

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 minute (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.

STATEWIDE LOCAL DEVELOPMENT CORPORATION

at the offices of the
New York State Urban Development Corporation
d/b/a Empire State Development
633 Third Avenue
New York, New York 10017

Meeting of the Directors

Thursday

April 21, 2016 – 2:30 p.m.

AGENDA

I. FOR CONSIDERATION

CORPORATE ACTION

- A. Approval of the Minutes of the November 16, 2015 and December 18, 2015 Directors’ Meetings

II. PROJECT

LONG ISLAND REGION

- A. Hauppauge (Long Island Region – Suffolk County) – JDA Loan for the Benefit of Precare Corporation – Authorization to Make a Loan with New York Job Development Authority Proceeds and Take Related Actions

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STATEWIDE LOCAL DEVELOPMENT CORPORATION

Meeting of the Directors
Held at the New York City Regional Office
633 Third Avenue
New York, New York 10017

November 16, 2015

MINUTES

**In Attendance
Directors:**

Mehul Patel (Acting Chair)
Edwin Lee

Present for Statewide:

Eileen McEvoy, Secretary
Kathleen Mize, Assistant Treasurer
Antovk Pidedjian, Assistant Secretary
Rafael Salaberrios, Senior Vice President

Present for ESD:

John Bozek, Senior Financial Analyst
Benson Martin, Director of Compliance

The meeting of the Statewide Local Development Corporation, a local development corporation created under New York State law, was called to order at 10:03 a.m. by Acting Chair Patel. It was noted for the record that notices 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.

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Acting Chair Patel noted that the public is free to comment on any matters on the Agenda.

The Acting Chair asked the Directors if any of them had a potential conflict of interest with regard to any of the items on the Agenda and if so to make that information known at this time. If any potential conflict exists, Acting Chair Patel continued, the Directors will be reminded at the appropriate time to recuse themselves from the vote on any such item. No conflicts were noted.

The Acting Chair then called for a motion to approve the Minutes of the June 23, 2015 Directors' meeting.

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE JUNE 23, 2015 MEETING OF THE DIRECTORS OF THE STATEWIDE LOCAL DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on June 23, 2015, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

The Acting Chair called upon Mr. Salaberrios to present the remaining three items on the Agenda.

First, Mr. Salaberrios presented the Empire Farmstead Brewery item and he explained that the Directors approved a \$2.1 million real estate loan and a \$1.3 million machinery and

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equipment loan to the Company in October of 2014.

Mr. Salaberrios went on to note that the project broke ground in the first half of 2015. He added that the owner came back to JDA recently to request authorization for an additional \$450,000 in JDA funds which would be 60 percent of an additional \$750,000 needed to complete the project.

Mr. Salaberrios explained that these funds are needed to cover additional construction work which includes a full sprinkler system to comply with the local Fire Code.

Among other things, Mr. Salaberrios explained that even with the increased debt service coverage and loan to value, are all within the JDA guidelines and staff is very comfortable that this request is reasonable and fiscally responsible.

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

Central New York (Cazenovia - Madison County) – Empire Farmstead Brewery, 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 Machinery & Equipment Loan and a Special Purpose Fund Construction Loan to Statewide Local Development Corporation for the

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benefit of Empire Farmstead Brewery, Inc. for an amount not to exceed \$2,439,000 or 60% of the total construction project cost, whichever is less, and \$1,605,300 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.

RESOLVED, that based on the materials submitted to the JDA with respect to the Empire Farmstead Brewery, Inc., the JDA hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Mr. Salaberrios then presented the Beets Factory, Inc. item for the Directors' consideration.

Mr. Salaberrios explained that in March of 2015, the Directors approved a \$5.3 million machinery and equipment loan to the Company. He added that the loan's approval relied heavily on the guarantees provided on a pro rata basis relative to the percentage of each company's respective ownership of Beets Factory.

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At the time of the Directors' approval, Mr. Salaberrios continued, the ownership level was 40 percent – Lidestri Foods; 50 percent - G Fresh and 10 percent – Andrew Schwartz. Mr. Salaberrios then noted that since that time, it has been learned that Andrew Schwartz could not come up with the needed ten percent equity to remain a part of the management team so LiDestri took up the additional ten percent, making the ownership structure 50 percent G's Group Holding and 50 percent LiDestri Foods.

Mr. Salaberrios went on to note that in addition to the corporate guarantees, JDA required a Letter of Credit from the Royal Bank of Scotland to be provided on behalf of G's Group Holding.

Mr. Salaberrios continued and explained that the Letter of Credit proved to be very costly to G Fresh and they came back with a request that JDA replace its security requirement with their full corporate guarantee and a full corporate guarantee from LiDestri Foods.

Mr. Salaberrios explained that based on the financial strength of both parent companies, their full guarantees provide equal or greater security for JDA than what was originally approved in March of 2015.

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

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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 full joint and several corporate guarantees of G's Group Holding, Ltd. and LiDestri Foods, Inc. will replace the formerly approved requirement of the letter of credit and the pro-rata guarantees of both companies as security for the Machinery and Equipment Loan

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.

* * *

Lastly, Mr. Salaberrios presented the Borderworx Logistics LLC loan item for the Directors' consideration.

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Mr. Salaberrios explained that the Directors were being asked to make a \$1,000,000 loan to the Company to be used to take out a portion of a real estate loan to be provided by First Niagara Bank for the acquisition and construction of a facility in Sanborn, New York.

Mr. Salaberrios further explained, among other things, that the total cost of the real estate project is \$3,333,500 and that the JDA loan will be secured by a second lien on the property.

