



MEETING OF THE TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY

November 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 October 16, 2018.
3. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and **NY Tent, LLC**. Located at 1401 Lakeland Ave, Bohemia. (0500-17200-0100-034004).
4. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and **Edgewood Energy, LLC**. Located at 21 Sagtikos Parkway, Brentwood. (07100-0100-01011).
5. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and **Aeroflex Plainview, Inc.** Located at 585 Johnson Ave, Bohemia. (19200-0200-012005).
6. To consider the adoption of an Amended Resolution to approve a refinancing agreement between the Industrial Development Agency and **Briad Lodging Group CI 2, LLC**. Located at 11 Courthouse Drive, Central Islip. (20700-0100-03058).
7. To consider the adoption of an Authorizing Resolution between the Industrial Development_Agency for the Assignment of the **Gull Haven Facility**. Located at Carleton Avenue/Sunburst Boulevard, Central Islip. (0500-16500-013-002001).
8. To consider **any other business** to come before the Agency.

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

AGENDA ITEM # 2

TYPE OF RESOLUTION: TO APPROVE THE MINUTES
FROM THE MEETING OF THE TOWN OF ISLIP IDA FROM
OCTOBER 16, 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

October 16, 2018

Meeting Minutes

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

Members Angie M. Carpenter, Councilman John C. Cochrane Jr., Councilwoman Mary Kate Mullen, and Councilman James P. O'Connor were present. Councilwoman Trish Bergin Weichbrodt was not present. 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 **September 25, 2018**. On a motion by Councilman John C. Cochrane Jr. and seconded by Councilwoman Mary Kate Mullen, said resolution was approved 4-0.
3. To consider the adoption of a Resolution on behalf of the Town of Islip Industrial Development Agency to approve the **Minutes** from the special meeting on **September 27, 2018**. On a motion by Councilman John C. Cochrane Jr. and seconded by Councilwoman Mary Kate Mullen, said resolution was approved 4-0.
4. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and **Aeroflex Plainview, Inc.** Located at 585 Johnson Avenue, Bohemia. (0500-19200-0100-012005). On a motion by Councilman John C. Cochrane Jr. and seconded by Councilwoman Mary Kate Mullen, said motion was approved 4-0.
5. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and **Universal Fire Proof Door**. Located at 75 Emjay Blvd, Brentwood. On a motion by Councilwoman Mary Kate Mullen and seconded by Councilman John C. Cochrane Jr., motion approved 4-0.
6. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and **Iberia Fashion, LLC**. Located at 1636 5th Avenue, Bayshore. On a motion by Councilman John C. Cochrane and seconded by Councilman James P. O'Connor, said motion was approved 4-0.
7. To consider the adoption of a Resolution to authorize a Refinancing Agreement for **Courthouse Corporate Center, LLC**. Located at 320 Carleton Avenue, Central Islip. On a motion by Councilwoman Mary Kate Mullen and seconded by Councilman James P. O'Connor, said motion was approved 4-0.
8. To consider the adoption of a Resolution to approve the Agency's proposed **2019 annual budget**. On a motion by Councilman James P. O'Connor and seconded by Councilman John C. Cochrane Jr., said motion was approved 4-0.
9. To consider **any other business** to come before the Agency. There being none the Town of Islip Industrial Development Agency meeting adjourned by a motion by Councilwoman Mary Kate Mullen and seconded by Councilman James P. O'Connor.

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

AGENDA ITEM #3

TYPE OF RESOLUTION: INDUCEMENT RESOLUTION

COMPANY: NY TENT, LLC

**PROJECT LOCATION: 1401 LAKELAND AVENUE,
BOHEMIA**

**JOBS (RETAINED/CREATED): RETAINED - 54 -
CREATE - 11 -**

INVESTMENT: \$5,000,000.00

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY TAKING OFFICIAL ACTION
TOWARD APPOINTING AM 33 APARTMENTS LLC, A
NEW YORK LIMITED LIABILITY COMPANY, ON
BEHALF OF ITSELF AND/OR THE PRINCIPALS OF AM 33
APARTMENTS LLC AND/OR AN ENTITY FORMED OR TO
BE FORMED ON BEHALF OF ANY OF THE FOREGOING
AND NY TENT, LLC, A DELAWARE LIMITED LIABILITY
COMPANY ON BEHALF OF ITSELF AND/OR THE
PRINCIPALS OF NY TENT, LLC AND/OR AN ENTITY
FORMED OR TO BE FORMED ON BEHALF OF ANY OF
THE FOREGOING, AS AGENT(S) OF THE AGENCY FOR
THE PURPOSE OF ACQUIRING, THE FACILITY AND
MAKING CERTAIN FINDINGS AND DETERMINATIONS
WITH RESPECT TO THE FACILITY

