



MEETING OF THE TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY

March 20, 2018

Agenda

1. Call the meeting of the Town of Islip Industrial Development Agency to order.
2. To consider the adoption of a Resolution on behalf of the Town of Islip Industrial Development Agency to approve the **Minutes** from the meeting on **February 27, 2018**.
3. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and **Cottonwood Metals**. Located at 1700 Ocean Avenue, Ronkonkoma. (0500-12700-0300-006000).
4. To consider the adoption of a Resolution Authorizing a mortgage financing between the Town of Islip Industrial Development Agency and **Laz-Bur 2009 Project**. Located at 5901 Veterans Memorial Highway, Holbrook. (0500-21700-0200-008003).
5. To consider the adoption of a Resolution Authorizing a tenant agreement between the Town of Islip Industrial Development Agency and **Vitamin World USA Corporation/Sunrise Business Center Facility**. 3500 Sunrise Highway, Great River (0500-21100-01000-005 & 006).
6. To consider an amendments of the **Uniform Tax Exemption Policy**.
7. To consider an adoption of a Resolution approving a contract between the Town of Islip Industrial Development Agency and **Long Island Association (LIA) & Untied States Golf Association (USGA)**.
8. To consider **any other business** to come before the Agency.

**TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR MARCH 20, 2018**

AGENDA ITEM # 1

TYPE OF RESOLUTION: CALL MEETING TO ORDER

COMPANY: N/A

PROJECT LOCATION: N/A

JOBS (RETAINED/CREATED): RETAINED - N/A -
CREATE - N/A -

INVESTMENT: \$ N/A

**TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR MARCH 20, 2018**

AGENDA ITEM # 2

TYPE OF RESOLUTION: TO CONSIDER THE ADOPTION OF A RESOLUTION ON BEHALF OF THE TOWN OF ISLIP IDA TO APPROVE THE MINUTES FROM THE MEETING ON FEBRUARY 27, 2018

COMPANY: N/A

PROJECT LOCATION: N/A

JOBS (RETAINED/CREATED): RETAINED - N/A -
CREATE - N/A -

INVESTMENT: \$ N/A



MEETING OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

February 27, 2018

Meeting Minutes

1. Call the meeting of the Town of Islip Industrial Development Agency to order on a motion by Councilwoman Trish Bergin Weichbrodt and seconded by Councilman John C. Cochrane Jr.

Members Angie M. Carpenter, Councilwoman Mary Kate Mullen, Councilman John Cochrane, Councilman James P. O'Connor and Councilwoman Trish Bergin Weichbrodt were present and the Chairwoman acknowledged a quorum.

2. To consider the adoption of a Resolution on behalf of the Town of Islip Industrial Development Agency to approve the **Minutes** from the meeting on **January 23, 2018**. On a motion by Councilman James P. O'Connor and seconded by Councilwoman Mary Kate Mullen.
3. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and **Cottonwood Metals**. Located at 1700 Ocean Avenue, Ronkonkoma. On a motion by Councilman John C. Cochrane Jr. and seconded by James P. O'Connor.
4. To consider the adoption of an Amended Authorizing Resolution between the Town of Islip Industrial Development Agency and **Hilo Maintenance, LLC**. Located at 845 South First Street, Ronkonkoma. (0500-08600-0400-007001). On a motion by Councilman James P. O'Connor and seconded by Councilwoman Mary Kate Mullen.
5. To consider the adoption of a Resolution on behalf of the Town of Islip Industrial Development Agency to enter into a contract with **Mike Siniski**, to provide computer programming services for the maintenance of an updated and improved IDA Assessment Roll and PILOT billing system including training Town of Islip staff at a rate of \$65.00 per hour, not to exceed \$5,000. On a motion by Councilman John C. Cochrane Jr. and seconded by Councilman James P. O'Connor.
6. To consider an adoption of a Resolution approving a tenant agreement between the Town of Islip Industrial Development Agency and **AG-Metropolitan Sunrise, LLC/Tiny Treasures Child Care, Inc.** Located at 3500 Sunrise Highway, Great River. (0500-21100-0100-005006). On a motion by Councilwoman Trish Bergin Weichbrodt and seconded by Councilwoman Mary Kate Mullen.
7. To consider an adoption of a Resolution approving a tenant agreement between the Town of Islip Industrial Development Agency and **AG-Metropolitan Sunrise, LLC/Go Fitness, Inc.** Located at 3500 Sunrise Highway, Great River (0500-21100-0100-005006). On a motion by Councilman John C. Cochrane Jr. and seconded by Councilwoman Trish Bergin Weichbrodt.
8. To consider an adoption of an Amended Authorizing Resolution between The Town of Islip Industrial Development Agency and **Beyer Islip Realty, LLC/Banker Construction Corp. 2018 Facility**. Located at 171 Freeman Avenue, Islip. (0500-27100-0300-018004). On a motion by Councilwoman Trish Bergin Weichbrodt and seconded by Councilman James P. O'Connor.
9. To consider **any other business** to come before the Agency. Meeting adjourned on a motion by Councilman John C. Cochrane Jr. and seconded by Councilman James P. O'Connor.

**TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR MARCH 20, 2018**

AGENDA ITEM # 3

TYPE OF RESOLUTION: AUTHORIZING RESOLUTION

COMPANY: COTTONWOOD METALS, INC.

PROJECT LOCATION: 1700 OCEAN AVENUE, RONKONKOMA

**JOBS (RETAINED/CREATED): RETAINED - 23 -
CREATE - 08 -**

INVESTMENT: \$165,000.00

Date: March 20, 2018

At a meeting of the Town of Islip Industrial Development Agency (the “**Agency**”), held at Islip Town Hall, 655 Main Street, Islip, New York on the 20th day of March, 2018 the following members of the Agency were:

Present: Chairwoman Angie M. Carpenter
 Councilwoman Trish Bergin Weichbrodt
 Councilman John C. Cochrane Jr.
 Councilwoman Mary Kate Mullen
 Councilman James P. O’Connor

Absent:

Also Present:

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to acquisition of leasehold title to a certain industrial development facility more particularly described below (Cottonwood Metals, Inc. d/b/a Monarch Metal Fabrication 2018 Facility) and the leasing of the facility to Cottonwood Metals, Inc. d/b/a Monarch Metal Fabrication.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Voting Nay

Chairwoman Angie M. Carpenter
Councilwoman Trish Bergin Weichbrodt
Councilman John C. Cochrane Jr.
Councilwoman Mary Kate Mullen
Councilman James P. O’Connor

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ACQUISITION, RENOVATION AND EQUIPPING OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY AND APPROVING THE APPOINTMENT OF COTTONWOOD METALS, INC. D/B/A MONARCH METAL FABRICATION, A NEW YORK BUSINESS CORPORATION, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF COTTONWOOD METALS, INC. D/B/A MONARCH METAL FABRICATION AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS AGENT OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, RENOVATING AND EQUIPPING AN INDUSTRIAL DEVELOPMENT FACILITY AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 47 of the Laws of 1974 of the State of New York, as amended from time to time (collectively, the “**Act**”), the Town of Islip Industrial Development Agency (the “**Agency**”) was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, Cottonwood Metals, Inc.(doing business as Monarch Metal Fabrication), a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Cottonwood Metals, Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), has applied to the Agency to enter into a transaction in which the Agency will assist in the acquisition of a leasehold interest in an approximately 30,864 square foot portion (the “**Premises**”) of an approximately 85,000 square foot multi-tenant building, located on an approximately 6.00 acre parcel of land located at 1700 Ocean Avenue, Ronkonkoma, New York (the “**Land**”), the renovation of the Premises (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and together with the Premises and the Improvements, the “**Facility**”), which Facility will be leased by the Agency to the Company, and used by the Company as its headquarters, warehouse, manufacturing, administrative and distribution space in its business as a manufacturer and distributor of engineered systems and hardware for installing interior and exterior wall panels, cladding, and other fabrication in the architectural construction industry (the “**Project**”); and

WHEREAS, the Agency, by resolution duly adopted on February 27, 2018 (the “**Inducement Resolution**”), decided to proceed under the provisions of the Act; and

WHEREAS, the Company has acquired a leasehold interest in the Facility pursuant to an Agreement of Lease, dated December 18, 2017 (the “**Ground Lease**”), by and between OLP Ronkonkoma, LLC (the “**Landlord**”) to the Company; and

WHEREAS, the Agency will acquire a subleasehold interest in the Facility pursuant to a certain Company Lease Agreement, dated as of April 1, 2018 or such other date as the Chairman, the Executive Director or the Deputy Executive Director of the Agency and counsel to the Agency shall agree (the “**Company Lease**”), by and between the Company and the Agency; and

WHEREAS, the Agency will acquire title to the Equipment pursuant to a certain Bill of Sale, dated the Closing Date (as defined in the hereinafter defined Lease Agreement) (the “**Bill of Sale**”), from the Company to the Agency; and

WHEREAS, the Agency will sub-lease and lease the Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of April 1, 2018 or such other date as the Chairman, the Executive Director or the Deputy Executive Director of the Agency and counsel to the Agency shall agree (the “**Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company, in the form of (i) exemptions from sales and use taxes in an amount not to exceed \$10,781, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof), all consistent with the policies of the Agency; and

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed transaction is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the leasing of the Facility by the Agency to the Company.

NOW, THEREFORE, BE IT RESOLVED by the Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency hereby finds and determines:

(a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(b) The Facility constitutes a “project”, as such term is defined in the Act; and

(c) The acquisition, renovation and equipping of the Facility, the leasing of the Facility to the Company will promote and maintain the job opportunities, health, general

prosperity and economic welfare of the citizens of Town of Islip, and the State of New York and improve their standard of living and thereby serve the public purposes of the Act.

(d) The acquisition, renovation and equipping of the Facility by the Agency is reasonably necessary to induce the Company to maintain and expand its business operations in the Town of Islip.