Mr. Salaberrios further explained that with the approval of the project, JDA will facilitate and maintain ten manufacturing jobs in an area with limited job growth potential. He added that 75 new jobs will be created over a three-year period.

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

Sanborn (Western NY Region – Niagara County) – JDA Loan for the benefit of Borderworx Logistics LLC - Authorization to Make Loans with New York Job Development Authority Proceeds and Take Related Actions

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 Borderworx Logistics LLC for an amount not to exceed \$1,000,000 or 33% of the total real estate 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

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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 10:13 a.m.

Respectfully submitted,

Eileen McEvoy
Secretary



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STATEWIDE LOCAL DEVELOPMENT CORPORATION

Meeting of the Directors
Held at the New York City Regional Office
633 Third Avenue
New York, New York 10017

December 18, 2015

MINUTES

**In Attendance
Directors:**

Kevin Younis (Acting Chair)
Edwin Lee

Present for Statewide:

Kathleen Mize, Assistant Treasurer
Debbie Royce, Acting Secretary
Ray Salaberrios, Senior Vice President

Present for ESD:

Maria Cassidy, Deputy General Counsel
Jonevan Hornsby
Sean Malone

The meeting of the Statewide Local Development Corporation, a local development corporation created under New York State law, was called to order at 2:31 p.m. by Acting Chair Younis. It was noted for the record that notices 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.

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Acting Chair Younis noted that the public is free to comment on any matters on the Agenda.

The Acting Chair called upon Mr. Salaberrios to present an item relating to the adoption of the Corporation’s proposed Mission Statement and related Performance Measurements.

Mr. Salaberrios explained that in accordance with the Public Authorities Law, the Statewide Local Development Corporation (“SLDC”) must adopt a Mission Statement and related Performance Measurements to assist in determining how well it is carrying out its mission.

Mr. Salaberrios then read the Mission Statement and related Performance Measurements into the record.

Following the full presentation, the Acting Chair called for questions or comments. Director Lee asked if the Mission Statement and Performance Measurements are consistent with the prior statement and measurements and Mr. Salaberrios stated that they were consistent.

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

STATEWIDE LOCAL DEVELOPMENT CORPORATION – Mission Statement and Related

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Performance Measurements – Adoption of Mission Statement and Related Performance Measurements

WHEREAS, the New York State Public Authorities Law § 2824-a requires each authority to adopt its mission statement and performance measurements, therefore

BE IT RESOLVED, that the Members hereby confirm that they have examined the proposed mission statement and recommend its adoption as set forth in the materials presented to this meeting with no further edits; and be it further

RESOLVED, that the Performance Measurements contained in the materials presented to this meeting are also hereby adopted as presented

* * *

Mr. Salaberrios then presented an item relating to a JDA loan in the amount of \$5,500,000 for the benefit of Ginsberg's Institutional Foods, Inc.

Mr. Salaberrios explained that the loan will be used for a portion of the construction costs in connection with a new 65,400 square foot warehouse with freezer and refrigeration space for the storage of Ginsberg's Institutional Foods' inventory.

Mr. Salaberrios further explained that the JDA loan will be secured by a second lien on the real estate located at 1023 Route 66 in Ghent, New York.

Mr. Salaberrios then noted that the real estate consists of two adjoining parcels containing 33 acres; one parcel is 26.1 acres located in the Town of Ghent and the other parcel is 6.9 acres located in the Town of Claverack.

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Mr. Salaberrios went on to explain that the JDA loan will be guaranteed by Ginsberg Institutional Foods and G’s Best Realty, Inc. He added that personal guarantees will be provided by David and Nancy Ginsberg and John and Ann Brusie.

Mr. Salaberrios then provided background information on the company including the scope of its current operations.

Among other things, Mr. Salaberrios noted that Ginsberg will have to meet JDA’s loan-to-value requirement of 90 percent.

Mr. Salaberrios explained that if the properties do not appraise for at least \$15 million, then the amount of the JDA loan will be modified in order to adhere to that requirement.

Mr. Salaberrios added that at the completion of the project, 300 full time jobs will be retained and it is expected that 51 new jobs will be created over five years.

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

Hudson (Capital District – Columbia County) – DNJ Properties, LLC (Ginsberg’s Institutional Foods, Inc.) – New York Job Development Authority Special Purpose Fund Direct Loan Project – Real Estate Loan – Authorization to Make Loans and to Take Related Action

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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 DNJ Properties, LLC (Ginsberg's Institutional Foods, Inc.) for an amount not to exceed \$5,500,000 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 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.

* * *

Next, Ms. Cassidy asked the Directors to authorize the Corporation to take several actions related to the opening of a new office for trade and tourism in Puerto Rico including modifying the by-laws, appointing an officer, opening bank accounts and taking other related actions.

Ms. Cassidy explained that Puerto Rico is home to over one million residents and that it is considered to be the business center of the Caribbean region and enjoys a strong relationship with New York State.

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Ms. Cassidy continued and further explained that in September of 2015, the Governor visited Puerto Rico and announced an aggressive action plan to promote mutual economic development between Puerto Rico and New York State.

Ms. Cassidy further noted that the action plan seeks to strengthen existing economic ties between these two jurisdictions, encourage mutual grassroots economic development and engage the 1.2 million annual travelers to Puerto Rico who come primarily from east coast regions, to build awareness of New York’s agricultural and other products and services through the Taste New York and I Love New York campaigns.

