MEETING OF THE TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
March 18, 2014
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 Special Meeting of the Members of the Town of Islip Industrial Development Agency on March 4, 2014.

3. To consider the adoption of an Resolution appointing Officers of the Town of Islip Industrial Development Agency

4. To consider the adoption of a Resolution modifying the by-laws of the Town of Islip Industrial Development Agency.

5. To consider the adoption of a Resolution approving the 2014 meeting schedule of the Town of Islip Industrial Development Agency.

6. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and Elm Global Logistics, located at 50 Emjay Boulevard, Brentwood.

7. To consider the adoption of a Resolution to increase the sales tax exemption limit for Briad Development East, located on Carleton Avenue, Central Islip.

8. To consider the adoption of a Resolution between the Town of Islip Industrial Development Agency and ZTA Rental Properties pertaining to the sublease of 110 Wilshire Blvd, Edgewood to U.S. Alliance Paper Inc.

9. To consider any other business that may come before the Agency.
MEETING OF THE TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
March 4, 2014
Meeting Minutes

IDA Board Members

Present
Steven J. Flotteron
John C. Cochrane
Anthony Senft

Absent
Tom Croci, due to military leave
Trish Bergin Weichbrodt

1. The Special Meeting of the Town of Islip Industrial Development Agency was called to order on a motion by Member Cochrane and seconded by Member Senft.

Motions were presented to approve and adopt the following resolution on the March 4, 2014 IDA Agenda. The resolutions were as follows:

2. To consider the adoption of a Resolution on behalf of the Town of Islip Industrial Development Agency to approve the minutes of the Special Meeting of the Members of the Town of Islip Industrial Development Agency on February 11, 2014. On a motion by Member Cochrane and seconded by Member Flotteron, said resolution was approved unanimously.

3. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and M & M Canvas and Awnings, Inc., located at 180 Oval Drive, Islandia, New York. On a motion by Member Senft and seconded by Member Cochrane, said resolution was approved unanimously.

4. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Agency and Carson Optical, Inc., located at 2070 Fifth Avenue, Ronkonkoma, New York. On a motion by Member Cochrane and seconded by Member Senft, said resolution was approved unanimously.

5. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and Shri Parshwa Padmavati & Co., LLC/Perfume Center of America. Located at 0 Ocean Ave, Ronkonkoma, New York. On a motion by Member Senft and seconded by Member Cochrane, said motion was approved unanimously.

6. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and Sheralven Enterprises, Ltd located at 2 Rodeo Drive, Brentwood, New York. On a motion by Member Senft and seconded by Member Cochrane, said motion to be approved unanimously.

7. To consider the adoption of an extension of the License Agreement between the Town of Islip Industrial Development Agency and AG-Metropolitan Sunrise, LLC. Located at 3500 Sunrise Highway, Great River, New York. On a motion by Member Senft and seconded by Member Flotteron, said motion to be approved unanimously.

8. The February 11, 2014 meeting of the IDA Board was adjourned on a motion by Member Cochrane and seconded by Member Senft.
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 18th day of March, 2014, the following members of the Agency were:

Present:

Absent:

Recused:

Also Present:

After the meeting had been duly called to order, the Chair announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the appointment of officers of the Town of Islip Industrial Development Agency.

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 REGARDING THE APPOINTMENT OF OFFICERS

WHEREAS, by Title I 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 (collectively, the “Act”), the Town of Islip Industrial Development Agency (the “Agency”) 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 of the State of New York and to improve their standard of living; and

WHEREAS, the New York State Legislature adopted the Public Authorities Accountability Act of 2005, as amended (the “PAAA”), designed to ensure that New York’s public authorities operate more efficiently, more openly, and with greater accountability; and

WHEREAS, the PAAA and the Agency’s By-Laws require that the Agency appoint officers of the Agency; and

WHEREAS, in order to fully comply with the provisions of the PAAA and the Agency’s By-Laws, the Agency intends to appoint certain members as officers of the Agency whose responsibilities are to provide oversight and management of all persons employed in chief executive and senior management positions of the Agency; and

WHEREAS, to carry out the aforesaid purposes, the Agency has the power under the Act, the PAAA and its By-Laws to do all things necessary to fulfill its obligations imposed by the Act, the PAAA and its By-Laws.

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) Appointing the officers of the Agency will allow the Agency to continue to operate in compliance with the Act, the provisions of the PAAA, and the Agency’s By-Laws, and cause the Agency to operate more efficiently, openly and with greater accountability to the residents of the Town of Islip.