WHEREAS, AM 33 Apartments LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of AM 33 Apartments LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the **"Company"**) and NY Tent, LLC, a limited liability company organized and existing under the laws of the State of Delaware, on behalf of itself and/or the principals of NY Tent, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the **"Sublessee"**), have applied to the Town of Islip Industrial Development Agency (the **"Agency"**), to enter into a transaction in which the Agency will assist in the acquisition of an approximately 3.68 acre parcel of land located at 1401 Lakeland Avenue, Bohemia, New York 11716 (the **"Land"**), including an approximately 55,658 square foot building located thereon (the **"Improvements"**; and, together with the Land, the **"Facility"**), which Facility is to be leased by the Agency to the Company and further subleased by the Company to the Sublessee to be used by the Sublessee for warehousing, distribution and light manufacturing in its business as a distributor of tents and other event rentals (the **"Project"**); and

WHEREAS, the Agency will acquire a leasehold interest in the Facility and will sublease and lease the Facility to the Company for further sublease to the Sublessee, all pursuant to 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"**); and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company and the Sublessee in connection with the Facility, consistent with the policies of the Agency, in the form of abatement of real property taxes, consistent with the policies of the Agency, all to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein; and

WHEREAS, as of the date of this resolution, no determination for financial assistance has been made; 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, prior to the date of the Hearing (defined below), the Agency will have made a determination for financial assistance; and

WHEREAS, prior to the closing of the transaction described herein, a public hearing (the “**Hearing**”) will be held so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency or the location or nature of the Facility can be heard; and

WHEREAS, notice of the Hearing will be given prior to the closing of the transaction described herein, and such notice (together with proof of publication) will be substantially in the form annexed hereto as Exhibit A; and

WHEREAS, the minutes of the Hearing are or will be annexed hereto as Exhibit B; and

WHEREAS, the Agency has given due consideration to the application of the Company and the Sublessee and to representations by the Company and the Sublessee that the proposed financial assistance is either an inducement to the Company and the Sublessee to maintain the Facility in the Town of Islip or is necessary to maintain the competitive position of the Company and the Sublessee in their respective industries; and

WHEREAS, the Company and the Sublessee have 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 and the Sublessee.

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the “**SEQR Act**” or “**SEQR**”), the Agency constitutes a “State Agency”; and

WHEREAS, to aid the Agency in determining whether the Facility may have a significant effect upon the environment, the Company and Sublessee have prepared and submitted to the Agency an Environmental Assessment Form and related documents (the “**Questionnaire**”) with respect to the Facility, a copy of which is on file at the office of the Agency; and

WHEREAS, the Questionnaire has been reviewed by the Agency.

NOW, THEREFORE, BE IT RESOLVED by the Town of Islip Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

Section 1. Based upon the Environmental Assessment Form completed by the Company and the Sublessee and reviewed by the Agency and other representations and information furnished by the Company and the Sublessee regarding the Facility, the Agency

determines that the action relating to the acquisition, renovation, equipping, and operation of the Facility is an “unlisted” action, as that term is defined in the SEQRA Act. The Agency also determines that the action will not have a “significant effect” on the environment, and, therefore, an environmental impact statement will not be prepared. This determination constitutes a negative declaration for purposes of SEQRA. Notice of this determination shall be filed to the extent required by the applicable regulations under SEQRA or as may be deemed advisable by the Chairman or Executive Director of the Agency or counsel to the Agency.

Section 2. The acquisition of the Facility by the Agency, the subleasing and leasing of the Facility to the Company for further subleasing to the Sublessee and the provision of financial assistance pursuant to the Act will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the Town of Islip and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act, and the same is, therefore, approved.

Section 3. Subject to the provisions of this resolution, the Agency shall (i) acquire the Facility; and (ii) lease and sublease the Facility to the Company.

Section 4. The Company and the Sublessee hereby agree to comply with Section 875 of the Act. The Company and the Sublessee further agree that the abatements provided pursuant to the Act pursuant to this 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 and Project Agreement, dated a date to be determined (the “**Lease Agreement**”), by and between the Company and the Agency, and the Agency Compliance Agreement, dated a date to be determined (the “**Agency Compliance Agreement**”), by and between the Sublessee and the Agency.

Section 5. Counsel to the Agency is authorized and directed to work with Transaction Counsel (Nixon Peabody LLP) to prepare, for submission to the Agency, all documents necessary to affect the transfer of the real estate described in the foregoing resolution.

Section 6. The Chairman, the Executive Director, the Deputy Executive Director and all members of the Agency are hereby authorized and directed (i) to distribute copies of this resolution to the Company and the Sublessee, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 7. Any expenses incurred by the Agency with respect to the Facility, including the expenses of Transaction Counsel, shall be paid by the Company and the Sublessee. By acceptance hereof, the Company and the Sublessee agree to pay such expenses and further agree 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 Facility.

Section 8. 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 foregoing copy of a resolution of the Town of Islip Industrial Development Agency (the “**Agency**”) with the original thereof on file in the office of the Agency, and the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.

Such resolution was passed at a meeting of the Agency duly convened in public session on November 20, 2018, at Islip Town Hall, 655 Main Street, Islip, New York, at which meeting the following members were:

Present:

Absent:

Also Present:

The question of the adoption of the foregoing resolution was duly put to vote on roll call, which resulted as follows:

Voting Aye

and, therefore, the resolution was declared duly adopted.

The Application is in substantially the form presented to and approved at such meeting.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), (ii) said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand as of November 20, 2018.