Ms. Cassidy further explained that as the State’s primary economic development agency, ESD assumed responsibility for the Governor’s Action Plan Initiative. Ms. Cassidy added that to most effectively capitalize on potential partnership opportunities, ESD determined it best to open a local San Juan office to conduct and coordinate the initiative.

Ms. Cassidy then explained that in planning the office, ESD was advised that the most efficient way to obtain the various authorizations needed to do business in Puerto Rico would be to conduct its activities through a not-for-profit entity. The Statewide Local Development Corporation, Ms. Cassidy explained, is a wholly owned subsidiary of ESD and not-for-profit.

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Statewide, Ms. Cassidy added, while traditionally called on to facilitate Job Development Authority loans, has a broad mission to promote New York State businesses and to act in the public interest in the regard.

Ms. Cassidy went on to outline the various actions taken by staff to prepare for an opening in concert with a major conference that was held in Puerto Rico in November of 2015.

Among other things, Ms. Cassidy noted that all costs associated with the opening and the operation of the office are being funding by ESD.

Ms. Cassidy then asked the Directors to approve and authorize the opening and operation of a new office for trade and tourism in Puerto Rico and to ratify actions heretofore taken in support of this initiative for the purpose of increasing awareness of New York State originated goods and services in this strategic location and promoting mutual economic development.

Ms. Cassidy then read each of the various actions into the record.

Following Ms. Cassidy's full presentation, the Acting Chair called for questions or comments. Director Lee asked for technical direction regarding his vote on a resolution regarding his authorization as an officer.

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Ms. Cassidy informed him that there was no conflict as he is an officer of Statewide and he was voting in his capacity as a Director.

Acting Chair Younis then asked for information regarding the selection of Old San Juan as the location of the office.

Ms. Cassidy stated that ESD staff used a local broker and went down onsite and considered over a dozen locations.

Ms. Cassidy further noted that the site on Calle San Francisco in Old San Juan was selected primarily because of its location on the main street through Old San Juan which virtually every tourist ends up walking down.

Ms. Cassidy added that the site has a number of public plazas and it connects a number of important governmental buildings.

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

Statewide Local Development Corporation - Authorization to Operate a New Office for Trade and Tourism in Puerto Rico and Take All Related Actions; Appointment of Officer; Amendment of Bylaws and Ratification of Actions

Be it RESOLVED, that based on the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the "Materials"), the Corporation is

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hereby authorized to open and operate an office in Puerto Rico for the purpose of increasing awareness of and promoting New York State-originated goods and services and of mutual economic development; and be it further

RESOLVED, that the Corporation is authorized to hire such staff as might be necessary or appropriate to conduct its economic development activities at that location and to operate the retail operation for the sale of New York-originated goods; and be it further

RESOLVED that the bylaws of the Corporation be, and they hereby are, amended to include a new Article X to read as follows:

Article X

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 29. (a) General Scope of Indemnification. The provisions of this Article for indemnification shall be in addition to and shall not supplant any indemnification by the State of New York heretofore or hereafter conferred upon any director, officer or employee by a statute, by Sections 17, 18 and 19 of the Public Officers law, or otherwise. This Article is to be construed liberally in favor of each Director, officer and employee of the Corporation to the fullest extent permitted by law, and any ambiguity, uncertainty or reasonable doubt as to facts, interpretation or legal conclusions shall be resolved in favor of such director, officer or employee. The provisions of this Article shall inure only to the directors, officers or employees of the Corporation and to their estates, shall not enlarge or diminish the rights of any other party, and shall not impair, limit or modify the rights and obligations of any insurer under any policy of insurance.

(b) Directors, Officers and Employees

Other than as provided in Section 30 of these Bylaws, the Corporation shall to the fullest extent permitted by law save harmless and indemnify any person (or his or her estate) who shall have served as a director, officer or employee of the Corporation against financial loss or reasonable litigation expense incurred in connection with any claim, demand, suit, action or proceedings, whether civil or criminal, or the defense thereof, and arising out of (a) any transaction of the Corporation or (b) any act or failure to act by any such director, officer or employee while engaged in the discharge of his or her duties on behalf of the Corporation.

Section 30. Conditions Precedent and Representation of Persons Indemnified.

Except in a criminal proceeding, the right to indemnification shall be conditioned on (a) the prompt delivery to the Corporation of a copy of the summons, complaint, process, notice, demand or pleading commencing any such claim, demand, suit, action or proceeding, (b) a contemporaneous offer to name counsel to the Corporation as counsel to the director, officer or employee in the defense of such claim, demand, suit, action or proceeding, and (c) the full cooperation of the director, officer or employee, in the event the offer is accepted, in the making of such defense. The Corporation may, either

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by its own staff counsel or by outside counsel of its choice, accept the offer and assume the representation of any person who becomes a party to the claim, demand, suit, action or proceeding, except in situations in which (a) choice of counsel is governed by statute, or (b) the Corporation's counsel determines that it is inappropriate or inadvisable for such person to be represented by counsel chosen by the Corporation. In the event the Corporation does not assume such representation, such person shall have the right to engage private counsel of his or her choice and the Corporation shall have the obligation of indemnification for the reasonable fees and expenses of such private counsel as provided in this Article; provided, however, that the Corporation as a condition to such indemnification shall, require appropriate groups of person to be represented by the same counsel.

a. Advances of Expenses.

i. Directors and Officers. A Director or officer who becomes a party to an action or proceeding may request that the Corporation advance expenses pending the final disposition of such action or proceeding.