Section 2. In consequence of the foregoing, the Agency hereby determines to designate and appoint Tom Croci, Chair of the Agency, Eric Hofmeister, Vice Chair of the Agency, John C. Cochrane, Secretary of the Agency, Trish Bergin Weichbrodt, Treasurer of the Agency, William G. Mannix, Assistant Secretary of the Agency and Erin Lipani, Compliance Officer of the Agency, whose responsibilities are to provide oversight and management of all persons employed in chief executive and senior management positions of the Agency.
Section 3. In consequence of the foregoing, the Agency hereby determines to designate and appoint William G. Mannix as Executive Director of the Agency.

Section 4. The Agency hereby undertakes to comply with all other provisions of the PAAA applicable to the Agency as diligently as possible.

Section 5. The Agency is hereby authorized to do all things necessary or appropriate for the accomplishment of the purposes of this resolution, and all acts heretofore taken by the Agency with respect to such activities are hereby approved, ratified and confirmed.

Section 6. This resolution shall take effect immediately.
STATE OF NEW YORK    
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 18th day of March, 2014, 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.

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, as amended, that all members of said Agency had due notice of said meeting and that said meeting was in all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 18th day of March, 2014.

By:__________________________  
Assistant Secretary
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 18th day of March, 2014, the following members of the Agency were:

Present:

Absent:

Recused:

Also Present:

After the meeting had been duly called to order, the Chair announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the amendment of the By-Laws of the Town of Islip Industrial Development Agency.

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 REGARDING THE AMENDMENT OF BY-LAWS.

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 (collectively, the "Act"), the Town of Islip Industrial Development Agency (the "Agency") 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 of the State of New York and to improve their standard of living; and

WHEREAS, the New York State Legislature adopted the Public Authorities Accountability Act of 2005, as amended (the "PAAA"), designed to ensure that New York's public authorities operate more efficiently, more openly, and with greater accountability; and

WHEREAS, the PAAA and the Agency's By-Laws require that the Agency amend its by-laws and;

WHEREAS, in order to fully comply with the provisions of the PAAA and the Agency's By-Laws, the Agency intends to amend its By-Laws and;

WHEREAS, to carry out the aforesaid purposes, the Agency has the power under the Act, the PAAA and its By-Laws to do all things necessary to fulfill its obligations imposed by the Act, the PAAA and its By-Laws.

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) Amending the By-Laws of the Agency will allow the Agency to continue to operate in compliance with the Act, the provisions of the PAAA, and the Agency's By-Laws, and cause the Agency to operate more efficiently, openly and with greater accountability to the residents of the Town of Islip.

Section 2. In consequence of the foregoing, the Agency hereby determines to amend its By-Laws

Section 3. The Agency hereby undertakes to comply with all other provisions of the PAAA applicable to the Agency as diligently as possible.

Section 4. The Agency is hereby authorized to do all things necessary or appropriate for the accomplishment of the purposes of this resolution, and all acts heretofore taken by the Agency with respect to such activities are hereby approved, ratified and confirmed.
Section 5. This resolution shall take effect immediately.
STATE OF NEW YORK      )
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 18th day of March, 2014, 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.

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, as amended, that all members of said Agency had due notice of said meeting and that said meeting was in all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 18th day of March 2014.

By:________________________
Assistant Secretary
BY-LAWS

OF

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

Adopted: July 11, 2006

Amended and Adopted: March 18, 2014
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BY-LAWS
OF
TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

ARTICLE I - THE AGENCY

Section 1. Name of the Agency and Establishment of Agency. The name of the Agency is the “Town of Islip Industrial Development Agency”. The Agency is a body corporate and politic constituting a public benefit corporation of the State of New York. The Agency was established pursuant to Title 1 of Article 18-A of the New York General Municipal Law, as amended (the “IDA Act”) and Chapter 47 of the laws of 1974 (the “Agency’s Enabling Act”).

Section 2. Seal of the Agency. The Seal of the Agency shall be in the form of a circle and shall bear the name of the Agency and the year of its organization.

Section 3. Office of the Agency. The office of the Agency shall be at 655 Main St., Islip (Town Hall), 40 Nassau Avenue, Islip or at such other places as the Agency may from time to time designate by resolution.

ARTICLE II - BOARD

Section 1. Power of the Board and Qualification of Members. The Agency shall be overseen and governed by its Board acting through its Members who shall exercise oversight and control over the officers and staff of the Agency. Each Member shall be at least eighteen years of age and each Board Member shall be appointed by the Town Board of the Town of Islip (the “Appointing Authority”). The Board and its Members shall have all powers conferred on Board Members of public benefit corporations and local public authorities pursuant to New York State law, including, without limitation, the IDA Act, the Agency’s Enabling Act, the Public Authorities Accountability Act of 2005 (the “PAAA”), as amended by the Public Authorities Reform Act of 2009 (the “PARA”), the New York General Municipal Law (the “NYGML”), the New York Public Officers Law (the “NYPOL”), and any other New York State Law that is applicable to the Agency.

