



Empowering Businesses. Inspiring Growth.

APPLICATION FOR FINANCIAL ASSISTANCE

360 Middletown Holdings LLC/13th Avenue Fish I ⁺

(Applicant Name)

09/02/2019

(Date of Application)

Orange County Business Accelerator
4 Crotty Lane, Suite 100
New Windsor, NY 12553
Phone: 845-234-4192 Fax: 845-220-2228
www.ocnyida.com
business@ocnyida.com

Updated April 11, 2019



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MISSION STATEMENT

“The mission of the Orange County Industrial Development Agency is to **promote economic growth** through a program of incentives-based allocations that assist in the construction, equipping and maintenance of specific types of projects and facilities. The IDA works to advance the health, prosperity and economic welfare of our County's citizens by **retaining and creating jobs and attracting new businesses**.”



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The sections below make up the information and documents that must be completed and submitted to the OCIDA for a project application to be considered. Failure to provide the required information may cause a delay in the project being considered in a timely manner.

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Fill in all blanks, using “none” or “not applicable” or “N/A” where the question does not pertain to the applicant’s project.

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APPLICATION FOR FINANCIAL ASSISTANCE

I. APPLICANT INFORMATION

A) APPLICANT

Company Name: 13th Avenue Fish Market, Inc

Mailing Address: 4301 15th Avenue Brooklyn, NY 11219

Phone No.: (718) 438-3773

Fax No.: (718) 871-0326

Fed Id. No.: 113184236

Contact Person: Solomon Getz

Title: Controller

Contact Phone No.: (718) 517-8511

Contact Email: sg@freundsfish.com

IDA Management must be able to reach the Applicant's Contact throughout the duration of the Agreement. Should this information change at any time IDA Management should be notified immediately. Please initial stating you understand and consent to the above *SG*

B) INDIVIDUAL COMPLETING APPLICATION

Name: Solomon Getz

Company Name: 13th Avenue Fish Market, Inc

Title: Chief Financial Officer

Address: 4301 15th Avenue Brooklyn, NY 11219

Phone No.: (718) 517-8511 Fax No.: (718) 871-0326

Email: sg@freundsfish.com

C) APPLICANT'S COUNSEL

Name: Jacob Billig
Address: 461 Broadway, POB 1447, Middletown NY 12701
Phone No.: (845) 794-3833
Fax No.: (845) 794-3827
Email: jbillig@blslaw.net

IDA Management must be able to reach the Applicant's Counsel throughout the duration of the Agreement. Should this information change at any time IDA Management should be notified immediately. Please initial stating you understand and consent to the above AB

D) APPLICANT'S AUDIT CONTACT

Name: Roth and Co.
Address: 1428 36th Street Suite 200
Phone No.: (718) 236-1600
Fax No.: (718) 975-5542
Contact Email: srosenbaum@rothcocpa.com

The IDA is legally required to submit an annual PARIS report to the state that requires information from each project. Applicant participation is **NOT OPTIONAL**. **ALL INFORMATION** must be submitted in a **COMPLETE** and **TIMELY** manner. Failure to comply with this request **WILL RESULT** in a **LOSS/RECAPTURE** of **ALL OR SOME** of your benefits. Please initial stating you understand and consent to the above AB

E) APPLICANT'S GENERAL CONTRACTOR/CONSTRUCTION MANAGER

Name/Contact: TO BE DETERMINED
Address: _____
Phone No.: _____
Fax No.: _____
Email: _____

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

Name	Office Held	% of Ownership	% of Voting Rights
Morris Freund	CEO	50%	50%
Tzvi Freund	VP	25%	25%
Pinchas Freund	VP	25%	25%

**Please attach chart if space provided is not sufficient.

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

Form of Entity

☐ Corporation

Date of Incorporation: 06/24/1993

State of Incorporation: New York

☐ Partnership

General _____ or Limited _____

Number of general partners _____

If applicable, number of limited partners _____

Date of formation _____

Jurisdiction of Formation _____

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

Date of organization: _____

State of Organization: _____

☐ Sole Proprietorship

H) If a foreign organization, is the applicant authorized to do business in the State of New York?

☐ Yes or ☒ No

If no, please explain below:

N/A

**Please attach narrative if space provided is not sufficient.

I) If any of the above persons, or a group of them, owns more than a 50% interest in the company, list all other organizations which are related to the company by such persons having more than a 50% interest in such organizations.

N/A

**Please attach chart if space provided is not sufficient.

J) Is the company related to any other organization by reason of more than 50% common ownership? If so, indicate name of related organization and relationship.

N/A

**Please attach narrative if space provided is not sufficient.

K) Has the Applicant or any of its affiliated organizations ever received OCIDA benefits? ☐ Yes or ☒ No

If yes, please describe the assisted project below:

N/A

**Please attach narrative if space provided is not sufficient.

L) Legal Questions:

1. Is the Company presently the subject of any litigation, or is any litigation threatened, which would have a material adverse effect on the Company's financial condition?
☐ Yes or ☒ No
2. Has the company or any of its affiliates ever been involved in bankruptcy, a creditor's rights or receivership proceeding, or sought protection from creditors?
☐ Yes or ☒ No
3. Has the Company ever settled a debt with a lending institution for less than the full amount outstanding?
☐ Yes or ☒ No
4. Has any senior manager or principal of the Company ever been convicted of any felony or misdemeanor, other than a minor traffic violation, or are any such charges pending?
☐ Yes or ☒ No

5. Has the Company or any of its affiliates, been cited for a violation of federal, State or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution or operating practices?

☐ Yes or ☒ No

6. Are there any outstanding judgments or liens pending against the Company other than liens in the normal course of business?

☐ Yes or ☒ No

7. Is the Company delinquent on any New York State, federal or local tax obligations?

☐ Yes or ☒ No

If your answer is "YES" for any of the above questions, please provide an explanation:

N/A

**Please attach narrative if space provided is not sufficient.

M) Has the company (or any related corporation or person) made a public offering or private placement of its stock within the last year? ☐ Yes or ☒ No

If yes, please attach offering statement used.

N) Brief description of Company History (formation, growth, transitions, location):

Please see attached narrative.

**Please attach narrative if space provided is not sufficient.

Estimated % of sales within the County:

5%

Estimated % of sales outside the County but within NYS:

83%

Estimated % of sales outside NYS but within the U.S.:

12%

Estimated % of sales outside the U.S.:

0

P) Sales and income projection or a project pro forma for proposed project for the next 3 to 5 years.