(e) Based upon representations of the Company and counsel to the Company, the Facility conforms with the local zoning laws and planning regulations of the Town of Islip and all regional and local land use plans for the area in which the Facility is located.

(f) It is desirable and in the public interest for the Agency to lease the Facility to the Company; and

(g) The Company Lease will be an effective instrument whereby the Agency subleases the Facility from the Company; and

(h) The Lease Agreement will be an effective instrument whereby the Agency sub-subleases and leases the Facility to the Company, the Agency and the Company set forth the terms and conditions of their agreement regarding payments-in-lieu of taxes, the Company agrees to comply with all Environmental Laws (as defined therein) applicable to the Facility and will describe the circumstances in which the Agency may recapture some or all of the benefits granted to the Company; and

Section 2. The Agency has assessed all material information included in connection with the Company's application for financial assistance, including but not limited to, the cost-benefit analysis prepared by the Agency and such information has provided the Agency a reasonable basis for its decision to provide the financial assistance described herein to the Company.

Section 3. In consequence of the foregoing, the Agency hereby determines to: (i) sublease the Facility from the Company pursuant to the Company Lease, (ii) execute, deliver and perform the Company Lease, (iii) sub-sublease and lease the Facility to the Company pursuant to the Lease Agreement, and (iv) execute, deliver and perform the Lease Agreement.

Section 4. The Agency is hereby authorized to acquire the Facility described in Exhibit A and Exhibit B, respectively, to the Lease Agreement, and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 5. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the acquisition, renovation and equipping of the Facility in the form of (i) exemptions from sales and use taxes in an amount not to exceed \$10,781, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof), all consistent with the policies of the Agency.

Section 6. Subject to the provisions of this resolution, the Company is herewith and hereby appointed the agent of the Agency to acquire, renovate and equip the Facility. The Company is hereby empowered to delegate its status as agent of the Agency to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company may choose in order to acquire, renovate and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company as agent of the Agency solely for purposes of making sales or leases of goods, services and supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company, as agent of the Agency, shall be deemed to be on behalf of the Agency and for the benefit of the Facility. This agency appointment expressly excludes the purchase by the Company of any motor vehicles, including any cars, trucks, vans or buses which are licensed by the Department of Motor Vehicles for use on public highways or streets. The Company shall indemnify the Agency with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company, as agent of the Agency. The aforesaid appointment of the Company as agent of the Agency to acquire, renovate and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, (b) a date which the Agency designates, or (c) the date on which the Company has received exemptions from sales and use taxes in an amount not to exceed \$10,781 in connection with the purchase or lease of equipment, building materials, services or other personal property; provided however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company if such activities and improvements are not completed by such time. The aforesaid appointment of the Company is subject to the completion of the transaction and the execution of the documents contemplated by this resolution.

Section 7. The Company hereby agrees to comply with Section 875 of the Act. The Company further agrees that the tax exemptions and abatements provided pursuant to the Act and the appointment of the Company as agent of the Agency pursuant to this Authorizing Resolution are subject to termination and recapture of benefits pursuant to Sections 859-a and 875 of the Act and the recapture provisions of the Lease Agreement.

Section 8. The form and substance of the Company Lease, the Lease Agreement and the Loan Documents to which the Agency is a party (each in substantially the forms presented to or approved by the Agency and which, prior to the execution and delivery thereof, may be redated and renamed) are hereby approved.

Section 9. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Company Lease, and the Lease Agreement to which the Agency is a party, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "**Agency Documents**"). The execution thereof by the

Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency shall constitute conclusive evidence of such approval.

Section 10. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 11. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 12. This resolution shall take effect immediately.

STATE OF NEW YORK)
 : SS.:
COUNTY OF SUFFOLK)

I, the undersigned Assistant Secretary of the Town of Islip Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Town of Islip Industrial Development Agency (the “**Agency**”), including the resolutions contained therein, held on the 20th day of March, 2018, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

That the Agency Documents contained in this transcript of proceedings are each in substantially the form presented to the Agency and/or approved by said meeting.

I FURTHER CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, that all members of said Agency had due notice of said meeting and that the meeting was all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 20th day of March, 2018.

By: _____
Assistant Secretary

EXHIBIT A

Proposed PILOT Benefits

Formula of PILOT Payments less any amounts payable by the Company in connection with any special ad valorem levies, special assessments or Special District Taxes and service charges levied against the Facility to the Town of Islip, Connetquot School District, Suffolk County and Appropriate Special Districts:

****PILOT represents approximately 36.47% of building, that the company will occupy**

Formula: 10-year abatement starting at 50% decreasing 5% annually

Cottonwood Metals, Inc. d/b/a Monarch Metal Fabrication
1700 Ocean Avenue, Ronkonkoma, New York
Tax Map Numbers: 0500-127.00-03.00-006.000

2019/2020 - 100% normal tax on the taxable assessed value of \$158,279.50
2020/2021 - 100% normal tax on the taxable assessed value of \$174,107.45
2021/2022 - 100% normal tax on the taxable assessed value of \$189,935.40
2022/2023 - 100% normal tax on the taxable assessed value of \$205,763.35
2023/2024 - 100% normal tax on the taxable assessed value of \$221,591.30
2024/2025- 100% normal tax on the taxable assessed value of \$237,419.25

The PILOT will expire on November 30, 2025 unless the Company elects to extend their lease with the Landlord, then the PILOT will be extended for a three (3) year period, ending on November 30, 2028

Year 7 - 100% normal tax on the taxable assessed value of \$253,247.20
Year 8 - 100% normal tax on the taxable assessed value of \$269,075.15
Year 9 - 100% normal tax on the taxable assessed value of \$284,903.10

TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR MARCH 20, 2018

AGENDA ITEM # 4

TYPE OF RESOLUTION: RESOLUTION AUTHORIZING
A MORTGAGE REFINANCE

COMPANY: LAZ-BUR 2009 Co. LLC/FEDEX GROUND
PACKAGE SYSTEM FACILITY, 2009 FACILITY

PROJECT LOCATION: 5901 VETERANS MEMORIAL
HIGHWAY, HOLBROOK

JOBS (RETAINED/CREATED): RETAINED - N/A -
CREATE - N/A -

INVESTMENT: \$ N/A

Date: March 20, 2018

At a meeting of the Town of Islip Industrial Development Agency (the “**Agency**”), held at Islip Town Hall, 655 Main Street, Islip, New York, on the 20th day of March, 2018, the following members of the Agency were:

Present:

Absent:

Also Present:

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on a proposed mortgage financing and the execution of related loan documents in connection with a certain industrial development facility more particularly described below (Laz-Bur Co. LLC/Fedex Ground Package System, Inc. 2009 Facility) and approving the execution and delivery of related documents.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Voting Nay

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY AUTHORIZING MORTGAGE
FINANCING AND THE EXECUTION AND DELIVERY OF LOAN
DOCUMENTS IN CONNECTION THEREWITH FOR THE LAZ-
BUR CO. LLC/FEDEX GROUND PACKAGE SYSTEM, INC. 2009
FACILITY AND APPROVING THE FORM, SUBSTANCE,
EXECUTION AND DELIVERY OF SUCH RELATED
DOCUMENTS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 47 of the Laws of 1974 of the State of New York, as the same may be amended from time to time (collectively, the “**Act**”), the Town of Islip Industrial Development Agency (the “**Agency**”), was created with the authority and power among other things, to assist with certain industrial development projects as authorized by the Act; and

WHEREAS, the Agency previously assisted in the providing and leasing of an industrial development facility to Laz-Bur Co. LLC, a New York limited liability company (the “**Company**”) and the subleasing of such facility by the Company to Fedex Ground Package System, Inc., a Delaware business corporation (the “**Sublessee**”), consisting of (i) the acquisition of an approximately 13.52 acre parcel of land located at 5901 Veterans Memorial Highway, Holbrook, Town of Islip, New York (more specifically, District 0500 Section 217.00, Block 02.00, Lot 008.003) (collectively, the “**Land**”), the construction of a one-story approximately 25,561 square foot addition to an existing approximately 64,000 square foot building totaling in all approximately 89,561 square feet and the expansion of existing parking spaces located thereon (collectively, the “**Improvements**”), and the acquisition and installation of certain equipment not part of the Equipment (as defined in Exhibit A to the Equipment Lease Agreement, dated as of April 1, 2009 (the “**Equipment Lease Agreement**”), between the Agency and the Sublessee (the “**Facility Equipment**”, and, together with the Land and Improvements, the “**Company Facility**”), which Company Facility is leased by the Agency to the Company and subleased by the Company to, and used by, the Sublessee, and (ii) the acquisition and installation of the Equipment, including, but not limited to, package handling equipment, which such Equipment is leased by the Agency to, and used by, the Sublessee, in its operations as a business to business small package transportation facility (the Company Facility and the Equipment collectively referred to herein as the “**Facility**”); and

WHEREAS, the Agency currently leases the Facility to the Company pursuant to a certain Lease Agreement, dated as of April 1, 2009 (the “**Lease Agreement**”), between the Agency and the Company, and a Memorandum of Lease was to be recorded in the Suffolk County Clerk’s office; and

WHEREAS, in connection with the leasing and the subleasing of the Facility, the Agency, the Company and the Sublessee entered into a Payment-in-Lieu-of-Tax Agreement, dated as of April 1, 2009 (the “**PILOT Agreement**”), whereby the Company and the Sublessee agreed to make certain payments-in-lieu-of real property taxes on the Facility (as defined therein); and

WHEREAS, in connection with the leasing and the subleasing of the Facility, the Agency, the Company and the Sublessee entered into an Environmental Compliance and Indemnification Agreement, dated as of April 1, 2009 (the “**Environmental Compliance and Indemnification Agreement**”), whereby the Company and the Sublessee agreed to comply with all Environmental Laws (as defined therein) applicable to the Facility; and

WHEREAS, the Company has now requested that the Agency consent to enter into a financing with Bethpage Federal Credit Union or such other lender as may be determined (the “**Lender**”), with respect to the Facility in the aggregate principal amount presently expected to be \$10,000,000 but not to exceed \$12,000,000 (the “**Loan**”); and

WHEREAS, as security for such Loan being made to the Company by the Lender, the Company has submitted a request to the Agency that it join with the Company in executing and delivering to the Lender one or more mortgages and such other loan documents, satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably requested by the Lender (the “**Loan Documents**”); and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company consistent with the policies of the Agency, in the form of exemptions from mortgage recording taxes, to the extent allowed by law, for one or more mortgages securing the principal amount presently estimated to be \$10,000,000 but not to exceed \$12,000,000 in connection with the financing or refinancing of the acquisition, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, constructing and equipping the Facility; and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York;

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transactions contemplated by the financing or refinancing of the Facility and the continued leasing and subleasing of the Facility.