Assistant Secretary

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

AGENDA ITEM #4

TYPE OF RESOLUTION: INDUCEMENT RESOLUTION

COMPANY: EDGEWOOD ENERGY, LLC

**PROJECT LOCATION: 21 SAGTIKOS PARKWAY,
BRENTWOOD**

**JOBS (RETAINED/CREATED): RETAINED - 06 -
CREATE - 00 -**

INVESTMENT: \$26,000,000.00

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY TAKING OFFICIAL ACTION
TOWARD APPOINTING EDGEWOOD ENERGY, LLC, A
DELAWARE LIMITED LIABILITY COMPANY, ON
BEHALF OF ITSELF AND/OR THE PRINCIPALS OF
EDGEWOOD ENERGY, LLC AND/OR AN ENTITY
FORMED OR TO BE FORMED ON BEHALF OF ANY OF
THE FOREGOING, AS AGENT(S) OF THE AGENCY FOR
THE PURPOSE OF OPERATING THE FACILITY AND
MAKING CERTAIN FINDINGS AND DETERMINATIONS
WITH RESPECT TO THE FACILITY

WHEREAS, Edgewood Energy, LLC, a limited liability company organized and existing under the laws of the State of Delaware, on behalf of itself and/or the principals of Edgewood Energy, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), has applied to the Town of Islip Industrial Development Agency (the “**Agency**”), to enter into a transaction in which the Agency will assist in the acquisition of an approximately 4.8 acre parcel of land located at 21 Sagtikos Parkway, Brentwood, New York (the “**Land**”), and the operation of two (2) gas-fired electric generation units with a total capacity of approximately 79.9 megawatts located thereon (the “**Improvements**”; and, together with the Land, the “**Facility**”), which Facility is to be subleased by the Agency to the Company to be used by the Company in the operation as a natural gas powered generation facility (the “**Project**”); and

WHEREAS, the Agency will acquire a leasehold interest in the Facility and will sublease the Facility to the Company, all pursuant to 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**”); and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in connection with the Facility, consistent with the policies of the Agency, in the form of abatement of real property taxes, consistent with the policies of the Agency, all to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein; and

WHEREAS, as of the date of this resolution, no determination for financial assistance has been made; 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, prior to the date of the Hearing (defined below), the Agency will have made a determination for financial assistance; and

WHEREAS, prior to the Final Authorizing Resolution described herein, a public hearing (the “**Hearing**”) will be held so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency or the location or nature of the Facility can be heard; and

WHEREAS, notice of the Hearing will be given prior to the closing of the transaction described herein, and such notice (together with proof of publication) will be substantially in the form annexed hereto as Exhibit A; and

WHEREAS, the minutes of the Hearing are or will be annexed hereto as Exhibit B; and

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed financial assistance is either an inducement to the Company to maintain the Facility in the Town of Islip or 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; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the “**SEQR Act**” or “**SEQR**”), the Agency constitutes a “State Agency”; and

WHEREAS, to aid the Agency in determining whether the Facility may have a significant effect upon the environment, the Company has prepared and submitted to the Agency an Environmental Assessment Form and related documents (the “**Questionnaire**”) with respect to the Facility, a copy of which is on file at the office of the Agency; and

WHEREAS, the Questionnaire has been reviewed by the Agency.

NOW, THEREFORE, BE IT RESOLVED by the Town of Islip Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

Section 1. Based upon the Environmental Assessment Form completed by the Company and reviewed by the Agency and other representations and information furnished by the Company regarding the Facility, the Agency determines that the action relating to the acquisition, renovation, equipping, and operation of the Facility is an “unlisted” action, as that term is defined in the SEQR Act. The Agency also determines that the action will not have a “significant effect” on the environment, and, therefore, an environmental impact statement will not be prepared. This determination constitutes a negative declaration for purposes of SEQR. Notice of this determination shall be filed to the extent required by the applicable regulations under SEQR or as may be deemed advisable by the Chairman or Executive Director of the Agency or counsel to the Agency.

Section 2. The acquisition of the Facility by the Agency, the subleasing of the Facility to the Company and the provision of financial assistance pursuant to the Act will

promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the Town of Islip and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act, and the same is, therefore, approved.

Section 3. Subject to the provisions of this resolution, the Agency shall (i) acquire the Facility; and (ii) lease and sublease the Facility to the Company.

Section 4. The Company shall agree to comply with Section 875 of the Act. The Company shall further agree that the real estate tax abatements provided pursuant to the Act pursuant to this 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 and Project Agreement, dated a date to be determined (the "**Lease Agreement**"), by and between the Company and the Agency.

Section 5. Counsel to the Agency is authorized and directed to work with Transaction Counsel (Nixon Peabody LLP) to prepare, for submission to the Agency, all documents necessary to affect the transfer of the real estate described in the foregoing resolution.

Section 6. The Chairman, the Executive Director, the Deputy Executive Director and all members of the Agency are hereby authorized and directed (i) to distribute copies of this resolution to the Company, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 7. Any expenses incurred by the Agency with respect to the Facility, including the expenses of Transaction Counsel, shall be paid by the Company. The Company shall agree to pay such expenses and further agree 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 Facility.