To Follow

**Please attach chart if space provided is not sufficient

O) Is the applicant (Company) party in compliance with local, state, and federal taxes, workers' protection, and environmental laws? ☒ Yes or ☐ No

If no, please describe below:

**Please attach narrative if space provided is not sufficient

FINANCIAL INFORMATION OF THE COMPANY

A. For existing businesses:

- The Applicant must submit three (3) years of accountant prepared financial statements.
- The Applicant must submit a current Certificate of Good Standing from the Department of State for the business.

B. For new businesses:

- The Applicant must submit three (3) years of personal tax returns for the owner(s).
- The Applicant must submit three (3) years of tax returns for the related businesses as well as Certificates of Good Standing from the Department of State.

The requested Financial Information of the Company is to be kept confidential and is not subject to the Freedom of Information Law (FOIL).

II. PROJECT INFORMATION

A) Project Address: 360 Crystal Run Road Middletown, NY 10941

Tax Map Number 60-1-122
(Section/Block/Lot)

Located in City of _____

Located in Town of Wallkill

Located in Village of _____

School District of Goshen Central

B) Are utilities on site?

Water Yes

Electric Yes

Gas Yes

Sanitary/Storm Sewer _____

C) Present legal owner of the site 360 Crystal Run LLC
If other than from applicant, by what means will the site be acquired for this project?

D) Zoning of Project Site: Current: O/R Proposed: _____

E) Are any variances needed? No

F) Furnish a copy of any environmental application presently in process of completion concerning this project, providing name and address of the agency, and copy all pending or completed documentation and determinations.

G) Attach copies of preliminary plans or sketches of proposed construction or rehabilitation or both.

H) Statement describing project (i.e. land acquisition, construction of manufacturing facility, etc.):

Freund's Fish Market is seeking to expand its production line and its scope of distribution. The company plans to implement this expansion in six phases over a five-year period, subject to financing availability, economic influences or management decisions that may result thereof. See attached.

**Please attach narrative if space provided is not sufficient.

I) Statement describing the impact of incentives on this project, should they be granted:

The incentives would have a large impact on the project and the ability of the company to hire additional people and make the project a more sustainable project as it pertains to the carrying cost of the building and gives the owner a predictable tax consequence as they look to expand.

**Please attach narrative if space provided is not sufficient.

J) Statement describing the economic benefit to the surrounding community resulting from this project:

The anticipated expansion will support the addition of approximately 50 additional employees in warehousing, productions, transportation and management positions. The renovation and expansion of the building will increase jobs in the area and boost the local economy. Please refer to the attached.

**Please attach narrative if space provided is not sufficient.

K) Anticipated Date of Operation:

01/01/2020 - *first phase of operation to be completed by 11/1/21*

L) Principal use of project upon completion:

- | | | | |
|--|---------------------------------------|---|--------------------------------------|
| <input type="checkbox"/> manufacturing | <input type="checkbox"/> warehousing | <input type="checkbox"/> research | <input type="checkbox"/> offices |
| <input type="checkbox"/> industrial | <input type="checkbox"/> recreation | <input type="checkbox"/> retail | <input type="checkbox"/> residential |
| <input type="checkbox"/> training | <input type="checkbox"/> data process | <input checked="" type="checkbox"/> other | |

If other, explain: food/seafood processing and distribution

M) NAICS Code: 445220

N) Estimated Project Costs, including:

Value of property to be acquired: \$ 3,400,000

Value of improvements: \$ _____

Value of equipment to be purchased: \$ 1,887,500

Estimated cost of engineering/architectural services: \$ _____

Other: \$ _____

Total Capital Costs: \$ \$5,287,500

Project refinancing; estimated amount
(for refinancing of existing debt only) \$ _____

Sources of Funds for Project Costs:

Bank Financing: \$ 4,758,750

Equity (excluding equity that is attributed to grants/tax credits) \$ 528,750

Tax Exempt Bond Issuance (if applicable) \$ _____

Taxable Bond Issuance (if applicable) \$ _____

Public Sources (Include sum total of all state and federal grants and tax credits) \$ _____

Identify each state and federal grant/credit:

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total Sources of Funds for Project Costs:	\$ _____

O) Inter-Municipal Move Determination

Will the project result in the removal of a plant or facility of the applicant from one area of the State of New York to another?

☐ Yes or ☒ No

Will the project result in the removal of a plant or facility of another proposed occupant of the project from one area of the State of New York to another area of the State of New York?

☐ Yes or ☒ No

Will the project result in the abandonment of one or more plants or facilities located in the State of New York?

☐ Yes or ☒ No

If Yes to any of the questions above, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

N/A

Project Data

1. Project site (land)

(a) Indicate approximate size (in acres or square feet) of project site.

7.8 ACRES, 31,534 SQ. FT.

(b) Are there buildings now on the project site? ☒ Yes ☐ No

(c) Indicate the present use of the project site.

Warehouse

(d) Indicate relationship to present user of project.

Not Related

2. Does the project involve acquisition of an existing building or buildings?
If yes, indicate number, size and approximate age of buildings:

Approximately 60 years old

3. Does the project consist of the construction of a new building or buildings?
If yes, indicate number and size of new buildings:

N/A

4. Does the project consist of additions and/or renovations to existing buildings?
If yes, indicate nature of expansion and/or renovation:

Not Presently

5. Estimated Start Date of Construction: 01/01/2020

6. Estimated End Date of Construction: 9/1/2021

7. What will the building or buildings to be acquired, constructed or expanded be used for by the company?
(Include description of products to be manufactured, assembled or processed, and services to be rendered. . .

See attached narrative

. . .including the percentage of building(s) to be used for office space and an estimate of the percentage of the functions to be performed at such office not related to the day-to-day operations of the facilities being financed.)

100% FOR OPERATIONS, 1 SMALL WORK AREA FOR FOREMAI

8. If any space in the project is to be leased to third parties, indicate total square footage of the project amount to be leased to each tenant and proposed use by each tenant.

N/A

9. List principal items or categories of equipment to be acquired as part of the project.

See attached narrative

10. Has construction work on this project begun? ☐ Yes or ☒ No

Complete the following

(a) site clearance	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	_____ % complete
(b) foundation	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	_____ % complete
(c) footings	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	_____ % complete
(d) steel	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	_____ % complete
(e) masonry work	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	_____ % complete
(f) other (describe below)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	_____ % complete

III. FINANCIAL ASSISTANCE REQUESTED

A) Benefits Requested:

- ☒ Sales Tax Exemption ☐ Tax-Exempt/ Taxable Revenue Bond
- ☒ Mortgage Recording Tax Exemption ☒ Real Property Tax Agreement

B.) Value of Incentives:

IDA PILOT Benefit: Agency staff will indicate the amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit year and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted under the heading "Real Property Tax Benefit (Detailed)" of the Application.