NOW, THEREFORE, BE IT RESOLVED by the Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency hereby finds and determines:

- (a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act.
- (b) The Facility continues to constitute a “project”, as such term is defined in the Act.
- (c) The Facility preserves the public purposes of the Act by increasing the number of private sector jobs in the Town of Islip.

- (d) The financing or refinancing of the acquisition, construction and equipping of the Facility will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Islip, Suffolk County and the State of New York and improve their standard of living and thereby serve the public purposes of the Act.
- (e) The financing or refinancing of the acquisition, construction and equipping of the Facility as contemplated in this resolution is reasonably necessary to maintain the competitive position of the Company in its industry.
- (f) Based upon representations of the Company and counsel to the Company, the Facility continues to conform with the local zoning laws and planning regulations of the Town of Islip and all regional and local land use plans for the area in which the Facility is located.
- (g) It is desirable and in the public interest for the Agency to assist in the financing or refinancing of the acquisition, construction and equipping of the Facility.
- (h) The Loan Documents will be effective instruments whereby the Agency and the Company agree to secure the Loan and assign to the Lender their respective rights under the Lease Agreement (except the Agency's Unassigned Rights as defined therein).

Section 2.

In consequence of the foregoing, the Agency hereby determines to: (i) grant a mortgage on and security interest in and to the Facility pursuant to a certain mortgage and security agreement for the benefit of the Lender (the "**Mortgage**"), (ii) execute, deliver and perform the Mortgage, and (iii) execute, deliver and perform the Loan Document to which the Agency is a party, as may be necessary or appropriate to effect the Loan or any subsequent refinancing of the Mortgage.

Section 3. Subject to the provisions of this resolution and the Lease Agreement, the Agency is hereby authorized to do all things necessary or appropriate for the execution, delivery and performance of the Loan Documents and Mortgage, and such other related documents as may be necessary or appropriate to effect the Loan, or any subsequent refinancing of the Loan, and all acts heretofore taken by the Agency with respect to such financing or refinancing are hereby approved, ratified and confirmed.

Section 4. Subject to the provisions of this resolution and the Lease Agreement, the Agency hereby authorizes and approves the following economic benefits to be granted to the Company in the form of exemptions from mortgage recording taxes, to the extent allowed by law, for one or more mortgages securing the principal amount presently estimated to be \$10,000,000 but not to exceed \$12,000,000, in connection with the financing or refinancing of the acquisition, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, constructing and equipping of the Facility.

Section 5.

(a) Subject to the provisions of this resolution and the Lease Agreement; the Chairman, Executive Director, the Deputy Executive Director and all other members of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Mortgage and Loan Documents, together with such other related documents as may be, in the judgment of the Chairman and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “**Agency Documents**”). The execution thereof by the Chairman, Executive Director, the Deputy Executive Director or any member of the Agency shall constitute conclusive evidence of such approval; and

(b) the Chairman, Executive Director, the Deputy Executive Director and any member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional authorized representatives of the Agency.

Section 6. Subject to the provisions of this resolution and the Lease Agreement, the officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 7. Any expenses incurred by the Agency with respect to the financing or refinancing of the Facility shall be paid by the Company. By acceptance hereof, the Company agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the financing or refinancing of the Facility.

Section 8. This resolution shall take effect immediately.

ADOPTED: March 20, 2018

STATE OF NEW YORK)
 : SS.:
COUNTY OF SUFFOLK)

I, the undersigned Assistant Secretary of the Town of Islip Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Town of Islip Industrial Development Agency (the “**Agency**”), including the resolutions contained therein, held on March 20, 2018, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

That the Agency Documents contained in this transcript of proceedings is in substantially the form presented to the Agency and/or approved by said meeting.

I FURTHER CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, that all members of said Agency had due notice of said meeting and that the meeting was all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 20th day of March, 2018.

By: _____
Assistant Secretary

**TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR MARCH 20, 2018**

AGENDA ITEM # 5

TYPE OF RESOLUTION: RESOLUTION AUTHORIZING
A TENANT AGREEMENT

COMPANY: VITAMIN WORLD CORPORATION/AG
METROPOLITAN SUNRISE, LLC

PROJECT LOCATION: 3500 SUNRISE HIGHWAY, GREAT
RIVER

JOBS (RETAINED/CREATED): RETAINED - N/A -
CREATE - N/A -

INVESTMENT: \$ N/A

Date: March 20, 2018

At a meeting of the Town of Islip Industrial Development Agency (the “**Agency**”) held on the 20th day of March, 2018, at 40 Nassau Avenue, Islip, New York 11751, the following members of the Agency were:

Present:

Absent:

Also Present:

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the consent to the subleasing of a portion of the Sunrise Business Center 2012 Facility and approving the execution and delivery of related documents.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Voting Nay

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY PERTAINING TO THE
CONSENT TO THE SUBLEASING OF A PORTION OF THE
SUNRISE BUSINESS CENTER 2012 FACILITY AND
APPROVING THE FORM, SUBSTANCE, EXECUTION AND
DELIVERY OF RELATED DOCUMENTS.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 47 of the Laws of 1974 of the State of New York, as may be amended from time to time (collectively, the “**Act**”), the Town of Islip Industrial Development Agency (the “**Agency**”) was created with the authority and power, among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, AG-Metropolitan Sunrise, L.L.C., a limited liability company duly organized and validly existing under the laws of the State of Delaware and authorized to transact business in the State of New York, having an office at 245 Park Avenue, New York, New York 10167 (the “**Original Company**”), has previously entered into a transaction with the Agency in which the Agency assisted in the acquisition, renovation and equipping of an approximately 41 acre parcel of land (the “**Land**”) with an existing approximately 340,000 aggregate square foot three story building (the “**Building**”) currently known as the Long Island Business and Technology Center located at 3500 Sunrise Highway, Great River, Town of Islip, New York (more specifically described as District 0500, Section 211.00, Block 1 and Lots 005 and 006) and the renovation and equipping of the building to make the Building state-of-the-art in order to provide incentives towards full occupancy by various lessees of the Building (the “**Facility**”); and

WHEREAS, the Agency leased the Facility to the Original Company pursuant to a certain Lease Agreement, dated as of January 1, 2007, amended by an Amendment to Lease Agreement, dated April 20, 2009 (collectively, the “**Lease Agreement**”), by and between the Agency, as lessor, and the Company, as lessee; and

WHEREAS, the Original Company, Feil 3500 Sunrise Associates LLC and Feil Business Center Associates LLC, each a Delaware limited liability company, as tenants-in common, each having its principal office at c/o The Feil Organization, 7 Penn Plaza, Suite 618, New York, New York 10001 (collectively, the “**Company**” and each an “**Assignee**”) previously requested that the Agency consent to the assignment of the Original Company’s leasehold interest in the Facility to the Company (as tenants in common with Feil 3500 Sunrise Associates LLC having an undivided 45.29% interest and Feil Business Center Associates LLC having an undivided 54.71% interest), and the assumption, on a joint and several basis, of Assignor’s leasehold interest in the Facility by the Company; and

WHEREAS, the Agency consented to the assignment of Original Company’s leasehold interest in the Facility to the Company, pursuant to a certain Assignment, Assumption and Amendment Agreement, dated as of November 1, 2012 (the “**Assignment,**

Assumption and Amendment Agreement”), by and among the Agency, the Assignor and the Assignees; and

WHEREAS, the Company entered into negotiations with Vitamin World USA Corporation (the “**Tenant**”), to sublease a portion of the 100 Building of the Facility known as Suite 210, containing approximately 17,988 rentable square feet of space (the “**Demised Premises**”), pursuant to a Lease Agreement, dated a date to be determined (the “**Vitamin World Lease**”), for a term of sixty-five (65) months for use as general and executive office space by the Tenant in its business as a manufacturer and distributor of vitamins and nutrition supplements; and

WHEREAS, the Company has requested that the Agency consent to the Vitamin World Lease between the Company and the Tenant; and

WHEREAS, the Facility may not be subleased, in whole or in part, without the prior written consent of the Agency; and

WHEREAS, such consent may be manifested by the execution and delivery of a Tenant Agency Compliance Agreement, to be dated a date to be determined, between the Agency and the Tenant (the “**Tenant Agency Compliance Agreement**”); and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the continued subleasing of the Facility.

NOW, THEREFORE, BE IT RESOLVED by the Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency hereby finds and determines:

(a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(b) The subleasing of the Demised Premises to the Tenant will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Islip and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(c) The Agency consents to the subleasing of the Demised Premises to the Tenant; and

(d) The execution of the Tenant Agency Compliance Agreement will satisfy the requirement of Section 9.3 of the Lease Agreement that any subleasing of the Facility be consented to in writing by the Agency; and

(e) It is desirable and in the public interest for the Agency to consent to the subleasing of the Demised Premises to the Tenant and to enter into the Tenant Agency Compliance Agreement.

Section 2. In consequence of the foregoing, the Agency hereby determines to enter into the Tenant Agency Compliance Agreement.

Section 3. The form and substance of the Tenant Agency Compliance Agreement (in substantially the form presented to the Agency and which, prior to the execution and delivery thereof, may be redated) is hereby approved.