Section 8. 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 foregoing copy of a resolution of the Town of Islip Industrial Development Agency (the “**Agency**”) with the original thereof on file in the office of the Agency, and the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.

Such resolution was passed at a meeting of the Agency duly convened in public session on November 20, 2018, at Islip Town Hall, 655 Main Street, Islip, New York, at which meeting the following members were:

Present:

Absent:

Also Present:

The question of the adoption of the foregoing resolution was duly put to vote on roll call, which resulted as follows:

Voting Aye

and, therefore, the resolution was declared duly adopted.

The Application is in substantially the form presented to and approved at such meeting.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), (ii) said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand as of November 20, 2018.

Assistant Secretary

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

AGENDA ITEM #5

TYPE OF RESOLUTION: AUTHORIZING RESOLUTION

**COMPANY: AEROTECH INDUSTRIAL, LLC/AEROFLEX
PLAINVIEW, INC. 2018 FACILITY**

PROJECT LOCATION: 585 JOHNSON AVENUE, BOHEMIA

**JOBS (RETAINED/CREATED): RETAINED - 246 -
CREATE - 025 -**

INVESTMENT: \$9,550,000.00

Date: November 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 November, 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 certain matters pertaining to acquisition of a leasehold interest to a certain industrial development facility more particularly described below (Aerotech Industrial LLC/Aeroflex Plainview, Inc. 2018 Facility) and the subleasing of the facility to Aerotech Industrial LLC for further subleasing to Aeroflex Plainview, Inc.

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 APPROVING THE ACQUISITION, RENOVATION AND EQUIPPING OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY AND APPROVING THE APPOINTMENT OF AEROTECH INDUSTRIAL LLC, A NEW YORK LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF AEROTECH INDUSTRIAL LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AND AEROFLEX PLAINVIEW, INC., A DELAWARE BUSINESS CORPORATION ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF AEROFLEX PLAINVIEW, INC. AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING ON BEHALF OF ANY OF THE FOREGOING, AS AGENT(S) 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, Aerotech Industrial LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Aerotech Industrial LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "**Company**") and Aeroflex Plainview, Inc., a business corporation organized and existing under the laws of the State of Delaware, on behalf of itself and/or the principals of Aeroflex Plainview, Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "**Sublessee**"), have applied to the Town of Islip Industrial Development Agency (the "**Agency**"), to enter into a transaction in which the Agency will assist in (a) the acquisition of an approximately 9.1 acre parcel of land located at 585 Johnson Avenue, Bohemia, New York 11716 (the "**Land**"), the renovation of an approximately 127,736 square foot building located thereon (the "**Improvements**"), and the acquisition and installation therein of certain equipment and personal property, not part of the Equipment (as such term is defined herein) (the "**Facility Equipment**"; and, together with the Land and the Improvements, the "**Company Facility**"), which Company Facility is to be leased by the Agency to the Company and an approximately 95,898 square foot portion of the Company Facility will be further subleased by the Company to the Sublessee, with the

expectation that upon the expiration of existing leases between the Company and current tenants in the Company Facility, the Sublessee shall expand into the additional approximately 31,800 square foot portion of the Company Facility and such expansion space will be subleased by the Company to the Sublessee; and (b) the acquisition and installation of certain equipment and personal property, including but not limited to new office equipment, furniture, manufacturing equipment and information technology equipment (collectively, the **"Equipment"**; and together with the Company Facility, the **"Facility"**), which Equipment is to be leased by the Agency to the Sublessee, and which Facility is to be used by the Sublessee as office space, training, and manufacturing, engineering and testing of state-of-the-art technology including, but not limited to, motion control solutions, engineering, electronic circuitry for defense and space applications and testing of thermal vacuum chambers in its business of providing mission critical, differentiated components and systems specializing in radio frequency and microwave electronics for commercial applications (the **"Project"**); and

WHEREAS, the Agency, by resolution duly adopted on October 16, 2018 (the **"Inducement Resolution"**), decided to proceed under the provisions of the Act; and

WHEREAS, the Agency will acquire a leasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of November 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 Facility 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 sublease and lease the Company Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of November 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 will acquire title to the Equipment pursuant to a certain Equipment Bill of Sale (the **"Equipment Bill of Sale"**), from the Sublessee to the Agency; and

WHEREAS, the Agency will lease the Equipment to the Sublessee pursuant to a certain Equipment Lease Agreement, dated as of November 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 **"Equipment Lease Agreement"**), by and between the Agency and the Sublessee; and

WHEREAS, in connection with the subleasing of the Company Facility to the Sublessee, the Sublessee and the Agency will enter into a certain Agency Compliance Agreement, dated as of November 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 "**Agency Compliance Agreement**"), whereby the Sublessee will provide certain assurances to the Agency with respect to the Facility; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company and the Sublessee, in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be \$8,500,000 but not to exceed \$10,000,000 in connection with the financing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed \$602,025, 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, as security for a loan or loans (as such term is defined in the Lease Agreement), the Agency and the Company will execute and deliver to a lender or lenders not yet determined (collectively, the "**Lender**"), a mortgage or mortgages, and such other loan documents satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably required by the Lender, to be dated a date to be determined, in connection with the financing, any refinancing or permanent financing of the costs of the acquisition, renovation and equipping of the Facility (collectively, the "**Loan Documents**"); and

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

WHEREAS, the Company and the Sublessee have 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 and the Sublessee.