Sales and Use Tax:

Estimated value of Sales Tax exemption for facility construction:

\$ 0 X .08125 = \$ _____

(Amount of Project Cost Subject to Tax X Sales Tax Rate = Total)

Estimated Sales Tax exemption for fixtures and equipment:

\$ 1,887,500 X .08125 = \$ 153,359.37

(Amount of Project Cost Subject to Tax X Sales Tax Rate = Total)

Estimated duration of Sales Tax exemption: 153,359.37

***Should coincide with construction timeline.*

Mortgage Recording Tax Exemption Benefit:

Estimated value of Mortgage: \$ 3,060,000

Estimated value of Mortgage Recording Tax exemption:

\$ 3060000 X .0075 = \$ 22,950

(Projected Amount of Mortgage X Mortgage Recording Tax = Total)

Tax-Exempt/ Taxable Revenue Bond Benefit:

☐ Amount of Bonds, if requested: \$ 0

Is a purchaser for the Bonds in place?

☐ Yes or ☒ No

Percentage of Project Costs financed from Public Sector sources:

Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon Sources of Funds for Project Costs as depicted above under the heading "Estimated Project Costs" (Section II(I)) of the Application.

C.) Likelihood of Undertaking Project without Receiving Financial Assistance

Please confirm by checking the box below, will this project move forward without the requested incentives?

☐ Yes or ☒ No

If the Project will be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be given economic incentives by the Agency:

If the assistance is not granted the Project would be left without the sufficient capital resources necessary to operate or expand to its full capabilities. If assistance is not granted the expansion as outlined will not happen and some job numbers would have to be revised downward.

IV. EMPLOYMENT PLAN

A) Current Employee Headcount:

	Current # of jobs at proposed project location or to be relocated to project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be CREATED upon THREE Years after Project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PTE jobs to be created upon THREE Years after Project Completion **
Full time (FTE)	0	0	46	20 - 30
Part Time (PTE)	0	0		
Total	0	0	46	20 - 30

Full-time Employee Definition: (i) a full-time, permanent, private-sector employee on the Company's payroll, who has worked at the Project Location for a minimum of 35 hours per week for more than six months of a year and who is entitled to receive the usual and customary fringe benefits extended by Recipient to other employees with comparable rank and duties; or (ii) two part-time, permanent, private sector employees on Recipient's payroll, who have worked at the Project Location for a combined minimum of 35 hours per week for more than six months of a year and who are entitled to receive the usual and customary fringe benefits extended by Recipient to other employees with comparable rank and duties.

**For the purposes of this question, please estimate the number of FTE and PTE jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column. The Labor Market Area includes Orange County and the surrounding region (or six other contiguous counties, including Orange County, chosen at the Agency's discretion).

B) Salary and Fringe Benefits for Jobs to be Created:

Category of Jobs to be Created	Number of Jobs Year 1	Number of Jobs Year 2	Number of Jobs Year 3	Average Salary or Salary Range	Average Fringe Benefit or Range of Fringe Benefits
Management	2	1		\$133,333	\$20,000
Professional					
Administrative					
Sales					
Production/ Manufacturing	6	10	18	\$29,744	\$4,462
Independent Contractor					
Other (specify)	Drivers -9			\$62,400	\$9,360

If there is a salary range larger than \$20,000 in a category above please provide additional breakdown information below:

The average salary for a warehouse employee is \$30,368. The average salary for a production employee is \$29,120, and for a Driver is 62,400. The average salary for the management level is \$133,333.

****Please attach breakdown if space provided is not sufficient.**

C) Salary and Fringe Benefits for Jobs to be Retained:

Category of Jobs to be Retained	Current Number of Jobs	Average Salary or Salary Range	Average Fringe Benefit or Range of Fringe Benefits
Management			
Professional			
Administrative			
Sales			
Production/ Manufacturing			
Independent Contractor			
Other (specify)			

If there is a salary range larger than \$20,000 in a category above please provide additional breakdown information below:

N/A

****Please attach breakdown if space provided is not sufficient.**

D) Please attach a projected hiring plan if conducted on a monthly time frame and not conducted on an annual basis as broken down in the charts above.

E) Describe the benefits or benefits package offered to employees:

The employees will receive a comprehensive package based on position, experience and qualifications.

**Please attach narrative if space provided is not sufficient.

F) Describe internal training and advancement opportunities offered to employees:

Employee Training programs and advancement policies will be determined based on employee's position, experience and qualifications.

**Please attach narrative if space provided is not sufficient.

V. 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 proposed 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 proposed project must 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 Entitle") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JPTA") in which the project is located.
- B. First Consideration for Employment In accordance with Section 858-b(2) of the General Municipal Law, the applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant must first consider persons eligible to participate in JTPA programs who shall be referred by the JPTA Entities for new employment opportunities created as a result of the proposed project.
- C. A liability and contract liability policy for a minimum of three million dollars will be furnished by the Applicant insuring the Agency.
- D. Annual Sales Tax Fillings In accordance with Section 874(8) of the General Municipal Law, the Applicant understands and agrees that, if the proposed 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.
- E. Annual Employment Reports: The applicant understands and agrees that, if the proposed 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. The applicant will receive a request for information in the fourth quarter of each year that Financial Assistance is utilized and agrees to return the information by the end of January the following year.
- F. Compliance with N.Y. GML Sec. 862(1): Applicant understands and agrees 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. Compliance with Applicable Laws: 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. False and Misleading Information: 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. Recapture: Should the Applicant not expend, hire as presented, or violates Sales Tax Exemption regulations, the Agency may view such information/status as failing to meet the established standards of economic performance. In such events, some or all of the benefits taken by the Applicant will be subject to recapture.
- J. Rescission of Benefits Conferred: Applicant understands and agrees that in the event that (a) the Applicant does not proceed to final Agency approval within six (6) months of the date the Agency adopts its initial approval resolution and/or (b) close with the Agency on the requested financial assistance within twelve (12) months of the date the Agency adopts its initial resolution, the Agency reserves its right to rescind and cancel all prior approvals. In the event the Agency rescinds its approvals and the Applicant re-applies to the Agency, the Applicant understands and agrees that its re-application will be subject to any and all changes in law, Agency policies or fees imposed by the Agency that are in effect as of the date of re-application.
- K. 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:
- L. Freedom of Information Law (FOIL): The applicant acknowledges that the OCIDA is subject to New York State's Freedom of Information Law (FOIL). Applicants understand that all project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.

The Applicant and the individual executing this Application on behalf of applicant acknowledge that the Agency and its counsel will rely on the representations made in this Application when acting hereon and hereby represents 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.

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

Izvi Dov Freund, being first duly ^{affirmed} sworn, deposes and says:

1. That I am the Partner (Corporate Office) of 13th Avenue Fish Market, Inc. (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.