Section 4.

(a) The Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Tenant Agency Compliance Agreement in the form the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “**Agency Documents**”). The execution thereof by Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 5. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 6. This resolution shall take effect immediately.

STATE OF NEW YORK)
 : SS.:
COUNTY OF SUFFOLK)

I, the undersigned Assistant Secretary of the Town of Islip Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Town of Islip Industrial Development Agency (the “**Agency**”), including the resolutions contained therein, held on the 20th day of March, 2018, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

That the Agency Documents contained in this transcript of proceedings are each in substantially the form presented to the Agency and/or approved by said meeting.

I FURTHER CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, that all members of said Agency had due notice of said meeting and that the meeting was all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 20th day of March, 2018.

By _____
Assistant Secretary

TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR MARCH 20, 2018

AGENDA ITEM # 6

TYPE OF RESOLUTION: RESOLUTION AMEND THE UNIFORM
TAX EXEMPTION POLICY

COMPANY: N/A

PROJECT LOCATION: N/A

JOBS (RETAINED/CREATED): RETAINED - -
CREATE - -

INVESTMENT: \$ N/A



TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

UNIFORM TAX EXEMPTION POLICY

The Town of Islip Industrial Development Agency ("TOIIDA") provides financial assistance (tax-exempt or taxable bonds and/or straight lease transactions) for projects which promote the economic growth and health of Islip Town and the Long Island region. TOIIDA provides financial assistance to all projects and facilities as defined in Title I of Article 18A of the General Municipal Law. These projects and facilities as defined in Title I of Article 18A of the General Municipal Law (the "Act"). These projects and facilities include, but are not limited to: industrial, manufacturing, research and development, warehousing, commercial, office, recreation and other economic development projects. Also included are: affordable housing, senior housing, assisted living facilities, brownfield redevelopment projects and projects that eliminate commercial blight. Certain retail projects are included (those that are in conformance with Sec. 862 of the NYS GML, those that are part of a mixed use downtown redevelopment plan and those that involve the elimination of community blight).

All projects receiving financial assistance through TOIIDA are eligible for various tax exemptions and abatements. In reviewing applications for financial assistance, TOIIDA shall take into consideration, review and comply with all requirements and provisions of the Act.

I. REAL PROPERTY TAXES

- A. **Real Property Tax Abatement:** TOIIDA provides real property tax abatements in the form of reduction of existing taxes and/or freezing existing taxes and/or abating the increased assessment (value added) as a result of the project. Real property tax abatements may be structured in the form of fixed annual payments with or without scheduled increases over a period of time or in the form of abatements of the increased assessment that results from the project over a period of time or in the form of reduction of the existing taxes with a phase in back to the original tax level over a period of time. To evidence such abatements, TOIIDA will enter into a lease and project agreement or other agreement evidencing the real property tax abatement relating to such project with the project occupant, which such agreement shall require payment of PILOT payments in accordance with the provisions set forth below.

Each project is reviewed and evaluated on a case by case basis. TOIIDA's review utilizes criteria that measure the projects level of significance and/or strategic value and/or impact upon the Town of Islip at both the micro and macro level as well as upon Long Island as a Region and/or the State economy.

As a general rule, the term of the real property tax abatement is ten years. The basic real property tax abatement provided by the TOIIDA is based upon the equivalent of Section 485-b of the New York State Real Property Tax Law. This section provides for a 50% real property tax abatement on the increased assessed value in the first year; 45% real property tax

abatement in the second year; 40% abatement in the third year and thereafter declining 5% per year over a ten year period. A 485-b real property tax abatement is the minimum that TOIIDA provides. An enhanced real property tax abatement is considered and/or provided under the following circumstances:

1. **Existing Vacant Facilities & Brownfields:** In order to encourage "reuse" and upgrading of existing building stock and environmentally damaged properties commonly referred to as brownfields, TOIIDA may provide an enhanced real property tax benefit and abatement for projects involving vacant existing facilities and brownfields. The benefits may include freezing or reducing the assessment base of the pre-improved facility and granting of abatements that are equivalent of double the benefits provided by Section 485-b of the Real Property Tax Law. These abatements will consist of a 100% abatement on the increased assessed value in the first year; a 90% abatement in the second year; and 80% abatement in the third year and thereafter declining 10% per year over a ten year period.
2. **Significant/Strategic Projects:** TOIIDA may provide enhanced real property tax abatements (double 485-b) to projects that are considered significantly and strategically important to the economic well-being of Islip Town and the Long Island region. Provision of an enhanced real property tax abatement would be considered for high-tech and biomedical manufacturing; research and development; computer and data processing facilities; financial (back office) operations; professional services industry; corporate, national or regional headquarters; and projects deemed significant to the revitalization of distressed communities. Each project eligible for enhanced property tax abatement is evaluated pursuant to the guidelines/criteria contained in Attachment 1.
3. **Projects within the boundaries of the former Empire Zone:** TOIIDA provides enhanced real property tax abatement to projects located within the boundaries of the former New York State designated Empire Zone. The enhanced property tax abatement consists of a 100% abatement on the increased assessed value for the first 5 years; 90% in year 6; 80% in year 7 and thereafter declining 10% per year through year 14.
4. **Housing projects:** TOIIDA provides property tax abatements for standard rental housing projects (senior housing, assisted living facilities, downtown corridor rental housing) that provide a public benefit in accordance with the Town of Islip Comprehensive Plan and related Planning Department studies. These abatements will consist of a 100% abatement on the increased assessed value in the first year; a 90% abatement in the second year; and 80% abatement in the third year and thereafter declining 10% per year over a ten year period. The ten year abatement period will commence upon the receipt of a certificate of occupancy for any portion of the qualified housing project and during the initial construction of property will be assessed and billed at the base value.
5. **Subsidized Housing:** For qualified housing projects (100% affordable housing projects). That provide a public benefit in accordance with the Town of Islip Comprehensive Plan and related Planning Department studies, TOIIDA may set flat PILOT payments on a per unit, per year basis. The length and term of these agreements will be determined on a case-by-case basis, based upon such factors as

affordability, market conditions & the extent of public subsidies and participation in the project.

6. **Blighted Commercial Properties:** TOIIDA may provide enhanced property tax abatements (double 485-b) for projects in which a combination of residential and commercial construction work is performed to create a building used for mixed residential and commercial purposes. Such projects must be located within proscribed downtown corridors as contained in the Suffolk County Industrial and Commercial Incentive Board Plan adopted in 1999, as amended and/or those projects governed by Chapter 68 of the Town Code known as Downtown Development Districts and Business Districts.
 7. **Mixed Use properties in Downtown Commercial Corridors:** TOIIDA may provide enhanced real property tax abatements (double 485-b) for projects in which a combination of residential and commercial construction work is performed to create a building used for mixed residential and commercial purposes. Such projects must be located within proscribed downtown corridors as contained in the Suffolk County Industrial and Commercial Incentive Board Plan adopted in 1999, as amended and/or those projects governed by Chapter 68 of the Town Code known as Downtown Development Districts and Business Districts.
 8. **Town and/or other Municipally Owned Property:** Property owned by the Town of Islip and/or another municipal entity that is sold and/or leased to a private developer and/or private company may qualify for a 100% abatement and/or an enhanced abatement for periods up to 15 years. However, no village taxes will be abated in any PILOT Agreement entered into under this provision.
 9. **Large Employment Generators:** Projects that create or retain 500 jobs or more may qualify for tax abatements for periods of up to 20 years. For new construction, this would be in the form of a 100% abatement the first year and declining 5% per year for 20 years. For existing buildings, the benefits may include reducing existing real property taxes and/or freezing the real property tax base and/or granting real property tax abatements on the increased value that result from the project for periods up to 20 years.
 10. **Manufacturing Project:** TOIIDA may provide enhanced real property tax abatement to manufacturing projects. The enhanced property tax abatement consists of a 12 year term.
- B. **Projects in Foreign Trade Zone:** For projects located within Islip's Foreign Trade Zone, all payments are made pursuant to land lease with the Town of Islip's Foreign Trade Zone Authority.
- C. **Deviations from Policy:** TOIIDA reserves the right to deviate from its uniform real property tax abatement policy under special/extraordinary circumstances. Deviations can take the form of providing less or more in the way of real property tax abatements. These deviations would be done by reducing or increasing the percentage of the annual abatement, or by reducing or increasing the term of the PILOT Agreement, or by doing a combination of both.

Provision of less in the way of real property tax abatements is applicable to projects that are subsequent phases of a previously TOIIDA financed, multi-phased project and/or TOIIDA determines that the benefit provided by these projects merits a reduced level of incentive (cost). Provision of more in the way of real property tax abatements is applicable to projects that are considered extremely significant and vital to the economic health and well-being of Islip Town and the Long Island Region. Any applicant may apply in writing to TOIIDA for increased real property tax abatement benefits setting forth reasons for a proposed deviation from the uniform policy. Such requests should set forth specific data and information which would cause TOIIDA to deviate from its uniform policy focusing, in whole or part, on the guidelines and criteria set forth in Attachment 1 hereto. Each time TOIIDA propose to deviate from its uniform real property tax abatement policy, it will provide written notification with any explanation for the deviation to the chief executive officer of each affected taxing jurisdiction.