ii. Employees. Reasonable litigation expenses incurred by an employee who becomes a party to an action or proceeding may be paid by the Corporation from time to time pending the final disposition of such action or proceeding without necessity for any authorization, findings, or other action by the directors prior to the making of such advances; provided, however, that the directors (i) may make a preliminary finding at any time prior to the final disposition of such action or proceeding that it then appears that an employee has clearly not acted, in good faith, for a purpose reasonably believed to be in the best interests of the Corporation and, in criminal actions or proceedings, in addition, that the employee clearly had not had reasonable cause to believe that his or her conduct was lawful, or may seek an opinion in writing of outside legal counsel with respect to that issue, and if such a preliminary finding shall be made or a negative opinion on the issue shall be given, no further advances under this paragraph shall be made with respect to expenses of such employee, and (ii) may determine, or provide for the determination of, the reasonableness of expenses sought to be advanced.

b. Directors' Liability. No director of the Corporation shall be personally liable to the Corporation or its shareholders for damages for any breach of duty as a director, unless a judgment or other final adjudication adverse to the director establishes that, in connection with any such breach of duty (i) the acts or omissions of the director were in bad faith or involved intentional misconduct or a knowing violation of law, (ii) the director personally gained in fact a financial profit or other advantage to which the director was not legally entitled, or (iii) the acts of the director violated Section 719 of the Business Corporation Law.

And be it further RESOLVED, that Ms. Betty Enriquez, be and she hereby is, appointed to the office of Director of the Office of Trade and Tourism, until her earlier resignation or removal, such appointment to be effective as of November 2, 2015 and that in accordance with and for

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all the purposes of the New York State Urban Development Corporation Act and the bylaws of the Corporation, including but not limited to the indemnification provisions thereof, the foregoing individual is an “officer” of the Corporation; and be it further

Resolved, that Ms. Enriquez be, and she hereby is, authorized to undertake all actions necessary or appropriate for the operation of the Office of Trade and Tourism in San Juan, Puerto Rico, and the conduct of economic development activities there, including the application for and obtaining of all permits, licenses and authorizations necessary or advisable for the Office’s economic development activities in Puerto Rico, including the retail sale of New York State-sourced goods and services; and be it further

RESOLVED, that the Corporation hereby authorizes and approves the filing of the application for a use permit with the municipality of San Juan (the "Use Permit"), as well as any other authorization required for filing and/or obtaining the Use Permit; and be it further

RESOLVED, that Betty Enriquez and Alicia Lamboy and/or any other authorized representative of Goldman Antonetti & Córdova, LLC, be and each of them hereby is, authorized to file and or receive any documents that may be required of the Corporation in connection with the Use Permit with the municipality of San Juan, as well as any other contracts, agreements, authorizations, and documents required, necessary or convenient in order to consummate the application mentioned above and perform such other acts as he/she may determine to be necessary or desirable and in the best interests of the Corporation in connection with the foregoing, such execution or performance being conclusive evidence of such determination; and be it further

RESOLVED, that the Corporation hereby authorizes and approves the filing of the application for a liquor license with the Puerto Rico Treasury Department (the "Liquor License"), as well as any other authorization required for filing and/or obtaining the Liquor License; and be it further

RESOLVED, that Betty Enriquez as well as Alicia Lamboy, Adriana Pérez Rentas and/or any other authorized representative of Goldman Antonetti & Córdova, LLC, be and each of them hereby is, authorized to file and or receive any documents that may be required of the Corporation in connection with the Liquor License with the Puerto Rico Treasury Department, as well as any other contracts, agreements, authorizations, and documents required, necessary or convenient in order to consummate the application mentioned above and perform such other acts as he/she may determine to be necessary or desirable and in the best interests of the Corporation in connection with the foregoing, such execution or performance being conclusive evidence of such determination; and be it further

RESOLVED:

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- (1) That Banco Popular North America (hereinafter referred to as the “Bank”) be and hereby is designated as one the depositories of the funds of this Corporation in an account designated as Statewide Local Development Corporation and that the officers, employees or agents of this Corporation are hereby authorized to endorse, in the name of this Corporation for the purpose of deposit and collection in and with the Bank, checks, drafts, notes and other like obligations, and it is further resolved that endorsements for deposit and collection may be by the written or stamped endorsements of this Corporation without designation of the party making the endorsement.
- (2) That the Bank be and hereby is authorized to payout the funds of this Corporation on deposit with it in said account from time to time on the basis of checks, drafts or orders drawn on said depository and signed in the name of this Corporation by its President Kevin Younis, its Vice President Edwin Lee, its Treasurer Robert Godley, its Assistant Treasurer Kathleen Mize, or its General Counsel Elizabeth R. Fine, whether said checks are payable to cash, the bearer or the order of this Corporation, or to any third party, or to the order of any signatory of this Corporation or any other officer, agent or employee of this Corporation in either his/her individual or official capacity, without limitation of amount, without inquiry as to circumstances of tissue, negotiation or endorsement thereof and without further inquiry or regard to the authority of the person or persons signing said checks.
- (3) That the Bank shall not be in any manner whatsoever, responsible for or required to see to the application of any of the funds to this Corporation deposited with it, checked out or borrowed from it, or secured by the discount of notes and other obligations to it as hereinbefore provided, and all such transactions shall be conclusively presumed to be legally binding upon this Corporation.
- (4) That, in order to induce the Bank to act pursuant to the foregoing paragraphs of this resolution, this Corporation hereby agrees as follows:
 - (a) This resolution shall continue in force until revoked or modified by written notice actually received by the Bank, setting forth a certified resolution to that effect stated to have been duly adopted by the Board of Directors of this Corporation, and signed by one purporting to be the Secretary or an Assistant of this Corporation; provided, however, that such notice shall not be effective as to any exercise of powers prior to the receipt thereof or as to any checks or other instruments for the payment of money or the withdrawal of funds dated on or prior to the date of such notice, but presented to the Bank after receipt of such notice, and the Bank is hereby authorized to rely upon the last communication received by it, so authenticated, as to any resolution of this Corporation or as to the persons who may be officers or signatories of this Corporation, or as to their respective specimen signatures and/or

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as to any other corporation matters, and the Bank shall be held harmless in such reliance, even though such resolution may have been changed or rescinded.