(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury
this 24th day of October, 2019.

Yochaved Getz
(Notary Public)

YOCHEVED GETZ
NOTARY PUBLIC, State of New York
No. 016E6060728
Qualified in Kings County
Commission Expires 07/02/2023

This Application should be submitted to:

Orange County Industrial Development Agency
c/o Mary Ellen Rogulski, Chairman
Orange County Business Accelerator
4 Crotty Lane, Suite 100
New Windsor, NY 12553.

The Agency will collect an administrative fee at the time of closing.
SEE ATTACHED FEE SCHEDULE

Transaction Counsel
RUSSELL GAENZLE, ESQ.
Harris Beach PLLC
99 Garnsey Road
Pittsford, New York 14534
Tel: (585) 419-8633
Fax: (585) 419-8817



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HOLD HARMLESS AGREEMENT

Applicant hereby releases the ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY and the members, officers, servants, agents and employees thereof (the "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 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 processing of the Application, including attorneys' fees, if any.

(Applicant Signature)

By: Teri Dor Freund

Name: Teri Dor Freund

Title: Partner

Yochaved Getz
(Notary Public)

~~Sworn~~ ^{Affirmed} to before me this 24th day
of October, 2019

YOCHEVED GETZ
NOTARY PUBLIC, State of New York
No. 01GE6060728
Qualified in Kings County
Commission Expires 07/02/2023



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To be completed/calculated by AGENCY

Real Property Tax Benefits (Detailed):

** This section of this Application will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.

PILOT Estimate Table Worksheet

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1							
2							
3							
4							
5							
6							
7							
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TOTAL							

*Estimates provided are based on current property tax rates and assessment values

Cost Benefit Analysis:

To be completed/calculated by AGENCY

Costs =
Financial Assistance

Benefits =
Economic Development

*Estimated Sales Tax Exemption \$ _____

New Jobs Created
Permanent _____
Temporary _____

Existing Jobs Retained
Permanent _____
Temporary _____

Estimated Mortgage Tax Exemption \$ _____

Expected Yearly Payroll \$ _____

Estimated Property Tax Abatement \$ _____

Expected Gross Receipts \$ _____

Additional Revenues to School Districts

Additional Revenues to Municipalities

Other Benefits _____

Estimated Interest Savings IRB Issue \$ _____

Private Funds invested \$ _____

Likelihood of accomplishing proposed project within three (3) years

☐ Likely or ☐ Unlikely

* Estimated Value of Goods and Services to be exempt from sales and use tax as a result of the Agency's involvement in the Project. PLEASE NOTE: These amounts will be verified and there is a potential for a recapture of sales tax exemptions (see "Recapture" on page 10).

\$ _____ (to be used on the NYS ST-60)



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Fill out when instructed by Agency

RETAIL QUESTIONNAIRE

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or purchase services.

- A) Will any portion of the Project consist of facilities or property that will be primarily used in making sales of goods or services to customers who personally visit the Project site? ☐ Yes ☐ No
- B) What percentage of the cost of the Project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the Project? _____ %
- C) Is the Project location or facility likely to attract a significant number of visitors from outside the Mid-Hudson Economic Development Region (i.e.: Orange, Dutchess, Putnam, Rockland, Sullivan, Ulster, and Westchester counties)? ☐ Yes ☐ No
- D) Will the Project make available goods or services which are not currently reasonably accessible to the residents of the municipality within which the proposed Project would be located? ☐ Yes ☐ No
- E) Will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? ☐ Yes ☐ No

If yes, explain:

****Please attach narrative if space provided is not sufficient.**

- F) Will the Project be located in an area designated as an economic development zone pursuant to Article 18-B of the General Municipal Law (Source: <https://esd.ny.gov/empire-zones-program>)? ☐ Yes ☐ No

If yes, explain:

**Please attach narrative if space provided is not sufficient.

- G) Will the Project be in a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (i) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? (Source: United States Census Bureau <https://factfinder.census.gov/>)

☐ Yes ☐ No

If yes, explain:

**Please attach narrative if space provided is not sufficient.



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FEE SCHEDULE

Application Fee:

\$5,000 non-refundable, due at application, broken down as follows:

IDA Administrative Fee: \$2,500

IDA Transaction Counsel Fee: \$2,500

Labor Policy Monitoring Fee (based on project cost):

This fee will be deposited into a non-interest bearing escrow account and will fund the ongoing audit of Labor Policy compliance throughout construction. Any unused funds on deposit with the IDA will be returned to the company upon project completion.

Projects less than \$5M:	\$5,000.00
Projects greater than \$5M but less than \$15M:	\$10,000.00
Projects greater than \$15M but less than \$25M:	\$20,000.00
Projects greater than \$25M but less than \$50M:	\$30,000.00
Projects greater than \$50M but less than \$100M:	\$45,000.00
Projects greater than \$100M but less than \$500M:	\$55,000.00
Projects greater than \$500M:	To be determined

Closing Fee:

IDA Fee

***Per OCIDA scoring criteria. See Attached.*

Manufacturing Sector

1% of the first \$2,000,000 of the project cost (as identified on page 12 of this application), plus .5% of amount above that, due at closing (total project cost includes land acquisition costs).*

Distribution/Warehouse Sector

1% of the project cost (as identified on page 12 of this application), due at closing (total project cost includes land acquisition costs).*

Retail Sector - Stores

485B: 2% of the first \$2,000,000 of the project cost (as identified on page 12 of this application), plus 1% of amount above that, due at closing (total project cost includes land acquisition costs).*

Retail Sector – Back Office/Medical

10 year PILOT: 1% of the project cost (as identified on page 12 of this application), due at closing (total project cost includes land acquisition costs).*

Hotel Sector (Per Scoring Criteria)

10 year PILOT: 1% of the project cost (as identified on page 12 of this application), due at closing (total project cost includes land acquisition costs).*

4 year PILOT: 1% of the project cost (as identified on page 12 of this application), due at closing (total project cost includes land acquisition costs).*

Tourism Sector

\$0-\$30M Capital Cost: 1% of the project cost (as identified on page 12 of this application), due at closing (total project cost includes land acquisition costs).*

\$30-\$100M Capital Cost: .75% of the project cost (as identified on page 12 of this application), due at closing (total project cost includes land acquisition costs).*

Over \$100M Capital Cost: .50% of the project cost (as identified on page 12 of this application), due at closing (total project cost includes land acquisition costs).*

“Special Projects”

TBD per project

IDA Transaction Counsel Fee:

One-third (1/3) of IDA fee (minimum of \$30,000 – to be reduced for smaller projects on case by case basis - plus out of pocket expenditures).