II. SALES TAX EXEMPTIONS

- A. **Eligible Expenses:** TOIIDA provides sales and use tax exemptions on all eligible materials and/or equipment used or incorporated into the project during the initial construction/renovation and equipping of the project. TOIIDA does not provide sales tax exemption for ongoing expenses after the project is completed. Unless otherwise determined by resolution of TOIIDA, the sales and use tax exemption may be up to one hundred percent (100%) of the sales and/or use taxes that would have been levied if the project were not exempt by reason of TOIIDA's involvement in the project.
- B. **To provide such exemption:** TOIIDA shall execute a lease and project agreement or other agreement evidencing the sales and use tax exemption relating to such project with the project occupant. The period of time for which such exemption shall be effective shall commence no earlier than the date of execution of such agreement. Such agreement shall contain an expiration date for the continued availability of sales tax exemptions, which such expiration date shall be based upon the anticipated project completion date. Should the project not be completed by the expiration date, the project occupant must request an extension of the expiration date from TOIIDA prior to the stated expiration date. The sales and use tax exemption will also have a stated maximum amount of the exemption. If an applicant anticipated that it is going to exceed the stated amount of the sales and use tax exemption, they must request TOIIDA to increase the exemption amount before the applicant has exceeded the exemption in accordance with Section II D below.
- C. **Reporting Requirements:** Project occupants (agents) are required to annually file a statement of the value of all sales tax exemptions claimed for the year to the New York State Department of Taxation and Finance. TOIIDA requires that each project occupant (agent) provides TOIIDA with a copy of that annual filing.
- D. **Deviations from Policy:** TOIIDA reserves the right to deviate from its uniform sales tax exemption policy under special/extraordinary circumstances. Deviations can take the form of providing less in the way of sales tax exemptions. These deviations would be done by reducing the full sales tax exemption to a partial sales tax exemption for the initial project completion period. Provision of less in the way of sales tax exemption is applicable to projects that are subsequent phases of a previously TOIIDA financed multi-phase project and/or TOIIDA determines that the benefit provided by these projects merits a reduced level of incentive (cost). If an exemption of less than one hundred percent (100%) is determined by TOIIDA to be applicable to a project, then the project operator shall be required to pay a

Payment-in-lieu-of-tax to TOIIDA equal to the applicable percentage of sales and/or use tax liability not being abated. TOIIDA shall remit such payment within thirty (30) days of receipt thereof by TOIIDA, to the affected tax jurisdictions in accordance with Section 874(3) of the Act. Each time TOIIDA deviates from its uniform sales tax exemption policy, it will provide written notification, with an explanation for the deviation to the chief executive officer of each affected taxing jurisdiction.

- E. LATER TERMINATION/INCREASE IN AMOUNT:** The Executive Director is authorized on behalf of TOIIDA to approve (i) requests regarding the extension of the completion date of its project and (ii) requests regarding an increase of sales and use tax exemptions in an amount not to exceed \$100,000.00 in connection with the purchase or lease of equipment, building materials, services or other personal property, without the need of approval of the board of directors of TOIIDA. Any requests for an increase of sales and use tax exemptions in an amount greater than \$100,000.00 will require public notice in accordance with the Act and approval of the TOIIDA board.

III. MORTGAGE RECORDING TAX

All TOIIDA assisted projects are eligible for a partial exemption from the mortgage recording tax imposed pursuant to Article 11 of the New York State Tax Law, except with respect that portion of the mortgage recording tax allocated to transportation districts referenced in Section 253(2)(a) of the Tax Law.

- A. Project Related Financing:** Financing secured by a mortgage which is directly related to the project is exempt from the mortgage recording tax
- B. Non-Project Related Financing:** Financing secured by a mortgage which is not directly related to, or a part of, the project, are not eligible for exemption from mortgage recording tax.
- C. Deviations from Policy:** TOIIDA reserves the right to deviate from its uniform mortgage recording tax exemption policy under special/extraordinary circumstances. Deviations can take the form of providing less in the way of mortgage recording tax exemptions. These deviations would be done by reducing the mortgage recording tax exemption from a full exemption to a partial exemption. Provision of less in the way of exemption from mortgage recording tax is applicable to projects that are subsequent phases of a previously TOIIDA financed multi-phase project and/or TOIIDA determines that the benefit provided by these project merits a reduced level of incentive (cost). Each time TOIIDA proposes to deviate from its uniform mortgage recording tax exemption policy, it will provide written notification with an explanation for the deviation to the Chief executive officer of each affected taxing jurisdiction.

IV. RECAPTURE OF BENEFITS:

ALL TOIIDA projects which receive financial assistance in accordance with the terms and provisions of this Uniform Tax Exemption Policy shall be subject to termination and recapture of any benefits received in accordance with TOIIDA's Recapture and Termination Policy, as such may be amended from time to time, and as required under the Act.

ATTACHMENT 1

ENHANCED REAL PROPERTY TAX ABATEMENT GUIDELINES/CRITERIA

TOIIDA considers the following significant indicators when determining whether to provide enhanced real property tax abatements. (These determinants are not all inclusive and are not in priority order):

1. ***Economy:*** Local and regional economic conditions at the time of application.
2. ***Jobs:*** The extent to which the project will directly create or retain permanent private sector jobs as well as "temporary" jobs during the construction period. In addition, the level of secondary "multiplier" jobs that will be created or retained as a result of the project.
3. ***Project Cost/Payroll:*** Level of direct annual payroll that results from the project as well as secondary "multiplier" payroll and payroll during the initial construction period.
4. ***Project Purpose:*** Type of industrial or commercial activity proposed for the facility.
5. ***Site Alternatives:*** Likelihood that the project will locate elsewhere resulting in subsequent real economic losses for retention projects and possible failure to realize future economic benefits for attraction projects.
6. ***Project Location:*** Nature of the property before the project (vacant land, vacant buildings, distressed community, Former Empire Zone, blighted property, downtown corridor).
7. ***Project Benefits:*** Amount of private sector investment as a result of the project and the level of additional revenue for local taxing jurisdictions.
8. ***Project Costs:*** Impact of the project and the proposed abatements/exemption on local taxing jurisdictions and extent to which will require additional services from local government entities.

March 20, 2018

WHEREAS, New York General Municipal Law 874 requires an Industrial Development Agency to establish a Uniform Tax Exemption Policy (UTEP) applicable to grants of financial assistance and providing guidelines for the claiming of real property, mortgage recording and sales tax exemptions, plus the establishment of principles concerning deviation from policy and recapture of benefits; and

WHEREAS; the Town of Islip Industrial Development Agency first adopted its UTEP in December of 1993 and has amended said policy on numerous occasions throughout the years; and

WHEREAS, there has been presented an amended UTEP concerning exemption from real property taxes, sales and use tax exemptions, mortgage recording tax exemptions, principles concerning deviation from policy and recapture of benefits under certain conditions; and

WHEREAS, notice has been given to all taxing jurisdictions within the Town of Islip, and the required Public Hearing was held at 10:00 a.m. on March 20, 2018 and after due consideration by the members of the Agency;

NOW, THEREFORE, on a motion of _____ seconded by _____

Be it

RESOLVED, that the attached and amended Uniform Tax Exemption Policy is hereby adopted.

Upon a vote being taken, the result was:

**TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR MARCH 20, 2018**

AGENDA ITEM # 7

TYPE OF RESOLUTION: TO CONSIDER THE APPROVAL OF A
RESOLUTION BETWEEN

COMPANY: LONG ISLAND ASSOCIATION, INC. (LIA) & UNITED
STATES GOLF ASSOCIATION (USGA)

PROJECT LOCATION: N/A

JOBS (RETAINED/CREATED): RETAINED - N/A -
CREATE - N/A -

INVESTMENT: \$ N/A

March 20, 2018

WHEREAS, by Title 1 of Article 18-A of General Municipal Law of the State of New York, as amended, and Chapter 47 of the Laws of 1974 of the State of New York, as amended (collectively, the "Act"), the Town of Islip Industrial Development Agency (the "IDA") was created with the authority and power, among other things, to promote, develop, encourage and assist in the acquisition, construction, improvement, maintenance, equipping and furnishing of certain industrial manufacturing, warehousing, commercial, research, and recreation facilities as authorized by the Act in order to promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Islip, New York and the State of New York and to improve their standard of living; and

WHEREAS, the United States Golf Association is the United States' national association of golf courses, clubs and facilities and the governing body of golf for the U.S. and Mexico; and

WHEREAS, the Long Island Association, Inc. is a non-profit corporation and its mission is to support growth, economic development and infrastructure investments on Long Island in order to create more jobs, more rental housing and better access to and from New York City, and to advocate for tax and regulatory relief and reform, all of which will improve the local economy and strengthen our business community; and

WHEREAS, the IDA has determined that the United States Golf Association and the Long Island Association, Inc. can directly advance the IDA's mission by expanding the public's knowledge of the IDA, increasing awareness of the opportunities that exist in the Town of Islip and bringing more visitors to the Town of Islip thereby increasing the utilization of the Town's local businesses and stimulating its economic growth.

NOW, THEREFORE on motion of _____, seconded by _____; be it approved

RESOLVED, that the Executive Director of the Town of Islip Industrial Development Agency, or his designee, is hereby authorized to enter into a Sharing Partner Agreement with the United States Golf Association and the Long Island Association, Inc., for a 5% share of the Shared Platinum Package for the 2018 U.S. Open Championship.

Upon a vote being taken, the result was:

United States Golf Association
Golf House, PO Box 708, Far Hills NJ 07931-0708
T 908 234-2300 F 908 234-9687
www.usga.org



October 2, 2017

William G. Mannix, Executive Director
Industrial Development Agency
40 Nassau Avenue
Islip, NY 11751

RE: 2018 U.S. Open Championship – Shared Platinum Package – 5% Share

Dear Mr. Mannix:

This Platinum Sharing Partner Letter Agreement ("Sharing Partner Agreement") shall serve as Industrial Development Agency's ("Sharing Partner") agreement to abide by the terms and conditions set forth in the Platinum Package Hospitality Tent Agreement dated September 11, 2017 between the United States Golf Association (the "Association") and the Long Island Association, Inc. (the "LIA") (the "Agreement"). Unless otherwise noted, all capitalized terms in this Sharing Partner Agreement shall have the meaning given to them in the Agreement.