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 Company Facility, the leasing of the Company Facility to the Company, the subleasing of the Company Facility by the Company to the Sublessee, the acquisition and installation of the Equipment, and the leasing of the Equipment to the Sublessee 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 and the Sublessee to maintain and expand their respective business operations in the Town of Islip.

(e) Based upon representations of the Company, the Sublessee and counsel to the Company and the Sublessee, 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 Company Facility to the Company and the Equipment to the Sublessee; and

(g) The Company Lease will be an effective instrument whereby the Agency leases the Land and the Improvements from the Company; and

(h) The Lease Agreement will be an effective instrument whereby the Agency leases and subleases the Company 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

(i) The Equipment Lease Agreement will be an effective instrument whereby the Agency leases the Equipment to the Sublessee; and

(j) The Agency Compliance Agreement will be an effective instrument whereby the Sublessee will provide certain assurances to the Agency with respect to the Facility; and

(k) The Loan Documents to which the Agency is a party will be effective instruments whereby the Agency and the Company agree to secure the loan made to the Company by the Lender.

Section 2. The Agency has assessed all material information included in connection with the Company's and Sublessee'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 and the Sublessee.

Section 3. In consequence of the foregoing, the Agency hereby determines to:

(i) lease the Land and the Improvements from the Company pursuant to the Company Lease, (ii) execute, deliver and perform the Company Lease, (iii) sublease and lease the Company Facility to the Company pursuant to the Lease Agreement, (iv) execute, deliver and perform the Lease Agreement, (v) lease the Equipment to the Sublessee pursuant to the Equipment Lease Agreement, (vi) execute, deliver and perform the Equipment Lease Agreement, (vii)

execute and deliver the Agency Compliance Agreement, (viii) grant a mortgage on and security interests in and to the Facility pursuant to the Loan Documents, and (ix) execute and deliver the Loan Documents to which the Agency is a party.

Section 4. The Agency is hereby authorized to acquire the real property and personal property described in Exhibit A and Exhibit B, respectively, to the Lease Agreement, and the personal property described in Exhibit A to the Equipment 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 is hereby authorized to execute and deliver the Loan Documents in connection with the financing of the costs of acquiring, renovating and equipping the Facility and any future Loan Documents in connection with any future refinancing or permanent financing of such costs of acquiring, renovating and equipping of the Facility without the need for any further or future approvals of the Agency.

Section 6. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company and the Sublessee in connection with the acquisition, renovation and equipping of the Facility in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be \$8,500,000 but not to exceed \$10,000,000 in connection with the financing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed \$602,025, 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.

Section 7. Subject to the provisions of this resolution, the Company and the Sublessee are herewith and hereby appointed the agents of the Agency to acquire, renovate and equip the Facility. The Company and the Sublessee are hereby empowered to delegate their respective status as agent of the Agency to their respective agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company and the Sublessee 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 and the Sublessee as agents 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 and the Sublessee, as agents 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 and the Sublessee 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 and the Sublessee 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 and the Sublessee, as agent of the Agency. The aforesaid appointment of the

Company and the Sublessee as agents 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 and/or the Sublessee have received exemptions from sales and use taxes in an amount not to exceed \$602,025 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 and/or the Sublessee if such activities and improvements are not completed by such time. The aforesaid appointment of the Company and the Sublessee is subject to the execution of the documents contemplated by this resolution.

Section 8. The Company and the Sublessee are hereby notified that they will be required to comply with Section 875 of the Act. The Company and the Sublessee shall be required to agree to the terms of Section 875 pursuant to the Lease Agreement. The Company and the Sublessee are further notified that the tax exemptions and abatements provided pursuant to the Act and the appointment of the Company and the Sublessee as agents 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 and the Agency Compliance Agreement.

Section 9. The form and substance of the Company Lease, the Lease Agreement, the Equipment Lease Agreement, the Agency Compliance 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 10. 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, the Lease Agreement, the Equipment Lease Agreement, the Agency Compliance Agreement, and the Loan Documents 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 11. 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 12. 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 13. 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 November, 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 November, 2018.

By: _____
Assistant Secretary

EXHIBIT A

Proposed PILOT Benefits

Schedule for Payments-In-Lieu-of-Taxes: Town of Islip, (including any existing incorporated village and any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), Connetquot School District, Suffolk County and Appropriate Special Districts

Address – 585 Johnson Avenue, Bohemia, New York

Tax Map No. 0500-19.20-01.00-012.005

Definitions

Normal Tax Due = Those payments for taxes and assessments, other than special ad valorem levies, special assessments and service charges against real property located in the Town of Islip, Connetquot School District, Suffolk County and Appropriate Special Districts (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located) which are or may be imposed for special improvements or special district improvements, that the Company and/or the Sublessee would pay without exemption.