Local Labor Policy Monitoring:

The IDA will use a third-party firm or firms to monitor compliance with the Local Labor Policy (attached hereto). All costs incurred by the IDA in connection with such monitoring, should they exceed the amount collected at application, shall be the responsibility of the Company.

NOTE: IDA reserves the right to seek additional IDA and Transaction Counsel fees for exceptionally complex/large transactions.

Please make all Checks payable to:

Orange County Industrial Development Agency

Mail to:

*4 Crotty Lane
New Windsor, NY 12553*

*In the event that an applicant does not seek or does not qualify for an OCIDA PILOT or the equivalent of the State's 485-b program, the fee will be a straight one-half percent (0.5%) of the project cost.

The OCIDA Fee Schedule is the standard used when calculating all project fees. These fees are not open for negotiation. Please initial stating you understand and consent to the above *JS*

Closing Fee:

Please be advised should the Orange County IDA act to adopt the Final Resolution for your project a fee will be due at closing.

If at any time the project costs change prior to the Final Resolution, please inform management immediately for closing fee recalculation purposes.

Please initial stating you understand the foregoing, have provided accurate project costs, and consent to the estimated closing fee provided above *JS*



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PROJECT SCORING CRITERIA

To be completed/calculated by AGENCY

Project Name:

Score:

1. Strategic Vision (0 OR 5)*:

- a. Does the project fit into preferred industry categories (manufacturing, industrial, medical, office, tourism)?
- b. Capitalizes upon un-or-under-employed, available talent pool?

2. Ratable Value (Capital Expenditure) (0 – 5):

- a. Investment in property resulting in increased ratables in municipality.
- b. Utilizes brownfield or otherwise “undesirable” parcel
- c. Return non-taxable property tax rolls
- d. “Brownfield remediation” would receive a 5

3. Number of Jobs (1 – 5):

- a. NOT sliding scale; relative to industry

4. Quality of Jobs (0 – 5):

- a. Defined as

0 = ANY jobs at minimum wage

1 = ALL jobs over \$15/hour

2 = 25% over \$25/hr plus benefits

3 = 50% over \$25/hr plus benefits

4 = 75% over \$25/hr plus benefits

5 = ALL jobs over \$25/hr plus benefits

5. Location (1 OR 5):

- a. 1 = In Orange County
- b. 5 = Designated growth zone, as identified by IDA (ex. Port Jervis, Highland Falls)

6. Desirability (0 – 5)*:

- a. Does the project have local political support?
 - i. Support letter from Supervisor/Mayor
- b. Is there favor, locally, for the project?
- c. Is the project remediating a brownfield or repurposing a zombie property?
- d. Is the parcel located in federally distressed area?
- e. Has project construction already begun?

TOTAL

** Speculative Buildings - identified as a project built with no end-user committed - results in an automatic 0 in these categories*

2-10 - Low/No PILOT

11-20 - Medium/Sector-based PILOT

21-30 - High/Qualifies for "Goliath" PILOT



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LABOR POLICY

Adopted 01-12-17

The Orange County Industrial Development Agency (IDA) was established for the purpose of creating employment opportunities for, and to promote the general prosperity and economic welfare of the residents of Orange County. The IDA offers economic incentives and benefits to qualified applicants who wish to locate or expand their businesses or facilities in Orange County. When the IDA approves a project, it enters into agreements to extend these incentives and benefits to the applicant.

Construction jobs, though limited in time duration, are vital to the overall employment opportunities and economic growth in Orange County. The IDA believes that companies benefiting from its incentive programs should employ local laborers, mechanics, craft persons, journey workers, equipment operators, truck drivers and apprentices (hereinafter "construction workers"), including those who have returned from military service, during the construction phase of projects. In this way, the IDA can generate significant benefits to advance the County's general prosperity. It is, therefore, the policy of the IDA that firms benefiting from its programs shall employ workers from Orange County and the "local labor" market during all project phases, including the construction phase.

For the purpose of this policy, the "local labor" market for construction workers shall be defined as those individuals living in Orange, Ulster, Sullivan, Dutchess, Putnam, Rockland and Westchester Counties. Applicants receiving IDA benefits shall ensure the contractor/developer hire at least 85% from the "local labor" market for their approved projects. The 85% shall be by contractor and in total at the time of completion of the project. The contractor/developer is mandated to keep daily log sheets of all field workers, commencing on the date of application. Any work performed after application shall be included in the determination of overall compliance with the 85% hiring requirements of this policy. A third-party auditing firm will be engaged to monitor construction work commencing on the date benefits are granted by resolution of the IDA Board.

However, the IDA recognizes that the use of local labor may not be possible for the following reasons and the applicant may request an exemption on a particular contract or trade scope for the following reasons:

1. Warranty issues related to installation of specialized equipment whereby the manufacturer requires installation by only approved installers;
2. Specialized construction is required and no local contractors or local construction workers have the required skills, certifications or training to perform the work;
3. Cost Differentials:
 - a. For projects whose project cost exceeds \$15M, significant cost differentials in bid prices whereby the use of local labor and materials significantly increases the sub contract or contract of a particular trade or work scope by at least 20%. Every reasonable effort should be made by the applicant and or the applicant's contractor to get below the 20% cost differential including, but not limited to, communicating and meeting with local construction

- trade organizations, such as the Hudson Valley Building and Construction Trades Council and other local Contractor Associations;
 - b. For projects whose project cost is less than \$15M, significant cost differentials in bid prices whereby the use of local labor and materials significantly increases the sub contract or contract of a particular trade or work scope by 10% or more. Every reasonable effort should be made by the applicant and or the applicant's contractor to get below the 10% cost differential including, but not limited to, communicating and meeting with local construction trade organizations, such as the Hudson Valley Building and Construction Trades Council and other local Contractor Associations;
4. No labor is available for the project; and
 5. The contractor requires key or core persons such as supervisors, foreman or "construction workers" having special skills that are not available in the "local labor" market.

The request to secure an exemption for the use of non-local labor must be received from the applicant on the exemption form provided by the IDA or the 3rd party monitor and received in advance of work commencing. The request will be reviewed by the 3rd party monitor and forwarded to the IDA, at which time the IDA's Audit Committee shall have the authority to approve or disapprove the exemption. The 3rd party monitor shall report each authorized exemption to the Board of Directors at its monthly meeting.