- (b) The Bank need not recognize a claim of authority to order the payment or delivery or any funds or other property standing on its books to credit of, or held by it for the account of, this Corporation, which conflicts with a claim of authority of which the Bank had prior notice, unless the person asserting such subsequent claim shall procure an appropriate restraining order, injunction or other appropriate process against the Bank from a court of competent jurisdiction in the United States requiring the Bank so to act, or, in lieu thereof, with the consent of the Bank, shall deliver to the Bank, in form and with sureties acceptable to the Bank, a bond indemnifying the Bank for any and all liability, loss damage, costs and expenses on account of any action by the Bank pursuant to such subsequent claim or on account of the dishonor of any check or other of any person asserting the claim of which the Bank already had notice at the time the subsequent conflicting claim is asserted by the person furnishing such bond; and be it further

RESOLVED, that all actions heretofore taken by Ms. Betty Enriquez, any ESD employee and any person employed by ESD's outside counsel Goldman Antonetti & Córdova, LLC, on behalf of the Corporation in furtherance of the opening and operation of the Office of Trade and Tourism in San Juan Puerto Rico be, and the same hereby are, ratified, approved and adopted as the acts and deeds of the Corporation.

* * *

Mr. Salaberrios then presented an informational report on JDA's portfolio.

Among other things, Mr. Salaberrios explained that since July 2014, the JDA Board has approved 14 loan projects totaling nearly \$31 million. Mr. Salaberrios further explained that because JDA loans are traditionally take out financing, there is often an 18 to 24 month lag between Board approval and closing. Mr. Salaberrios expressed optimism that these recently approved projects will close.

Lastly, Mr. Salaberrios provided an informational report on the Upstate Veterinary

DRAFT – SUBJECT TO REVIEW AND REVISION

Specialties (“UVS”) loan which was approved by the Members in February of 2015.

Mr. Salaberrios noted that the project is moving forward on schedule but that some unforeseen expenses have arisen increasing the total project cost by approximately \$320,000.

Mr. Salaberrios noted that UVS is asking the senior debt provider for an additional \$221,775. He added that the Company is comfortable covering the difference plus any additionally costs due to change orders until the project is complete.

There being no further business, the meeting was adjourned at 2:53 p.m.

Respectfully submitted,

Debbie Royce
Acting Secretary



**Statewide Local
Development
Corporation**

A Subsidiary of Empire State Development

DATE: April 21, 2016
TO: The Directors
FROM: Howard Zemsky
SUBJECT: Hauppauge (Long Island Region – Suffolk County) – JDA Loan for the Benefit of Precare Corporation - Authorization to Make a Loan with New York Job Development Authority Proceeds and Take Related Actions

JDA Loan Terms (Real Estate)					
Borrower:	NS Marcus Blvd LLC (a subsidiary of Precare Corporation)				
Economic Region:	Long Island				
Loan Amount Requested:	\$3,120,000				
Rate:	3.99% (fixed)				
Term:	20 years				
Classification:	IA+				
Distressed Area:	No				
Initial Payment:	\$18,890.15				
JDA Project Budget (Real Estate)					
<u>Uses</u>			<u>Sources</u>		
Real Estate Acquisition	\$7,326,000	94%	Bank of America	\$3,900,000	50%
Renovation	350,000	4%	JDA Loan*	3,120,000	40%
Soft Costs	124,000	2%	Equity	780,000	10%
Total Project Cost	\$7,800,000		Total Project Financing	\$7,800,000	
*20-year term at 3.99% fixed apr with second collateral mortgage on RE					

Security: The JDA Loan shall be secured by a second lien on the property located at 150 Marcus Blvd., Hauppauge, NY 11788.

Guarantors: Repayment of the JDA Loan shall be guaranteed by Precare Corporation, Premier Care Industries, Inc., Precare LLC, Shirian Precare LLC, and the personal guarantees of Ouri Neman, Matthew Neman, Michael Neman, Albert Shirian, Ramin Shirian, and Romina Shirian.

Existing Jobs: 80 full-time

New Jobs Projected: 35 full-time by five years after loan disbursement

JDA Loan Amount per job: \$27,130

Project Summary:

Borrower: NS Marcus Blvd LLC (a subsidiary of Precare Corporation)
100 Oser Avenue
Hauppauge, NY 11788

Contact: Ouri Neman, President
Phone: 631-667-1055

Ownership: Precare Corporation is owned by two entities:
Precare LLC 65%
Shirian Precare LLC (Silent partner) 35%

Precare LLC has 3 members
Ouri Neman 55%
Matthew Neman 22.50%
Michael Neman 22.50%

Shirian Precare LLC has 3 members as well
Albert Shirian 33.3%
Ramin Shirian 33.33%
Romina Sasson 33.33%

NS Marcus Blvd LLC is a single purpose entity recently opened to own the 150 Marcus Blvd property. It is owned by all members that own Precare Corporation in the same percentages laid out above.