Sharing Partner represents, warrants and agrees that:

- It has read and understood the terms of the Agreement;
- Sharing Partner understands that the LIA entered into the Agreement on its behalf and on behalf of the companies who have committed as Sharing Partners which includes Sharing Partner. The LIA and the Sharing Partners are collectively referred to as "Licensee" in the Agreement.
- Sharing Partner will comply with all terms, conditions and requirements set forth in the Agreement including those set forth in Section 3 (Conditions of Use and Section 5 (Commercial Exploitation and Revenue);
- Sharing Partner understands that it is entitled to its proportional share of the amenities provided pursuant to Sections 4 of the Agreement and as specifically set forth in Schedule A of the Agreement;
- Sharing Partner understands that it is entitled to order co-branded merchandise through the Association's corporate merchandise program as set forth in Section 6.D. of the Agreement;
- Sharing Partner shall pay its proportional share of the rental and admission fee directly to the LIA in accordance with the fee structure set forth in Schedule A of the Agreement. Specifically, Sharing Partner has secured a 5 % share of the Package and accordingly shall pay a rental and admission fee of \$12,750 plus \$215.63 tax. In addition, Sharing Partner shall pay its proportional share for food and beverage and, if applicable, upgraded décor.
- Sharing Partner shall indemnify and hold harmless the Association, the Club and their respective directors, officers, employees, members and agents (collectively, the "Indemnitees") against and from, and will provide the Indemnitees defense for:
 - (i) Any and all actual or alleged claims arising from any negligent, willful or other wrongful act or omission of Sharing Partner or any agent, employee, or invitee of Sharing Partner which occurs during the Championship and/or in connection with the use of the Hospitality Facilities and amenities;

- (ii) Any and all claims arising from the Association's use of Sharing Partner's name and/or logo as permitted herein: and
- (iii) All costs, expenses, fees, damages and liabilities (including, but not limited to, attorney's fees) incurred in connection with or relating to each such claim or action or proceeding brought thereon. In case any action or proceeding is brought against any Indemnitee by reason of any such claim, Sharing Partner, upon notice from the relevant Indemnitee, shall resist and defend such action or proceeding.
- In connection with the Championship, any and all loss or damage of Sharing Partner -provided items, including but not limited to, equipment, materials, supplies and/or any other item owned or leased or rented by Sharing Partner or any agent or employee of Sharing Partner ("Sharing Partner's Property") shall be the sole responsibility of Sharing Partner. Sharing Partner will not look to the Association or the Club for loss or damage to Sharing Partner's Property. Sharing Partner waives its right of subrogation and its insurer's right of subrogation against the Association and/or the Club for such losses.
- Sharing Partner shall provide to the Association, on or before April 15, 2018, evidence reasonably satisfactory to the Association of its commercial liability insurance naming Sharing Partner as the named insured and the Association and the Club as "additional insureds", insuring the Association and the Club against any and all claims arising out of the negligent acts of the named Sharing Partner, any agent, employee or invitee of Sharing Partner, in connection with the use and/or license of the Package. Such policy shall be with a reputable insurance carrier with at least an A-rating from the A.M. Best Company authorized to do business in New York. The policy shall have limits not less than \$5,000,000 per occurrence and not less than \$5,000,000 on an annual aggregate basis. To the extent that Sharing Partner is self-insured or has elected a self-insured retention or deductible in any of its coverages, such self-insurance, retention or deductible shall not affect the indemnification afforded to the Association set forth above. All losses, defense costs or other expenses related to claims falling within such self-insurance, retention or deductible shall be borne in full by Sharing Partner and shall not be passed to or shared by the Association.
- In the event, Sharing Partner breaches a term of the Agreement, the Association as set forth in Section 8 of the Agreement may terminate Sharing Partner's license to the Package and in the event of such termination Sharing Partner would not be entitled to a refund of any monies paid in connection with the Package.

Our primary contact in connection with our participation is:

William G. Mannix, Executive Director
Industrial Development Agency
40 Nassau Avenue
Islip, NY 11751

631-224-5512
w.mannix@islipny.com

To the extent that amendment of the Agreement is necessary to effectuate the foregoing, it is hereby amended. Except to the extent amended herein, the Agreement shall remain in full force and effect.

To confirm your agreement and understanding of your obligations with respect to your share of the Package, please execute this Sharing Partner Agreement in the space provided below and return one executed copy to the LIA and to the Anne Kellstrom, Manager, Hospitality Administration and Legal Services United States Golf Association by e-mail at akellstrom@usga.org and retain a copy for your records.

Sincerely,

UNITED STATES GOLF ASSOCIATION

By: 
Sarah Hirshland
Senior Managing Director, Business Affairs

Acknowledged and Agreed as of this

_____ day of _____, 2017:

INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Name:
Title:

G:/Hospitality/2018Open/AgtTent/18IslipIDA (5%) 1A

PLATINUM PACKAGE HOSPITALITY TENT AGREEMENT

2018 UNITED STATES OPEN CHAMPIONSHIP

THIS AGREEMENT dated as of 9/11, 2017 is between the United States Golf Association, a Delaware non-profit corporation, Golf House, 77 Liberty Corner Road, Far Hills, NJ 07931 (the "Association") and Long Island Association Inc., a New York corporation, 300 Broadhollow Road, Suite 110W, Melville, NY 11747 (the "LIA").

WITNESSETH

WHEREAS, the Association will implement and operate a corporate hospitality program (the "Hospitality Program") in connection with the 2018 U.S. Open Championship (the "Championship") at Shinnecock Hills Golf Club, Southampton, New York (the "Club").

WHEREAS, the parties hereto desire to enter into this Agreement for a Platinum Package in connection with the Championship at the Club upon the terms and conditions set forth below.

NOW, THEREFORE, subject to all the terms and conditions hereof, the Association and Licensee (as defined in Section 3.A. below) hereby agree as follows:

1. LICENSE AND TERM

In connection with the Championship to be held at the Club from Monday, June 11, 2018 through Sunday, June 17, 2018 (the "Championship Week"), the Association hereby licenses to Licensee and Licensee licenses from the Association, a Platinum Package (the "Package") comprised of a 40' x 40' hospitality tent (the "Tent") with seating for 80 guests located in the Tent Village in an area adjacent to the 16th hole of the Championship course and the amenities described in this Agreement. The Package is reserved exclusively for use by Licensee and its invited guests. The specific location of Licensee's Tent shall be determined through the selection process implemented by the Association, and Licensee agrees to be bound by the results of such process.

Subject to Section 3.B. hereof, the term of this Agreement (the "Term") shall commence upon its execution and shall terminate at 7:30 p.m. on Sunday, June 17, 2018. In the event of a play-off or postponement of the Championship, this Agreement shall terminate following the conclusion of play on Monday, June 18, 2018 and the Association shall have no additional obligations to Licensee. In the event the dates of the Championship are rescheduled for any reason, the Association reserves the right to adjust the Term.

2. FEE

The LIA shall pay the Association a rental fee and admission fee of Two Hundred Fifty-Five Thousand Dollars (\$255,000) plus \$4,312.50 tax for a total fee of \$259,312.50 (the "Fee"). Such taxes will be separately stated and billed in accordance with legal requirements. The Fee shall be payable as follows:

- \$63,750 deposit (the Association acknowledges receipt of such deposit);
- \$127,500 payment on or before August 15, 2017 (due upon signing); and
- \$63,750 payment plus all applicable taxes on or before February 1, 2018.

Notwithstanding the actual amount paid by the LIA at execution, only \$63,750 of such amount shall be deemed to be the deposit. Except as otherwise provided in Section 9 of this Agreement, the deposit is not refundable after execution of this Agreement and payments made after August 15, 2017 shall be non-refundable upon receipt.

3. CONDITIONS OF USE

A. The Association and the LIA acknowledge and agree that the LIA is entering into this Agreement on behalf of themselves and the companies who have executed a Platinum Package Sharing Partner Letter Agreement in the form set forth as Exhibit B (the "Sharing Partners"). The LIA represents and warrants that (i) the LIA and Sharing Partners shall proportionally (in shares equal to 10% or 5% of the whole) share all expenses and amenities associated with the Package in accordance with the chart provided as Schedule A and that the LIA shall not receive any benefit, whether monetary in nature or otherwise, in connection with the Package sharing arrangement contemplated herein; (ii) the Sharing Partners have reviewed this Agreement; (iii) both the LIA and the Sharing Partners (collectively referred to herein as the "Licensee") will abide by all the terms of this Agreement; (iv) the LIA shall be responsible for ensuring complete compliance with this Agreement by itself and the Sharing partners and shall have each Sharing Partner execute a Letter Agreement in the form attached as Exhibit B and shall provide a signed copy of each such Letter Agreement to the Association to be formally acknowledged; and (v) the Association shall have the right but not the obligation to look solely to the LIA with respect to any breach of this Agreement regardless of whether the breach is caused by the LIA and/or the Sharing Partners.

B. The rights to corporate hospitality granted herein by the Association are granted strictly to the LIA and subject to the LIA's representations and warranties contained in paragraph A above, the Sharing Partners. The Tent shall be used solely for the entertainment of Licensee's customers, employees and other invited guests and for no other purpose. Licensee may not assign, sell, license or otherwise convey or grant permission for any other individual or entity to use the Tent. In no event shall the Tent be used by any individual or entity for the purpose of conducting a television, radio, internet or other form of broadcast from the Championship, regardless of the content of such broadcast. Use of the Tent shall be in accordance with the terms of this Agreement, all applicable laws, governmental regulations and ordinances and all rules and regulations adopted by the Association relating to the Championship or the management of corporate hospitality. Licensee shall not cause damage or injury to people, property or the Tent, or interfere with the use of other hospitality tents or hospitality facilities or with the conduct of the Championship. Any breach of this Section 3.B. shall be grounds for immediate termination of this Agreement at the sole discretion of the Association as well as forfeiture of all monies paid in connection with this Agreement as liquidated damages.