In addition, applicants receiving IDA benefits and Contractors on the project shall make every reasonable effort to utilize vendors, material suppliers, subcontractors and professional services from Orange County and the surrounding counties. Applicants and contractors shall be required to keep records of those local vendors, material suppliers, contractors and professional services whom they have solicited and with whom they have contracted with or awarded. This shall be stored in a binder on site and shall be easily available for review by an authorized representative of the IDA, such as the IDA's 3rd party monitor. It shall include any documents for solicitation and contracts. It is the goal of the County of Orange and the IDA to promote the use of local veterans on projects receiving IDA benefits. By partnering with local contractors, local contractor groups, local trade unions and contractors awarded work on IDA projects, there are opportunities for veterans to gain both short-term and long-term careers in the construction industry.

Once approved for IDA benefits, all applicants will be required to provide to IDA staff the following information:

1. Contact information for the applicant's representative who will be responsible and accountable for providing information about the bidding and awarding of construction contracts relative to the applicant's project;
2. Description of the nature of construction jobs created by the project, including in as much detail as possible, the number, type and duration of construction positions;
3. The names, contact information, certificate of authorization to do business in the State of New York and copies of current Certificates of NYS Workers' Compensation Insurance, NYS Disability Insurance, General Liability Insurance and proof of current OSHA training certification from all contractors' employees performing work on the site; and
4. A Construction Completion Report listing the names and business locations of prime contractors, subcontractors and vendors who have been engaged in the construction phase of the project.

All Orange County IDA projects are subject to local monitoring by the IDA and any 3rd party monitor. The applicant and/or the Construction Manager or General Contractor acting as agent for the applicant on the project, shall keep a log book on site detailing the number of workers, hours worked and counties and states in which they reside. Proof of residency or copy of drivers' license shall be included in the log book, along with evidence of necessary OSHA certifications. Reports will be on forms provided by the IDA or weekly payroll reports which contain the same information as required on the IDA issued form. The applicant and contractors are subject to periodic inspection or monitoring by the IDA or 3rd party monitor.

The 3rd party monitor shall issue a report to the IDA staff immediately when an applicant or applicant's contractor is not in compliance with this labor policy. IDA staff shall advise the Audit Committee and/or IDA Board of non-compliance by email or at the next scheduled meeting. If a violation of policy has occurred, IDA staff shall notify the applicant and contractor in writing of non-compliance and give applicant a warning of violation and 72 hours in which to correct such violation. Upon evidence of continued non-compliance or additional violations, the IDA and/or its 3rd party monitor shall notify the applicant that the project is in violation of the Orange County IDA Labor Policy and is subject to IDA Board action which may result in the revocation, termination and/or recapture of any or all benefits conferred by the IDA.

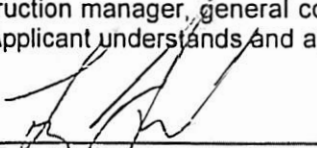
The IDA will use a third party firm or firms to monitor and audit compliance with this local labor policy, the cost of which shall be paid for by the Company in advance of the audits and held in a non-interest bearing escrow account until audits are complete.

The applicant of an IDA approved project shall be required to maintain a 4' X 8' bulletin board on the project site containing the following information:

1. Contact information of the applicant;
2. Summary of the IDA benefits received;
3. Contractors names and contact information on IDA provided form;
4. Copies of proof of exemption from labor policy;
5. Copies of any warnings or violations of policy;
6. Copy of the Executed Labor Policy.

The bulletin board shall be located in an area that is accessible to onsite workers and visitors, which should be clear and legible at least 10 feet from said board.

The applicant has read the OCIDA Labor Policy and agrees to adhere to it without changes and shall require its construction manager, general contractor and sub-contractors who are not exempt to acknowledge the same. The Applicant understands and agrees that it is responsible for all third-party auditing and monitoring costs.


Applicant-Signature

13th Avenue Fish Market Inc.
Company Name

Tzvi Dor Freund
Print Name of above signer

917-923-8488
Email/phone of Applicant

10/24/19
Date


Signature of CM, GC or SC

13th Avenue Fish Market Inc.
Company Name

Tzvi Dor Freund
Print Name of above signer

Dorfisk1@gmail.com
Email/phone of CM/GC/SC

12/18/19
Date

COMPANY OVERVIEW

This narrative describes the history and development of 13th Avenue Fish Market d/b/a Freund's Fish Market and conveys the details of its proposed purchase and expansion of its business and facilities.

History:

Sigmund Freund was an enterprising new immigrant who had fled from war-torn Europe and was determined to build a new life. In 1949 he bought a small fish store on 15th Avenue in Brooklyn and three generations later his family still runs the company from its original location. Freund's Fish Market has expanded beyond all expectations and has earned an influential and respected place in the industry as an exporter, importer, and distributor of high-quality fish products across America and internationally. Freund's Fish Market has become the largest kosher distributor of fresh and frozen fish and sushi products in the United States and abroad, with sales in New York, New Jersey, Connecticut, Pennsylvania, Florida, California, Chicago, the UK, Australia and more.

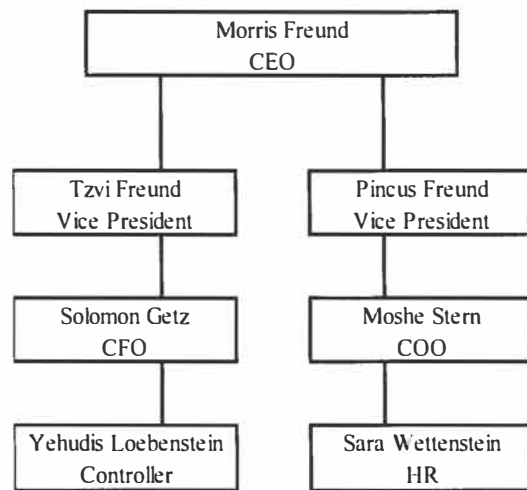
Locations:

The company operates from its original location, having expanded into neighboring premises. Production takes place at its two 15th Avenue locations where fish is received, handled and processed, and delivery is organized. This location also sells appetizing and provides catering services. The company's other site - which goes under the name 'Sushi Maven' - sells and supplies sushi products. The company also maintains private and public warehousing space amounting to 24,000 square feet. The Brooklyn, N.Y. warehouse uses an estimated 15,000 square feet, and the company utilizes over 7,000 square feet in freezer space.

Ownership Structure:

Mr. Morris Freund is Chief Executive Officer of 13th Avenue Fish Market and holds a 50% membership interest in the Company. Mr. Tzvi Freund and Mr. Pinchas Freund each hold a 25% ownership interest in the company. All three individuals devote their business day to the company on a full-time basis. Solomon Getz is the Company's Chief Financial Officer and contact person and can be reached at 718-517-8511, Ext 209. Sushi Maven is a subsidiary of Freund's Fish Market, Inc.