Payment

Formula: 12-year abatement starting at 60% of pro-rated assessed value decreasing 5% annually (building has an assessed value of \$1,145,200. Company will initially be occupying approx. 75% of building, with option to expand into more space)

Year

- 1 100% normal tax on 40% of the taxable assessed value
- 2 100% normal tax on 45% of the taxable assessed value
- 3 100% normal tax on 50% of the taxable assessed value
- 4 100% normal tax on 55% of the taxable assessed value
- 5 100% normal tax on 60% of the taxable assessed value
- 6 100% normal tax on 65% of the taxable assessed value
- 7 100% normal tax on 70% of the taxable assessed value
- 8 100% normal tax on 75% of the taxable assessed value
- 9 100% normal tax on 80% of the taxable assessed value
- 10 100% normal tax on 85% of the taxable assessed value
- 11 100% normal tax on 90% of the taxable assessed value
- 12 100% normal tax on 95% of the taxable assessed value
- 13 and beyond 100% normal tax on the full assessed value

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

AGENDA ITEM # 6

TYPE OF RESOLUTION: REFINANCING AGREEMENT

COMPANY: BRIAD LODGING GROUP CI2, LLC

**PROJECT LOCATION: 11 COURTHOUSE DRIVE, CENTRAL
ISLIP**

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

INVESTMENT: \$ N/A

Date: November 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 November, 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 a proposed mortgage financing and the execution of related loan documents in connection with a certain industrial development facility more particularly described below (Briad Lodging Group CI 2, LLC 2015 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 TAKING OFFICIAL ACTION
AUTHORIZING A MORTGAGE FINANCING AND THE
EXECUTION AND DELIVERY OF DOCUMENTS IN
CONNECTION THEREWITH FOR THE BRIAD LODGING
GROUP CI 2, LLC 2015 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 has previously assisted Briad Lodging Group CI 2, LLC, a limited liability company duly organized and validly existing under the laws of the State of Nevada and authorized to transact business in the State of New York (the “**Company**”), in the acquisition of an approximately 3.15 acre parcel of land located at 11 Courthouse Drive, Central Islip, New York (more specifically identified as tax map number 0500-207.00-01.00-003.058) (the “**Land**”) and the construction and equipping of an approximately 70,000 square foot 4-story, 125 room select-service hotel to be located thereon, including, but not limited to, an indoor pool, exercise room, conference room, business library, wired and wireless internet, a cafe bistro and additional parking spaces, together with the acquisition and installation of furniture, fixtures and equipment (the “**Improvements**” and “**Equipment**”), all leased by the Agency to the Company to provide a full range of services to the business and leisure traveler visiting the Town of Islip (the Land, Improvements and Equipment, collectively, the “**Facility**”); and

WHEREAS, the Agency is leasing the Facility to the Company pursuant to a certain Lease Agreement, dated as of October 1, 2015 (the “**Lease Agreement**”), by and between the Agency, as lessor and the Company, as lessee, and a Memorandum of Lease was to be recorded in the Suffolk County Clerk’s office; and

WHEREAS, in connection with the leasing of the Facility, the Agency and the Company entered into a Payment-in-Lieu-of-Tax Agreement, dated as of October 1, 2015 (the “**PILOT Agreement**”), which provided for the Company to make payments in lieu of real property taxes on the Facility; and

WHEREAS, the Agency and the Company agreed to enter into a Recapture Agreement, dated as of October 1, 2015 (the “**Recapture Agreement**”), pursuant to which the Agency has the right to recapture certain economic benefits pursuant to which the Agency has the right to recapture certain economic benefits and assistance granted to the Company upon the terms and conditions set forth in the Recapture Agreement; and

WHEREAS, in connection with the leasing of the Facility, the Agency and the Company entered into an Environmental Compliance and Indemnification Agreement, dated as of October 1, 2015 (the “**Environmental Compliance and Indemnification Agreement**”), whereby the Company agreed to comply with all Environmental Laws (as defined therein) applicable to the Facility; and

WHEREAS, as security for the Loan (as such term is defined in the Lease Agreement), the Agency and the Company executed and delivered to Manufacturers and Traders Trust Company (the “**Original Lender**”), (i) a Land Loan Mortgage, dated October 27, 2015 (the “**Land Loan Mortgage**”), in the amount of \$1,780,000.00, which Land Loan Mortgage was to be recorded in the Suffolk County Clerk’s office, (ii) a Building Loan Mortgage, dated October 27, 2015 (the “**Building Loan Mortgage**”), in the amount of \$8,820,000.00, which Building Loan Mortgage was to be recorded in the Suffolk County Clerk’s office, and (iii) a Project Loan Mortgage, dated October 27, 2015 (the “**Project Loan Mortgage**”), in the amount of \$3,940,000.00, which Project Loan Mortgage was to be recorded in the Suffolk County Clerk’s office (the Project Loan Mortgage together with the Land Loan Mortgage and the Building Loan Mortgage, collectively, the “**Original Mortgages**”); and

WHEREAS, further the Agency and the Company mortgaged their respective rights in the Facility to the Original Lender, pursuant to a Building Loan Mortgage (Supplemental), dated as of December 1, 2015 (the “**Supplemental Building Loan Mortgage**”), in the amount of \$2,480,000 which Supplemental Building Loan Mortgage was to be recorded in the Suffolk County Clerk’s office; and