C. Use Period. Licensee will provide to the Association, not later than May 1, 2018, a schedule specifying the dates and hours during the Championship Week that the Tent will be used by Licensee; provided, however, that no tent shall be open for occupancy before 7:00 a.m. and all tents shall be vacated by 7:30 p.m. each day. Licensee shall provide staff hosts during all scheduled use periods. Licensee understands the Tent shall be designated as "closed" during any period not scheduled for use. When the Tent is closed, Licensee's tickets shall grant grounds-only access and shall not grant access to its Tent or to any other hospitality tent or facility.

D. Access to the Tent. Licensee's employees and guests shall be permitted access to the Tent Village provided that each possesses a valid ticket providing access to Licensee's Tent, unless Licensee's Tent is closed. Tickets distributed by Licensee to its invited guests and corporate staff grant access through the Tent Village to Licensee's Tent only and access (or attempted access) to any other tent within the Tent Village is not permitted without proper credentials. Failure by Licensee's invited guests and/or corporate staff members to abide by the preceding provisions may result in such individuals' ticket(s) being revoked and the removal of such individual(s) from the Tent Village and/or the Championship as the Association, in its sole discretion, deems appropriate.

E. Corporate Hospitality Merchandise Program. Licensee shall not sell or give free of charge any souvenir which makes reference to the U.S. Open, the Championship, the Club, the Association or any other mark or logo of the Association or the Club other than as specifically set forth below.

In connection with this Agreement, Licensee may participate in the Association's corporate hospitality merchandise program. Subject to the Association's approval, Licensee may arrange for the purchase of co-branded souvenirs bearing the name of Licensee and/or the logo currently associated with such name in commerce and the Championship logo. Licensee may purchase souvenirs bearing any mark of the Association and/or co-branded souvenirs from the Association only and from no other source. Any such souvenirs are not to be re-sold by Licensee but are intended to be distributed at no cost to Licensee's customers, employees and other invited guests. The maximum number of co-branded souvenirs purchased by Licensee shall be commensurate with the number of its guests invited to attend the Championship. In addition, Licensee shall not engage in any consumer or customer

promotion utilizing or referencing the availability of such co-branded souvenirs unless approved in advance by the Association, in its sole discretion.

Licensee represents and warrants that it is fully authorized to use any name or logo submitted to the Association in connection with the Corporate Hospitality Program, including but not limited to, any corporate merchandise order and agrees to indemnify the Association, the Club and their respective directors, officers, employees, members and agents as set forth in Section 6.A. Notwithstanding the foregoing, if Licensee desires to include a name and/or logo other than as currently associated with Licensee in commerce, it shall consult with the Association to determine whether such proposed name and/or logo are permissible under the Association's policy for corporate logos and merchandise. If Licensee's proposed name and/or logo are permissible, Licensee shall have the Association arrange to have the relevant name and/or logo placed on the relevant co-branded souvenirs.

The Association represents and warrants that it shall use the name and/or logo of Licensee only as required to fulfill its obligations hereunder, including but not limited to, fulfillment of any corporate merchandise order placed by Licensee. Nothing in this Agreement shall confer any right, title, or interest in Licensee's trademarks to the Association.

Licensee will comply with the Association's policy regarding corporate logos and merchandise and related payment terms. The Association may change such policy including the payment terms at any time at its sole discretion.

In the event of a breach of this Section 3.E. and/or the Association's policy regarding corporate logos and merchandise by Licensee or a third party agent, individual or entity acting on behalf of or at the behest of Licensee, the Association may, in its sole discretion, (i) cancel all existing orders for co-branded merchandise and retain all payments received in connection with such orders; (ii) demand Licensee turn over merchandise that is the subject of a breach to the Association and retain all payments received in connection with such merchandise; and/or (iii) terminate this Agreement and any other outstanding agreement(s) between Licensee and the Association. In the event the Association elects to retain any payments received pursuant to clauses (i) and (ii) above, such retention shall constitute liquidated damages and not a penalty and shall be in addition to any other remedies available to the Association.

Notwithstanding the preceding terms, should Licensee desire to provide its guests with souvenirs displaying Licensee's corporate name and/or logo, only, and not any mark of the Association, U.S. Open, the Championship or the Club, Licensee may provide such souvenirs without the prior written consent of the Association and such souvenirs may be purchased from any vendor Licensee desires.

4. SERVICES PROVIDED BY THE ASSOCIATION

A. Tickets.

(i) The Association will provide the LIA with one hundred (100) weekly ticket packages plus six (6) weekly ticket packages for use by staff hosting the Tent. Each weekly ticket package shall include a ticket to each of the practice days, Monday, June 11th through Wednesday, June 13th, and each of the Championship rounds conducted Thursday, June 14th through Sunday, June 17th. Each such ticket will provide access to the Championship and Licensee's Tent in the Tent Village. Access to the Tent during the Championship Week by Tent Village ticket holders is strictly limited to the specific day printed on the ticket. The Association's general admission ticket policy in effect for the Championship with respect to a weather event or other event shall apply to Tent Village ticket holders, provided however, that the Association reserves the right to establish a separate policy for corporate hospitality ticket holders in its sole discretion. In the event, Tent Village tickets are honored on a day other than the day printed on the ticket such tickets will grant access to the Championship grounds but not to the Tent. It is understood and agreed that the tickets provided in this Section 4.A. shall be allocated by the LIA to the Sharing Partners in compliance with Schedule A.

(ii) The LIA may purchase up to seventy-five (75) additional tickets per Championship Week day at an additional cost equal to the face value of each ticket, provided that such tickets be purchased no later than April 15, 2018. At LIA's option, such additional tickets may be designated for grounds only or may include access to the Tent as well. It is understood and agreed that the tickets provided in this Section 4.A.(ii) shall be allocated by the LIA to the Sharing Partners as agreed to between the LIA and the relevant Sharing Partners pursuant to Schedule A.

(iii) The Association shall include with each such weekly ticket package described in 4.A(i) above a Trophy Club ticket for use in the event of play on Monday, June 18th. A Trophy Club ticket is an upgraded general admission spectator ticket providing access to the Championship and to the Trophy Club, a tent with non-reserved seating and food and beverage available for purchase. It is understood that the Tent Village will close following play on Sunday, June 17th.

B. Parking. The Association will provide forty (40) preferential parking passes for each of the practice days and Championship rounds.

C. Pairing Sheets. The Association will deliver one hundred (100) daily pairing sheets to the Tent on each morning of the Championship rounds, Thursday through Sunday.

D. Signage. The Association will provide Licensee an identification sign, not larger than 2' x 2', bearing its name, Long Island Association, outside the Tent. Due to space limitations, the sign can accommodate no more than twenty (20) characters on one line with a maximum of three lines. The LIA will provide its preferred wording for the sign to the Association by February 15, 2018 and the Association, in accordance with its then current policy on signage, will use its best efforts to implement Licensee's preferred wording for such sign. Corporate logos and slogans cannot be reproduced on the sign. The sign will be produced and installed by the Association at its expense. Licensee may not display any signage on the exterior of the Tent. Licensee may however, at its expense, display tasteful commercial or business signs within the interior of Licensee's Tent provided such signs do not contain any mark of the Association, the U.S. Open, the Championship or the Club.

E. Telephones. A telephone line and one (1) telephone will be provided in the Tent by the Association. Any requests for additional telephones and lines, including internet access lines, must be made in writing and received by the Association by March 15, 2018. All costs for any additional telephone installation and usage, lines, including internet access lines, and service requested by the LIA will be borne by the LIA. The phone company and/or other relevant vendors will bill Licensee directly for all such costs. With respect to cellular phones, tablets or other mobile devices, Licensee understands that Licensee and its invited guests are to abide by the Mobile Device Policy adopted for the 2018 U.S. Open Championship.

F. Security. The Association will provide Licensee with a private storage facility to be used in conjunction with the Tent. The LIA shall provide its own lock for such private storage facility. The Association will arrange for security for the Championship which will include limited night security of the hospitality areas. The Association, the Club and their respective directors, officials, commissioners, employees and agents shall not be liable, and disclaim all responsibility for the equipment, personal property and other items of Licensee and its invited guests which are put in the storage facility or left in the Tent or elsewhere on the grounds of the Club. Licensee shall assume full responsibility for all such items. Licensee, at its expense, may arrange for its own security of its Tent and/or private storage facility, provided that Licensee arranges for any such security through the Association's authorized security firm.

G. Golf Privileges. Licensee shall be entitled to four (4) spots in a golf outing to be played on the Championship course in either the fall of 2017 or spring of 2018. The LIA will be notified of the exact date of such golf outing by the Association. The LIA shall provide the names of its players to the Association at least thirty (30) days in advance of the event as mutually agreed to by the LIA and the Sharing Partners.

H. The Tent. The Tent shall have air conditioning, lighting and an outdoor seating space in front of the Tent. It shall contain two (2) televisions to show the broadcast coverage of the Championship and one (1) computer monitor with scoring information. The Tent will be completely installed, decorated and furnished with a basic décor package by 7:00 a.m. on Monday, June 11, 2018. The LIA may, at its expense, upgrade the basic décor package using the Association's authorized décor company as mutually agreed to by the LIA and the Sharing Partners.

I. Food and Beverages. The LIA will enter into a separate agreement on its behalf and on behalf of the Sharing Partners with the Association's authorized caterer to purchase, at its own expense, all its food and beverage requirements directly from such caterer. It is understood that such agreement will include a minimum food requirement for each day the Tent is open. Licensee shall not itself provide, or arrange to have any other individual or

entity, other than the Association's caterer, provide food and beverages for the Tent. Licensee and its guests may not bring any food or beverage into the Tent and may not take food or beverage from the Tent.

5. COMMERCIAL EXPLOITATION AND REVENUES

A. Except as expressly provided herein, Licensee shall not directly or indirectly exploit or permit the exploitation by others of the Package, the Championship, persons competing in the Championship, the grounds or clubhouse or any elements, names, events or incidents of the Championship, the Association or the Club, except on terms and in a manner satisfactory to the Association and in accordance with prior written approval of the Association. The terms "exploit" and "exploitation" as used herein shall include, but not be limited to, any activity or matter which produces or is intended to produce revenue or any other consideration or advantage in any form. It is further understood, that the Association will not accept misleading references of any kind whatsoever that might give the appearance that Licensee is in any way a "sponsor" of the Championship.