Please refer to the organizational chart below:



Product:

Freund's Fish Market imports its products from France, Alaska, the Netherlands, Scotland, Norway, Chile, and China. Its product list includes fresh and frozen fish for retail and commercial consumers. Fish may be sold whole, cut to specification, raw or processed (breaded, filleted) and packaged. This includes fresh sushi-grade fish and all related sushi ingredients, including rice vinegar, Tempura powder, sesame seeds, wasabi powder, ginger, surimi sticks, nori sheets, bamboo mats, seaweed salad and sushi packaging products. The company has an appetizing department that sells, among other products, superior quality imported smoked halibut, smoked Chilean bass and smoked Norwegian salmon. Grilled fish is available for sale and local delivery, and a Company employed professional chef creates ready-to-bake dishes for retail sale. This product is raw, pre-seasoned and spiced, ready for at-home preparation. The company produces and stocks over thirty types of seasonings and marinates and sells over fifty varieties of dips and salads, and over forty flavored herrings. Customers enjoy the horizontal synergy of the company. The consumer can access products from among the company's broad array of products and services and consider it a one-source provider for all their needs.

Competitive Advantage:

The company imports directly from fisheries and farms. Because of its economy of scale, it has established connections around the world that provides it with the freshest and highest quality fish. Most buyers in this industry make their purchases from a third party (i.e., commercial fish markets). Freund's Fish Market has the broadest range of suppliers in the kosher industry and buys directly from farms and fisheries, which provides the company with its competitive edge in timing, quality, access and cost.

Freund's Fish Market only buys from approved and certified sources. Company personnel makes periodic visits to supplier factories to maintain contacts and review quality control. Because the

company is so vast and well connected, it enjoys a strategic relationship with its suppliers, and its suppliers are familiar with the company's broad needs and will even put away product in anticipation of their orders.

Quality Control:

The company receives its orders from suppliers within the week of harvest. That means if a purchase order is put in on a Tuesday, the fish is caught and harvested on that Friday and delivered to the company on the following Saturday night or Sunday. The order is received before regular markets open for business on Monday morning. The company operates around the clock and works through legal holidays. This incredibly fast turn-around ensures that only the freshest products are offered to the customer with regularity and consistency. The company buys directly from farms and fisheries, without an intermediary, which guarantees its control of the quality of the products purchased.

The company maintains full compliance with all applicable local, state and federal regulations, including 21 CFR Part 123 (seafood HACCP). To that end, they conduct hazard analysis on all products produced, stored, and distributed in their facility and operate under a food safety system that is adequate to control all food safety hazards that are reasonably likely to occur with these product lines. All fish purchased that have a parasite potential are frozen before shipping according to parameters outlined in the United States Food & Drug Administration's Fish & Fisheries Products Hazards & Controls Guidance: Fourth Edition, Table #3-1, which identifies the minimum freezing and storage temperature and minimum total freezing time allowed. These guidelines also include checking for the proper temperature at the receipt, monitoring cold storage temperature, and using an adequate amount of ice during transport.

The company's experience in the industry and its qualified staff uses the most effective and efficient techniques to cut the 'meat' of the various fish, providing a product that is both superior and profitable. Additionally, because the company is strictly kosher, it adheres to an even higher standard of cleanliness, freshness, and quality. It utilizes monitoring systems above those required by law and employs personnel whose sole purpose is to inspect the product for damage and parasites.

Service and Sales:

Customer orders are customized to their specific needs. The company has a broad customer base which includes restaurants, bars, nursing homes, hospitals, schools and retail stores. All require different and specific cuts, quantities and preparation. Customers can access all their needs from the company's many divisions – fresh fish, frozen fish, sushi products, smoked fish, catering needs, specialty dishes and menus, and prepared products. The sushi division opened in 2006 and this product line includes seaweed, tempura flour, sesame, sriracha and other sauces. Frozen fish

varieties include tuna, snapper, Chilean sea bass, etc. Some fish is breaded, spiced or filleted and then frozen and packaged for sale. Inventory is usually sold within three days of receipt.

Operations:

Inventory is ordered a week in advance. The company's experience and its history of customer satisfaction ensure that appropriate quantities are ordered. The products are trucked in from farms, fisheries, ports or airports and brought to the 15th Avenue locations. Fresh fish is packed in ice, while frozen fish arrives entirely frozen in suppliers' temperature-controlled trucks. The receiving department inspects the fish, separating products of inferior quality to be returned to its vendors. The packaging is inspected, additional ice is applied as necessary.

When the product arrives, it is assessed and separated, and the sushi grade fish is removed and sent to a separate facility. Fish appropriate for sushi has distinct characteristics that ensure its quality. They are larger and can be cut in long, high cuts. The fish is inspected for sea lice, pesticides, and other parasites. Then it is cleaned and scaled. It is then subject to a second inspection by a dedicated inspector familiar with the laws of Kosher. After the fish is clean and has cleared inspection, it moves to the Fillet Table where the processor will cut, skin or fillet the fish according to customer specification. The packaging department seals the fish in hygienic Styrofoam packaging, with proper labeling and handling instructions. The packaged fish is boxed in ice and sent to the Shipping Department.

Shipping and Delivery:

The shipping department develops routes to ensure that the fish arrives at its destination as quickly as possible. Boxes are counted and sorted for delivery; dated labels are affixed. A FIFO (first in, first out) system is implemented to ensure freshness. The company runs a fleet of 20-25 refrigerated vehicles used for delivery.

Deliveries are made locally at a minimum of 3-5 times a day, out of state deliveries within the Tristate area are delivered by truck once a day. Out of state deliveries that must be shipped are sent out via common carrier. The company provides a 24-hour deli service with delivery in the Tristate area. Delivery vehicles have GPS trackers, so the shipping department can monitor their progress and connect with drivers to ensure full efficiency in transit.

PROPOSED EXPANSION

Freund's Fish Market is seeking to expand its production line and its scope of distribution. The company plans to implement this expansion in six phases over a five-year period, subject to financing availability, economic influences or management decisions that may result thereof. Based upon debt and equity financing opportunities and economic factors, company management

will weigh the allocation of finances toward capital investments in property and equipment, and human resources and employment.

Accordingly, the company plans to purchase an additional facility to be located in either New Jersey or Middletown, NY. The cost for the new facility is estimated at **\$3.4 million**. The new facility will enable the six phased expansion in the following areas:

Phase I - Sushi Maven

Sushi Maven is a subsidiary of Freund's Fish Market. It is a wholesale vender of kosher Japanese foodstuffs and food products. Its product line includes frozen seafood, soy sauce, sushi wrappers, nori, pickled products, wasabi, miso and tofu, frozen vegetables, sauces, oil & vinegar, sushi rice & noodles, tempura, sesame seeds and panko, sushi containers and other accessories. Extending the company's facilities will allow for expanded warehousing, shipping and receiving capabilities and will facilitate the company's expansion into wider geographic markets.