Nature of Business: Precare Corporation manufactures disposable personal hygiene products such as wet wipes, feminine hygiene products, infant care wipes, adult incontinence products, etc.

This report concerns a proposed New York Job Development Authority ("JDA") loan for the amount of \$3,120,000 (the "JDA Loan"). The JDA Loan will be used to take out a portion of a Real Estate loan to be provided by a participating bank for the acquisition and renovation of a facility located in Hauppauge, New York. The total cost of the Real Estate Project is \$7,800,000 (the "Project Cost").

Project location: 150 Marcus Blvd. Hauppauge, NY 11788

Project Completion: Second Quarter 2016

1) PROJECT OVERVIEW AND RECOMMENDATION

a) Background

Precare Corporation dba Premier Care Industries ("Precare" or the "Company") is an industry leader in branded and private label hygiene products. It was founded in 1997 by Ouri Neman. From its original headquarters in Winnipeg, Canada, Precare serviced the United States and Canadian marketplace with feminine maxi pads and liners under the brand names Bodyform and Sanitex and manufactured store-brand maxi pads for leading North American retailers.

PREMIER CARE INDUSTRIES

Private Label Opportunities

Premier Care Industries combines state-of-the-art wet wipe manufacturing technology, innovation, and scientific knowledge to the development of products that meet our customers' needs.

		Baby Diapers Huggies® & Pampers® Comparable Wipes Sensitive Baby Wipes Value and Economy Wipes Toddler Wipes	Automotive Cleaning Wipes Leather Wipes Glass Wipes Ultra-Shine Wipes Insect Removal Wipes
		Incontinence Adult Briefs Adult Pull-Ups Underpads Cleansing Cloths & Wipes	Antibacterial/ Hand Sanitizer Spray Cards Wipe Canisters Individual Wipes
		Feminine Hygiene Maxi Pads Panty Liners Tampons Personal Cleansing Cloths	Household Wet Floor Wipes Disinfecting Wipes All-Purpose Cleaning Wipes Furniture Polish Wipes Glass Cleaner Wipes Multi-Surface Wipes
		Pet Cleansing Wipes Ear & Eye Wipes Anti-Shedding Wipes Pet Wipes To-Go	Miscellaneous Lens Cleaner Wipes Sanitizing Wipes
		Beauty Makeup Remover Wipes Cleansing Facial Wipes Exfoliating Facial Wipes Beauty Cleansing Cloths	

PREMIER CARE
INDUSTRIES
Committed to a Higher Standard of Quality

Call us toll-free at 1-800-320-6603 or visit us online at www.precare.com

In 2003, Precare introduced Flush-a-Way, the first flushable, biodegradable panty liners and sanitary napkins. The proprietary technology offered an alternative for national retail chains interested in promoting earth-friendly products.

Precare expanded efforts in 2005 and relocated its manufacturing and distribution center to Asia. This significantly enhanced its global platform, allowing it to provide its clients with competitive technology and costs.

With advanced improvements in feminine hygiene products and plans to expand the Company's offerings, Precare relocated to Long Island, NY in 2006 to increase U.S. marketing efforts and provide a range of products including baby diapers and wipes, adult incontinence products, and hand sanitizers.

Plans were initiated in 2010 for a state-of-the-art manufacturing operation in its production facility in Hauppauge, NY to

service the marketplace with premium-quality wet wipes. In addition to the cutting-edge production capabilities, the Company has staffed its operations with industry experts from companies like Burt's Bees, Este Lauder, Watson Pharmaceuticals, Forest Labs, BASF, and Rostam US.

With the introduction in 2011 of its advanced capabilities, Precare continues a commitment to setting the highest standards in quality manufacturing throughout the hygiene industry.

In 2015 Precare acquired three new major accounts from CVS, Babyganics, and Gojo ("Purell" brand sanitizing wipes) to manufacture private label products. The Company has contractual agreements with all of its major clients that generally last for 2-3 years with extension options. The Company also recently renewed a 7-year contract to produce Meguiar's Quik Interior Detailer Wipes (for automotive interiors) for a 3M subsidiary, and a 6-year contract with the Giant Eagle supermarket chain to produce kitchen sanitizer wipes and baby wipes.

In January 2014, Precare was offered \$300K in Excelsior tax credits by ESD to create 23 net new jobs by June of 2016. As of August 2015, the Company had already met the goal. In March of 2016, the Suffolk County IDA approved a tax inducement for the Company.

b) Project Description

The Company's main building is a 28,000 square foot office, manufacturing, and warehouse space located at 100 Oser Avenue in the Hauppauge Industrial Park, and it currently also operates out of two leased properties in the same area, at 110 Oser Avenue (15,000 square feet of storage) and at 400 Wireless Blvd (32,000 square feet of storage). Precare has identified a building at 150 Marcus Boulevard, less than 1/3 mile from its main building, that it is planning to purchase and consolidate the operations from the two currently leased buildings. The large industrial building, which covers 80,899 square feet, was previously occupied by electronics company Audiovox. The building will cost \$7.326MM, and Precare is planning on spending an additional \$124K in soft costs and \$350K in costs to renovate the building to its specifications. The project plans to utilize \$3.9MM in bank financing, a \$3.12MM JDA loan, and \$780K in equity investments to fund the building acquisition and renovation.