WHEREAS, further the Agency and the Company mortgaged their respective rights in the Facility to the Original Lender, pursuant to a Mortgage, Consolidation, Extension and Modification Agreement, dated as of December 1, 2015 (the “**Mortgage, Consolidation, Extension and Modification Agreement**”); and, together with the Supplemental Building Loan Mortgage and the Original Mortgages, the “**2015 Mortgages**”), which Mortgage, Consolidation, Extension and Modification Agreement was to be recorded in the Suffolk County Clerk’s office; and

WHEREAS, the Company has now requested the Agency’s consent to enter into a refinancing with U.S. Trust (the “**2018 Lender**”) with respect to the Facility in the aggregate principal amount presently expected to be \$17,850,000 but not to exceed \$20,000,000 (the “**2018 Financing**”); and

WHEREAS, as security for such 2018 Financing being made to the Company by the 2018 Lender, the Company has submitted a request to the Agency that it join with the Company in executing and delivering to the 2018 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 2018 Lender (the “**2018 Financing 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 \$17,850,000 but not to exceed \$20,000,000 in connection with the financing or refinancing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating 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; 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 transactions contemplated by the financing or refinancing of the Facility and the continued leasing 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 2018 Financing 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.
- (d) The 2018 Financing as contemplated in this resolution is reasonably necessary to maintain the competitive position of the Company in its industry.
- (e) 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.
- (f) 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.
- (g) The 2018 Financing Documents will be effective instruments whereby the Agency and the Company agree to secure the 2018 Financing and assign to

the 2018 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 one or more mortgages on and security interest in and to the Facility pursuant to a certain mortgage or mortgages for the benefit of the 2018 Lender (collectively, the "**2018 Mortgage**"), (ii) execute, deliver and perform the 2018 Mortgage, (iii) execute, deliver and perform the 2018 Financing Documents to which the Agency is a party, as may be necessary or appropriate to effect the 2018 Loan or any subsequent refinancing of the 2018 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 2018 Financing Documents and the 2018 Mortgage, and such other related documents as may be necessary or appropriate to effect the 2018 Financing, or any subsequent refinancing of the 2018 Financing Documents, 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 \$17,850,000 but not to exceed \$20,000,000, in connection with the financing or refinancing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping of the Facility.

Section 5. Subject to the provisions of this resolution and the Lease Agreement;

(a) The Chairman, Executive Director, Deputy Executive Director and all other members of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the 2018 Mortgage and the 2018 Financing 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, Deputy Executive Director or any member of the Agency shall constitute conclusive evidence of such approval; and

(b) The Chairman, Executive Director, 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. The Company has agreed to pay such expenses and further shall agree 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.

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 November 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 Deputy Executive Director Deputy Executive Director 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 November, 2018.

By: _____
Assistant Secretary

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

AGENDA ITEM # 7

TYPE OF RESOLUTION: AUTHORIZING RESOLUTION FOR
ASSIGNMENT

COMPANY: GULL HAVEN FACILITY

PROJECT LOCATION: CARLETON AVENUE/SUNBURST
BLVD, CENTRAL ISLIP

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

INVESTMENT: \$ N/A

Date: November 20, 2018

At a meeting of the Town of Islip Industrial Development Agency (the “**Agency**”) held on the 20th day of November, 2018, at Islip Town Hall, 655 Main Street, 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 the authorization of the assignment and assumption of the Agency’s Gull Haven Commons, LLC 2018 Facility, the execution and delivery of documents with respect thereto and the sale of the facility to FRC GH OWNERCO, LLC.

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 APPROVING THE ASSIGNMENT AND ASSUMPTION OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY TO FRC GH OWNERCO LLC, A DELAWARE LIMITED LIABILITY COMPANY 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 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, the Agency previously provided its assistance to Gull Haven Commons, LLC, a limited liability company duly organized and validly existing under the laws of the State of New York (the “**Company**”), in the acquisition of an approximately 28.9 acre parcel of land (Tax Map #0500-165.00-13.00-p/o 002.001) located at Carleton Avenue and Sunburst Boulevard, Central Islip, New York (the “**Land**”), the demolition of an existing approximately 7,000 square foot building located thereon, the construction of an approximately 187,000 square foot building thereon and the renovation of existing buildings located thereon totaling approximately 160,000 square feet (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and, together with the Land and the Improvements, the “**Facility**”), which Facility is leased by the Agency to the Company and is to be used by the Company as a 268-unit residential apartment complex (the “**Project**”); and

WHEREAS, the acquisition, demolition, construction, equipping and leasing of the Facility and the granting of financial benefits to the Company in connection therewith, were approved by the Agency by Resolution dated September 19, 2017 (the “**Authorizing Resolution**”); and

WHEREAS, the Land and the Improvements were leased by the Company to the Agency pursuant to the terms of the Company Lease Agreement, dated as of April 1, 2018 (the “**Company Lease Agreement**”); and