B. None of the parking spaces or tickets provided to Licensee, nor any other item or privilege provided pursuant to the terms of this Agreement, may be sold, sublicensed or otherwise exchanged for consideration of any kind whatsoever by Licensee or any other person or entity.

C. Licensee shall be entitled only to the equipment and services provided by the terms of this Agreement. The rights to any and all revenue producing activities of any kind conducted on the premises of the Club in connection with the Championship are hereby reserved to the Association.

D. In accordance with the Association's ownership of the service marks described in Exhibit A attached hereto (hereinafter referred to as the "Marks"), nothing contained in this Agreement shall give Licensee any right, title or interest in such Marks or any other mark or logo of the Association or the Championship mark and any and all use of the Marks or any other mark or logo of the Association or the Championship mark by it, other than in conformance with Section 3.D. hereto, is prohibited. Licensee shall not authorize or permit any third party to use any Mark or any other mark or logo of the Association or the Championship mark.

E. In the event Licensee learns of any infringement and/or passing off of the rights and/or goodwill concerning the Marks and/or any Association mark, or any component part thereof, Licensee shall promptly notify the Association. Once notified, the Association may take such action as it may deem appropriate for the purpose of attempting to eliminate such infringement and/or passing off of the rights and/or goodwill. If requested by the Association, Licensee shall cooperate with the Association in bringing any such action to a successful conclusion. The Association shall reimburse Licensee for the actual reasonable costs incurred in connection with providing such assistance, provided that the Association has approved such costs in advance.

6. INDEMNITY

A. Licensee shall indemnify and hold harmless the Association, the Club and their respective directors, officers, employees, members and agents (collectively, the "Indemnitees") against and from, and will provide the Indemnitees defense for:

(i) Any and all actual or alleged claims arising from any negligent, willful or other wrongful act or omission of Licensee or any agent, employee, or invitee of Licensee which occurs during the Championship and/or in connection with the use of the Tent and Package amenities;

(ii) Any and all claims arising from the Association's use of Licensee's name and/or logo as permitted herein; and

(iii) All costs, expenses, fees, damages and liabilities (including, but not limited to, attorney's fees) incurred in connection with or relating to each such claim or action or proceeding brought thereon. In case any action or proceeding is brought against any Indemnatee by reason of any such claim, Licensee, upon notice from the relevant Indemnatee, shall resist and defend such action or proceeding.

B. The Association shall indemnify and hold harmless Licensee and its directors, officers, employees, members and agents (collectively, "Licensee Indemnitees") against and from, and will provide Licensee Indemnitees defense for:

(i) Any and all actual or alleged claims arising from any negligent, willful or other wrongful act or omission of the Association or any agent, employee, or invitee of the Association which occurs during the Championship and/or in connection with the use of the Tent and Package amenities; and

(ii) All costs, expenses, fees, damages and liabilities (including, but not limited to, attorney's fees) incurred in connection with or relating to each such claim or action or proceeding brought thereon. In case any action or proceeding is brought against any Licensee Indemnitee by reason of any such claim, the Association, upon notice from the relevant Licensee Indemnitee, shall resist and defend such action or proceeding.

C. In connection with the Championship, any and all loss or damage of Licensee-provided items, including but not limited to, equipment, materials, supplies and/or any other item owned or leased or rented by Licensee or any agent or employee of Licensee ("Licensee's Property") shall be the sole responsibility of Licensee. Licensee will not look to the Association or the Club for loss or damage to Licensee's Property. Licensee waives its right of subrogation and its insurer's right of subrogation against the Association and/or the Club for such losses.

7. INSURANCE

A. Licensee shall provide to the Association, on or before April 15, 2018, evidence reasonably satisfactory to the Association of its commercial liability insurance naming Licensee as the named insured and the Association and the Club as "additional insureds", insuring the Association and the Club against any and all claims arising out of the negligent acts of the named Licensee, any agent, employee or invitee of Licensee, in connection with the use and/or license of the Package. Such policy shall be with a reputable insurance carrier with at least an A-rating from the A.M. Best Company authorized to do business in New York. The policy shall have limits not less than \$5,000,000 per occurrence and not less than \$5,000,000 on an annual aggregate basis. To the extent that Licensee is self insured or has elected a self-insured retention or deductible in any of its coverages, such self-insurance, retention or deductible shall not affect the indemnification afforded to the Association set forth above. All losses, defense costs or other expenses related to claims falling within such self-insurance, retention or deductible shall be borne in full by Licensee and shall not be passed to or shared by the Association.

B. In connection with the Championship the Association shall maintain insurance coverage and shall include corporate hospitality participants as additional insured parties on its policy.

8. TERMINATION

The Association may terminate this Agreement and any other agreement between the Association and Licensee, effective immediately, upon any breach by Licensee of this Agreement by delivering written notice of termination to Licensee at the address set forth below. A breach shall be deemed to include, but not be limited to, a breach of Sections 2, 3, 5, 6 and/or 7. In the event of termination pursuant to this Section 8, the LIA shall not be entitled to any refund of the rental fee previously paid hereunder.

9. CANCELLATION

A. In the event the Championship and/or the Hospitality Program is cancelled in its entirety due to events and/or circumstances beyond its reasonable control and not rescheduled, the Association shall provide written notification to Licensee of such cancellation and, within thirty (30) days of such notification, the Association will issue a refund of all monies paid pursuant to Section 2 of this Agreement.

Notwithstanding the foregoing, in the event the Hospitality Program is cancelled for the entirety of the Championship week due to events and/or circumstances beyond its reasonable control (thus not allowing Licensee or its invited guests access to its Tent) but the Championship is conducted and spectators are permitted on the grounds of the Club, Licensee may retain its tickets for grounds only admission, provided Licensee notifies the Association within five days of its receipt of notice from the Association that the Hospitality Program has been cancelled. The Association shall then issue a refund of all monies paid pursuant to Section 2 of this Agreement less the retail value of such retained tickets.

B. Licensee agrees that the remedies set forth in Section 9.A. shall be the sole and exclusive remedies available to Licensee in the event of a cancellation of the Championship and/or Hospitality Program and the Association shall not be liable for any other damages whether or not such damages are a direct result of such cancellation and whether or not such damages were foreseeable.

10. MISCELLANEOUS

A. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey without regard to New Jersey's conflict of laws provision.

B. Licensee has the power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by Licensee and the consummation by Licensee of the transactions contemplated hereby have been duly authorized by all required action on behalf of Licensee. This Agreement has been duly and validly executed and delivered by Licensee and, assuming due authorization, execution and delivery by the Association, constitutes legal, valid and binding obligation of Licensee enforceable against it in accordance with its terms.

C. Notices between the parties shall be in writing and delivered by hand or sent by the United States mail, registered or certified, postage prepaid, addressed as follows:

If to Licensee:

If to the Association:

Long Island Association, Inc.
300 Broadhollow Road, Suite 110W
Melville, NY 11747
Attn: Kevin S. Law, President & CEO

United States Golf Association
Golf House
77 Liberty Corner Road
Far Hills, NJ 07931
Attn: Chief Legal Officer

or to such persons or addresses as shall be furnished in writing by either party to the other party. Notices and requests shall be deemed delivered on the earlier of when received by the Association or Licensee, as the case may be, and three days after the day when postmarked by the United States Postal Service.

D. Neither party shall assign this Agreement to any other person without prior written consent of the other party.

E. Neither party shall be liable to the other party for any indirect, consequential, exemplary, special, incidental and/or punitive damages, including, but not limited to, loss of (i) use; (ii) business; (iii) revenue; (iv) profits; (v) goodwill or (vi) any other pecuniary loss, arising out of or related to this Agreement, regardless of the form of action setting forth such alleged damages.

F. All disputes relating to this Agreement shall be resolved by arbitration under the auspices of the American Arbitration Association ("AAA") in accordance with its Commercial Arbitration Rules. The arbitration shall be held in New Jersey, and the prevailing party shall be entitled to costs and reasonable attorneys' fees in addition to any other relief. The decision of the arbitrators shall be final and binding upon the parties and be entitled to be entered as a judgment in any court of competent jurisdiction.

G. The agreements contained in Sections 3, 5, 6, 7 and 10 hereto shall survive and remain in full force and effect in accordance with their terms following any termination of this Agreement.

H. This Agreement and any amendments hereto may be executed in any number of counterparts, each of which shall be deemed to be an original but all of which together shall constitute one agreement. Counterparts executed and received by facsimile transmission or electronic mail with an electronic signature shall have the same force and effect as a handwritten signature and shall be deemed valid and binding upon the parties.

I. This Agreement sets forth the entire agreement and understanding of the Association and Licensee relating to the subject matter contained herein and supersedes any and all agreements, whether written or oral, between the Association and Licensee relating to the subject matter contained herein including, but not limited to, any

payment terms and conditions Licensee may include with purchase orders and/or vendor supplier forms requested in connection with the processing of the payments due hereunder.

J. If any term of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining terms of this Agreement shall continue in full force and effect and shall in no way be affected, impaired, or invalidated.

K. Section headings contained herein are solely for the purpose of aiding in the location of general subject matter and are not intended to be used in the construction of this Agreement.

L. Nothing contained herein shall constitute or be construed to constitute a partnership or joint venture or an agency relationship between the parties.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed and duly executed by their

Affairs

**TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR MARCH 20, 2018**

AGENDA ITEM # 8

TYPE OF RESOLUTION: ANY OTHER BUSINESS

COMPANY: N/A

PROJECT LOCATION: N/A

**JOBS (RETAINED/CREATED): RETAINED - N/A -
CREATE - N/A -**

INVESTMENT: \$ N/A