Consolidating its operations at its headquarters and at the new building will allow the Company to make long-term investments in improvements to its manufacturing, packaging, and shipping systems. It will allow Precare to better manage its rapid growth with the acquisition of more private label contracts. It will also replace onerous lease payments (totaling \$420K/annually) with mortgage payments to build equity.

c) Conclusions

- Based on the IA+ rating, the Company currently generates sufficient cash flow from operations to service all the projected project debt, and staff believes that the Company is fiscally strong.
- With the approval of the project, JDA would facilitate the maintenance of 80 manufacturing jobs, as well as the creation of 35 new jobs over a five year period.

2) COVENANTS AND CONDITIONS

The JDA Loan is 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 maintain a minimum debt service coverage ratio of 1.20 throughout the term of the loans.
- The lead bank must provide an appraisal of the subject property (150 Marcus Blvd., Hauppauge, NY 11788) that indicates a loan to value not to exceed 90% at the time of closing.
- The Company must meet all other standard JDA requirements as follows:
 - a. Completion of the Real Estate Project to the satisfaction of JDA, as evidenced by a certificate of occupancy and such other certification (including environmental approvals) required for the Facility to be used for the purposes intended.
 - b. Execution and delivery of the Note, the Security Agreement, the Mortgage and Loan and Use Agreement (furnished by JDA), and related documents by the Company, all satisfactory to JDA.
 - c. Procurement by the Company of funds which shall be used at or prior to the closing to pay the Real Estate Project Cost, exclusive of the proceeds of the Loan.
 - d. Receipt by JDA of policies of insurance, including flood insurance if required, in amount, form and substance and issued by companies satisfactory to JDA.
 - e. Receipt by JDA of an itemized statement of Real Estate Project Cost, satisfactory to JDA.
 - f. Receipt by JDA of financing documents of other lender(s) satisfactory to JDA.
 - g. 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.
 - h. Execution of documents to permit monthly electronic debit of the Company's checking account to repay the Loan.
 - i. Compliance with ADDITIONAL REQUIREMENTS stipulated in all Schedules, Exhibits and Riders, attached hereto and made a part hereof.
 - j. Compliance with any other terms and conditions deemed to be necessary and appropriate in the opinion of the General Counsel of JDA.
 - k. 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 accounts, if so requested by JDA.

- i. Subordination of any loans to the Company from those certain officers and members of the Company stipulated herein in a manner satisfactory to JDA.
- m. 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.
- n. All certifications and permits for the operating purposes of the Facility to be in full force and effect prior to closing the Loan.
- o. Subordination of any leases which may affect the Facility to the Mortgage.

3) ADDITIONAL MORTGAGE AND LIEN DETAILS

Promissory notes in the principal amount of the Real Estate Loan, with interest thereon (the "Note"), shall be secured by a mortgage to JDA (the "Mortgage") on the premises located at 150 Marcus Blvd, Hauppauge, NY 11788.

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. No further environmental review is required in connection with the project.

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

Pursuant to New York State Executive Law Article 15-A, JDA recognizes its obligation under the law to promote opportunities for maximum feasible participation of NYS certified Minority and Women-owned Business Enterprises ("MWBES") in the performance of the Corporation's contracts. JDA's Non-Discrimination and Contractor & Supplier Diversity policy will apply to this initiative.

6) ADDITIONAL SUBMISSIONS

Resolutions
New York State Map
JDA Loan Underwriting Classification System
Photos/Diagrams

April 21, 2016

NEW YORK JOB DEVELOPMENT AUTHORITY – Hauppauge (Long Island Region – Suffolk County) – JDA Loan for the Benefit of Precare Corporation - Authorization to Make Loans with New York Job Development Authority Proceeds and Take Related Actions

