested | \$ <u>8,000,000</u> |
| Other Benefits | \$ _____ |

Estimate how many construction/permanent jobs will be created or retained as a result of this Project:

| | |
|---------------------------------|---|
| Construction: | 15 |
| Permanent: | <u>3 year round FTE and 50 seasonal FTE</u> |
| Retained (at current facility): | <u>3 year round FTE and 50 seasonal FTE</u> |

| | |
|-----------------------------|---------------------|
| Project Costs (Estimates) | |
| Land and Existing Buildings | <u>\$ 7,150,000</u> |
| Soft Costs (5%) | <u>\$ 350,000</u> |
| Other | <u>\$ 500,000</u> |
| Total | <u>\$ 8,000,000</u> |

In addition to the above estimated capital costs of the project, which must include all costs of real property and equipment acquisition and building construction or reconstruction, you must include details on the amounts to be financed from private sector sources, an estimate of the percentage of project costs financed from public sector sources and an estimate of both the amount to be invested by the Applicant and the amount to be borrowed to finance the Project.

Applicants are currently in the process of securing a \$5 million loan from Signature Bank. The remaining project costs will be financed by the applicants and the cash flow from the existing business.

In addition to the job figures provided above, please indicate the following:

- 1) The projected number of full time equivalent jobs that would be retained and that would be created if the request for financial assistance is granted.

50 seasonal FTE jobs

3 year round FTE jobs

- 2) The projected timeframe for the creation of new jobs.

Immediately upon completion of construction, which is anticipated in the summer of 2023.

- 3) The estimated salary and fringe benefit averages or ranges for categories of the jobs that would be retained or created if the request for financial assistance is granted.

\$600-\$1300 weekly salary.

- 4) An estimate of the number of residents of the economic development region as established pursuant to section two hundred thirty of the Economic Development Law, in which the project is located that would fill such jobs. The

labor market area defined by the agency (Mid-Hudson Economic Development Region)

1,433,386

H.) State whether there is a likelihood that the project would not be undertaken but for the financial assistance provided by the Agency, or, if the project could be undertaken without financial assistance provided by the Agency, a statement indicating why the project should be undertaken by the Agency _____
IDA benefits are essential to enable completion of this Project.

IV. REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Agency as follows:

- A) Job Listings. In accordance with Section 858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, 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 (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.
- B) First Consideration for Employment. In accordance with Section 858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.
- C) Annual Sales Tax Filings. In accordance with Section 874(8) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant.
- D) Annual Employment Reports. The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.

- E.) Absence of Conflicts of Interest. The Applicant has received from the Agency a list of the members, officers, and employees of the Agency. No member, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described.
- F.) The Applicant represents 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.
- G.) 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.
- H.) 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.
- I.) 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.

The Applicant and the individual executing this Application on behalf of the Applicant acknowledge that the Agency will rely on the representations made herein when acting on this Application and hereby represent that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

(APPLICANT)


By: (NAME, TITLE)

Date: 10/28/22

(APPLICANT)


By: (NAME, TITLE)

Date: 10/28/22

STATE OF NEW YORK)
COUNTY OF SULLIVAN) ss.:

Neiman Gerald ^{KINGS}, being first duly sworn, deposes and says:

1. That I am the President of 286 EB LLC ^{286 EB LLC} Mountain Koster Food Corp (collectively, the, "Applicant") and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.

Gerald Neiman
(NAME)

Subscribed and affirmed to me under penalties of perjury
this 28 day of October, 2022



(Notary Public)

MOSHE BADALOV
NOTARY PUBLIC, State of New York
No. 01BA6167968
Qualified in Kings County
Commission Expires June 4, 20 23

HOLD HARMLESS AGREEMENT

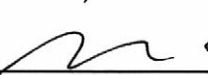
Applicant hereby releases the COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY and the members, officers, servants, agents and employees thereof ("Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, 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 Agency or the Applicant are unable to reach final agreement with the respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

(APPLICANT)

 Gerald Meiman
By: (NAME, TITLE)

Date: 10/28/22

(APPLICANT)

 Gerald Meiman
By: (NAME, TITLE)

Date: 10/28/22

Sworn to before me this 28 day of October, 2022



Notary Public

Exhibit A

Project Description

The Project is the expansion of a longstanding supermarket, Mountain Kosher Food Corp., located at 286 East Broadway in Monticello, which is located in a highly distressed area of Sullivan County. Mountain Kosher Food Corp. is a deep discount supermarket, operating at the above address for 17 years. Operations were previously expanded in 2015 to its current size of 11,500 sq feet. Operations, operational needs, and market demand have outgrown the existing building and thus require the construction of a new modern supermarket on the property. While this new market is going to provide essential goods to the local community, the anticipated benefits offered under the County of Sullivan Industrial Development Agency are essential to its successful completion.

The new supermarket will include the construction of a new 27,000 sq. foot steel-framed one story building which will incorporate a large discount supermarket and accessory warehousing (the “Project”).

While the current market is principally a seasonal supermarket serving summer residents, the new supermarket building will be ‘winterized’ to allow limited year-round shopping in anticipation of increased market demand.

The Project is anticipated to create up to 15 construction jobs during the development phase. Due to the winterization of the new market building, the 50 seasonal jobs will be retained and three full time jobs are anticipated to be created on a year-round basis.

The proposed Project will provide a significant public benefit and be advantageous to the community as it will increase the availability of quality low-priced groceries, fresh produce, and meats.