A total anticipated investment capital expenditure is estimated at **\$750,000**, with an estimated **\$1,098,800** of annual expenses in salaries for 6 warehouse employees, 9 drivers and two additions to the management staff.

Phase II – Raw Fish Production

The raw fish production will enable the facility to process raw fish for distributions. This phase will also enable the implementation of additional phases.

A total anticipated investment capital expenditure is estimated at **\$277,500**, with an estimated **\$312,080** of annual expenses in salaries for 4 warehouse employees, 5 production employees and one addition to management staff.

Phase III - Gefilte Fish Production

Gefilte Fish is an iconic and traditional ethnic food that was first created by Jews of European origin. It has evolved into the quintessential Jewish delicacy and comfort food. Today, commercially made gefilte fish is a ground mixture of deboned fish, such as carp, whitefish, or pike. The mixture is enclosed in a parchment paper casing and formed into a log. The log is frozen, packaged and sold, ready for the consumer to cook at home. Expanded facilities and production will enable the Company to develop distribution opportunities in European and Israeli markets.

A total anticipated investment capital expenditure is estimated at **\$380,000**, with an estimated **\$203,840** in annual personnel costs to cover the addition of 7 production employees.

Phase IV - Kitchen Production

Expanding to a new and larger facility will allow Freund's to make broad enhancements in production and packaging. Investment will be directed towards an upgrade in breeding

machinery to expand and streamline the assembly and packaging of breaded food items. Additional breading capabilities will enable the Company to expand its product line into other breaded food items and to expand its range into new markets.

The Company's line of wholesale appetizing products is sold to retail stores and food service companies. This product line includes a variety of fresh Kosher pickles and herring, as well as prepared foods including fish spreads, dips, salads and appetizers. The use of extended facilities will increase production and sales with little cost and minimal investment.

The Company's frozen product line includes popular favorites including tilapia, kani, flounder and pollack. The Company also offers a line of seasoned, breaded fillets that are ready-to-bake and easy to prepare. In addition, the Company prepares and sells a line of fresh-frozen Asian vegetables and sushi products. Frozen food is best packaged using equipment that provides the perfect shelf appearance, enhancing the overall product and ensuring ease of transfer and shipping. Additional packaging equipment will enable the company to expand its product line and secure new markets.

A total anticipated investment capital expenditure for Kitchen Production is estimated at **\$480,000**, with an estimated **\$320,320** in annual personnel costs to cover the addition of 11 production employees.

Expansion Summary

Capital Expenditures

Freund's Fish Market's total cost of investment directed towards its six-phase expansion is estimated to be \$5.3 million.

Cost of New Facility		\$ 3,400,000
Capital Improvements		
Phase I - Sushi Maven	\$ 750,000	
Phase II - Raw Fish Production	\$ 277,500	
Phase III - Gefilte Fish	\$ 380,000	
Phase IV - Kitchen Production	\$ 480,000	
Total Capital Improvements		<u>\$ 1,887,500</u>
Total Capital Expenditures		<u>\$ 5,287,500</u>

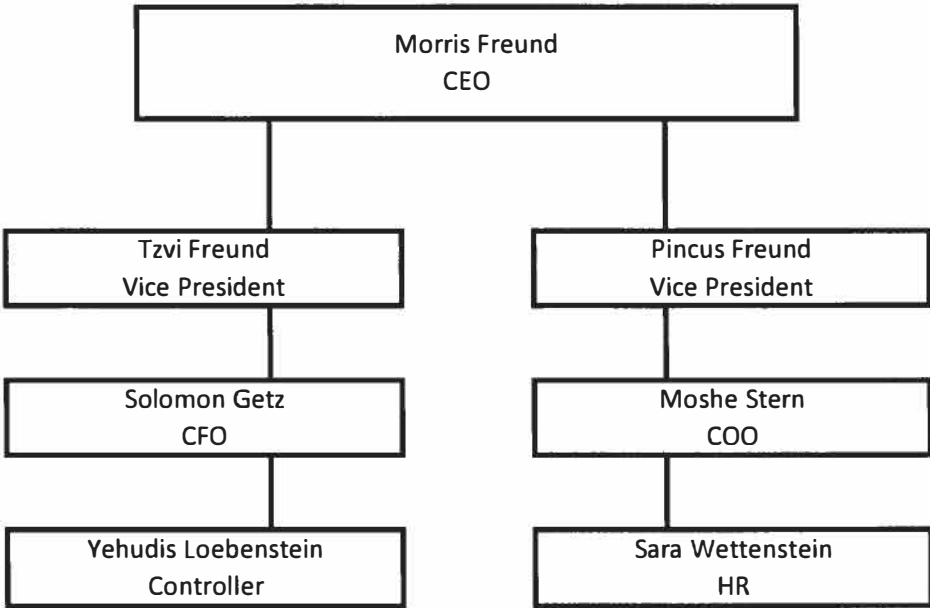
Annual Costs - Personnel

Freund's Fish Market's annual expense for personnel is estimated at \$1.94 million. This expense will support the addition of approximately 11 additional warehouse employees, 23 additional production employees, nine drivers, and three additions to management.

Personnel		
Phase I - Sushi Maven	\$ 1,098,800	
Phase II - Raw Fish Production	\$ 166,480	
Phase III - Gefilte Fish	\$ 203,840	
Phase IV - Kitchen Production	\$ 320,320	
Total Annual Costs - Personnel		<u>\$ 1,789,440</u>

In each phase, it is anticipated that the average percentage of total employees' average annual gross salary paid in benefits, excluding mandated benefits such as FICA, Medicare, unemployment or workers' compensation insurance, will come to 15%.

13th Avenue Fish Market, Inc.
Organizational Chart



State of New York
Department of State } **ss:**

I hereby certify, that the Certificate of Incorporation of 13TH AVENUE FISH MARKET INC. was filed on 06/24/1993, with perpetual duration, and that a diligent examination has been made of the Corporate index for documents filed with this Department for a certificate, order, or record of a dissolution, and upon such examination, no such certificate, order or record has been found, and that so far as indicated by the records of this Department, such corporation is an existing corporation. I further certify the following:

A Biennial Statement was filed 04/15/2013.

A Biennial Statement was filed 07/02/2013.

A Biennial Statement was filed 03/17/2016.

A Biennial Statement was filed 12/28/2017.

A Biennial Statement was filed 06/04/2019.

I further certify that no other documents have been filed by such corporation.



*Witness my hand and the official seal
of the Department of State at the City
of Albany, this 30th day of August
two thousand and nineteen.*

Brendan C. Hughes

Brendan C. Hughes
Deputy Secretary of State