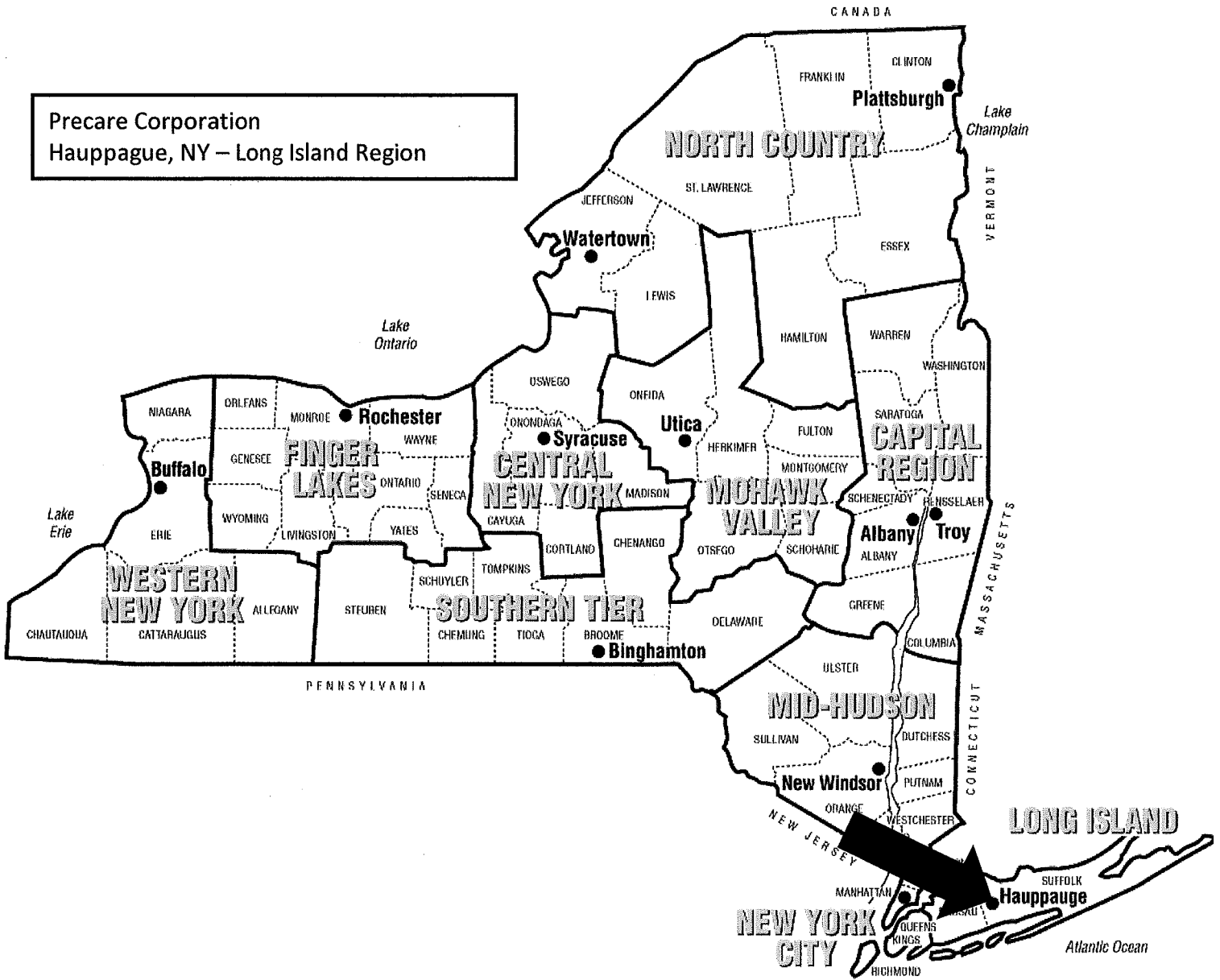
RESOLVED, that the Chief Executive Officer of the Authority or his designee(s) be, and each of them hereby is, authorized to make a Special Purpose Fund Real Estate Loan to Statewide Local Development Corporation for the benefit of Precare Corporation for an amount not to exceed \$3,120,000 or 40% of the total real estate 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.

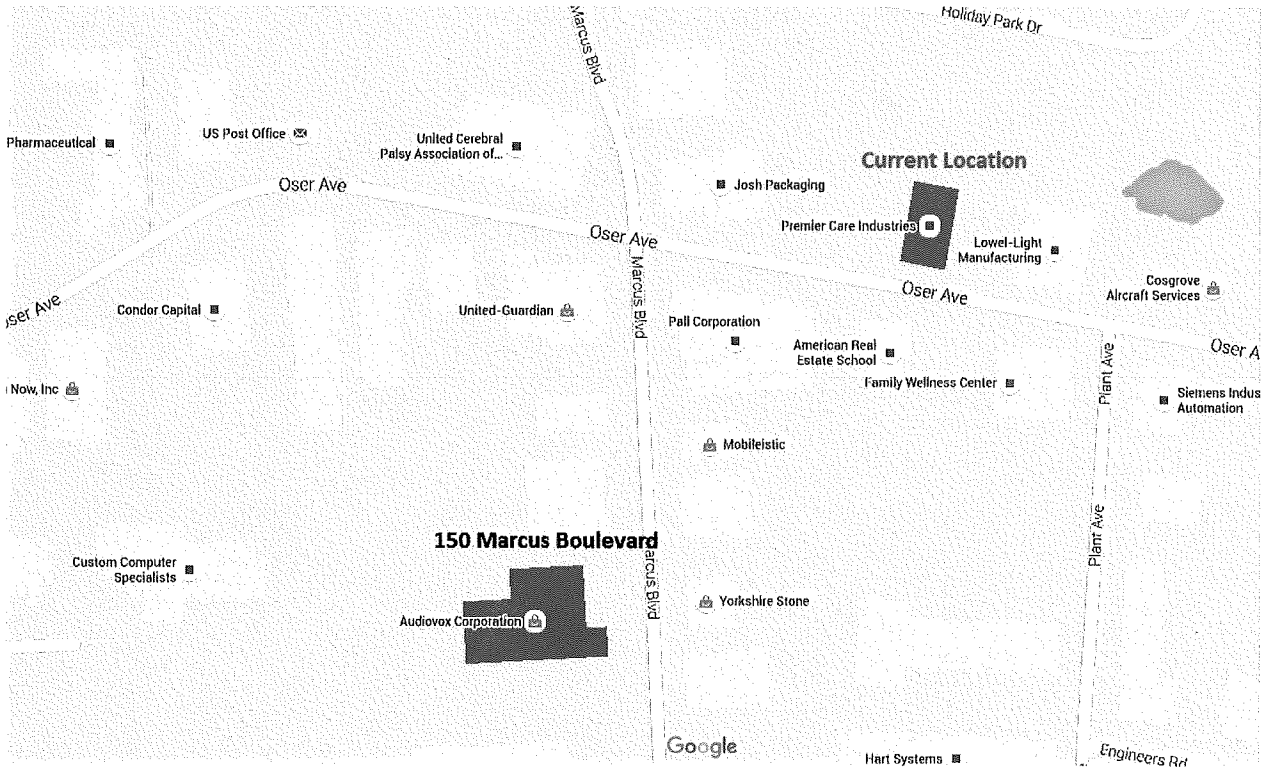
Precare Corporation
Hauppauge, NY – Long Island Region



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	

Photos/Diagrams



150 Marcus Blvd.



Photos of Precare Products