WHEREAS, the Agency currently subleases the Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of April 1, 2018, (the “**Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, pursuant to the Authorizing Resolution, the Agency agreed to provide financial assistance to the Company consistent with the policies of the Agency, in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be \$40,000,000 but not to exceed \$50,000,000 in connection with the financing of the acquisition, demolition, construction, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of

acquiring, demolishing, constructing, renovating and equipping the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed \$2,484,000, 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 C to the Lease Agreement) (the “**Benefits**”); and

WHEREAS, FRC GH OWNERCO LLC, a limited liability company organized and existing under the laws of the State of Delaware or another entity formed or to be formed by FRC GH OWNERCO LLC or the principals thereof (collectively, the “**Assignee**”), has now requested the Agency’s consent to the assignment by the Company of all of its rights, title, interest and obligations under the Company Lease, the Lease Agreement and certain other agreements in connection with the Facility to, and the assumption by, the Assignee of all of such rights, title, interest and obligations of the Company, and the release of the Company from any further liability with respect to the Facility subject to certain requirements of the Agency, all pursuant to the terms of an Assignment, Assumption and Amendment Agreement, to be dated as of November 1, 2018 or such other date as may be determined by the Chairman, Executive Director, Deputy Executive Director and counsel to the Agency (the “**Assignment, Assumption and Amendment Agreement**”), by and among the Agency, the Company and the Assignee; 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 Assignment, Assumption and Amendment Agreement) (the “**Bill of Sale**”), from the Assignee to the Agency; and

WHEREAS, the Agency and the Assignee will enter into such other documents upon advice of counsel, in both form and substance, as may be reasonably required to effectuate the assignment and assumption of the Facility (together with the Assignment, Assumption and Amendment Agreement and the Bill of Sale, collectively, the “**Assignment Documents**”); and

WHEREAS, pursuant to this resolution and the Assignment Documents, the Agency will consent to the assignment by the Company to the Assignee of the Benefits that have not been used by the Company as of the effective date of the Assignment Documents; and

WHEREAS, pursuant to Section 9.3 of the Lease Agreement, the Facility may be assigned, in whole or in part, with the prior written consent of the Agency; and

WHEREAS, the Agency will consent to the assignment by the Company and the assumption by the Assignee of the Company’s interests in the Facility and the Agency will thereafter sublease the Facility to the Assignee; and

WHEREAS, the Company and the Assignee have agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the sublease 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 Facility constitutes a “project”, as such term is defined in the Act; and

(c) The leasing of the Facility to the Assignee 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; and

(d) The leasing of the Facility is reasonably necessary to induce the Assignee to maintain and expand its business operations in the State of New York; and

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

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

(g) It is desirable and in the public interest for the Agency to consent to the assignment and assumption of the interest in the Facility from the Company to the Assignee; and

(h) The Assignment Documents to which the Agency is a party will be effective instruments whereby the Agency, the Assignee and the Company will effectuate the assignment and assumption of the Facility; and

(i) It is desirable and in the public interest for the Agency to lease the Facility to the Assignee.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) consent to the assignment and assumption of the Facility from the Company to and by the Assignee pursuant to the Assignment, Assumption and Amendment Agreement, (ii) execute, deliver and perform the Assignment, Assumption and Amendment Agreement, and (iii) execute and deliver the other Assignment Documents.

Section 3. The Agency is hereby authorized to consent to the assignment and assumption of the Facility by the Assignee and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such assignment and assumption are hereby approved, ratified and confirmed.

Section 4. The Agency hereby authorizes and approves the Benefits that have not been used by the Company as of the Effective Date of the Assignment Documents, all consistent with the policies of the Agency.

Section 5. Subject to the provisions of this resolution, the Assignee is herewith and hereby appointed the agent of the Agency to acquire, renovate, construct and equip the Facility. The Assignee 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 Assignee may choose in order to acquire, demolish, construct and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Assignee 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 Assignee, 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 Assignee 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 Assignee 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 Assignee, as agent of the Agency. The aforesaid appointment of the Assignee as agent of the Agency to acquire, demolish, construct 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 and/or the Assignee have received exemptions from sales and use taxes in an amount not to exceed \$2,484,000 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 Assignee if such activities and improvements are not completed by such time. The aforesaid appointment of the Assignee is subject to the execution of the documents contemplated by this resolution.

Section 6. The Assignee is hereby notified that it will be required to comply with Section 875 of the Act. The Assignee shall be required to agree to the terms of Section 875 pursuant to the Lease Agreement, as assigned by the Assignment, Assumption and Amendment Agreement. The Assignee is further notified that the tax exemptions and abatements provided pursuant to the Act and the appointment of the Assignee as agent of the Agency pursuant to this 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, as assigned.

Section 7. The form and substance of the Assignment, Assumption and Amendment Agreement and the other Assignment Documents (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 8.

(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 Assignment, Assumption and Amendment Agreement and the other Assignment Documents 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 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 9. 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 10. This resolution shall take effect immediately.

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

I, the undersigned 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 November, 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
November, 2018.

By _____
Assistant Secretary

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

AGENDA ITEM # 8

TYPE OF RESOLUTION:

COMPANY:

PROJECT LOCATION: N/A

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

INVESTMENT: \$ N/A