Section 2. Number of Members and Term of Office.

(a) The Board shall consist of five (5) voting Members and one (1) non-voting ex officio Member, appointed by the Appointing Authority. Each Member shall serve at the pleasure of the Appointing Authority and continue to hold office until his or her successor is appointed and has been qualified. As used in this Article, “entire Board” means the total number of Members who have been appointed by the Appointing Authority and entitled to vote which the Agency would have if there were no vacancies.

(b) No Member of the Board, including the Chair, shall serve as the Agency’s Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Comptroller, or hold any other equivalent executive position or office while also serving as a Member of the Board.
(c) As soon as practicable and in compliance with Section 2825 of the Public Authorities Law, the majority of the Members of the Board shall be Independent Members, as such term is defined in paragraph (d) below.

(d) **Independence.** For the purposes of these By-Laws, an Independent Member is one who:

(i) is not, and in the past two (2) years has not been, employed by the Agency or another corporate body having the same ownership and control of the Agency in an executive capacity;

(ii) is not, and in the past two (2) years has not been, employed by an entity that received remuneration valued at more than fifteen thousand dollars ($15,000.00) for goods and services provided to the Agency or received any other form of financial assistance valued at more than fifteen thousand dollars ($15,000.00) from the Agency;

(iii) is not a relative of an executive officer or employee in an executive position of the Agency or another corporate body having the same ownership and control of the Agency; and

(iv) is not, and in the past two (2) years has not been, a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the Agency or another corporate body having the same ownership and control of the Agency.

(e) At each Annual Meeting of the Board, the Members of the Board shall elect the officers of the Board, consisting of the Chair, Vice Chair, the Treasurer, the Secretary, and one or more Assistant Secretaries, each to hold office until the next Annual Meeting and until their successors have been elected and qualified. Each officer of the Board shall also be a Board Member ex officio, except that the Executive Director of the Agency may be appointed as Assistant Secretary of the Agency.

(f) Each Member shall have one vote.

**Section 3. Organization.** At each meeting of the Board, the Chair, or, in the absence of the Chair, a Vice Chair shall preside, or in the absence of either of such officers, a chair chosen by a majority of the Members present shall preside. The Secretary shall act as secretary of the Board. In the event the Secretary shall be absent from any meeting of the Board, an Assistant Secretary shall act as the secretary for such meeting.

**Section 4. Resignations and Removal of Members.**

(a) Any Member of the Agency may resign at any time by giving written notice to the Chair or to the Secretary. Such resignation shall take effect at the time specified therein or, if no time be specified, then on delivery; provided, however, such Member shall continue to serve until his or her successor has been appointed and qualified.

(b) Any or all of the Members may be removed at any time by the Appointing Authority.
Section 5. Action by the Board.

(a) Except as otherwise provided by law or in these By-Laws, the act of the Board means action taken at a meeting of the Board by vote of a majority of the Members present at the time of the vote, if a quorum is present at such time.

(b) The voting on all questions coming to the Agency shall be by roll call, and the yeas and nays shall be entered on the minutes of such meeting; except in the case of appointments when the vote may be by ballot.

Place of Meeting. The Board may hold its meetings at the principal office of the Agency as described in Section 3 of Article I, or at 655 Main Street, Islip (Town Hall) or at such place or places within the State of New York as the Board may from time to time by resolution determine.

Section 6. Annual Meetings. The annual meeting of the Agency shall be held at the first available meeting date in January at 10:30am at the regular meeting place of the Agency. The meeting schedule for the year will be approved at this time. In the event that such day shall fall on a Saturday, Sunday or legal holiday, the annual meeting shall be held on the next succeeding day that is not a Saturday, Sunday or legal holiday. Notice of such meeting need not be given. Such first meeting may be held at any other time; and if it is held at another time, notice shall be given as hereinafter provided for special meetings of the Board.

Section 7. Regular Meetings. Regular meetings of the Board may be held without notice at such times as may be fixed from time to time by resolution of the Board.

Section 8. Special Meetings. Special meetings of the Board shall be held whenever called by the Chair or in the absence of the Chair by a Vice Chair, or by any two (2) of the Members. Notice shall be given orally, by telefax, by email, or by mail and shall state the purposes, time and place of the meeting. If notice is given orally, in person or by telephone, it shall be given not less than two (2) days before the meeting; if it is given by telefax, email or by mail, it shall be given not less than three (3) days before the meeting. At such special meeting no business shall be considered other than that designated in the notice, but if all Members are present at a special meeting, with or without notice thereof, any and all business may be transacted at such meeting.

Section 9. Waivers of Notice. Notice of a meeting need not be given to any Member who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him or her.

Section 10. Quorum.

(a) A majority of the entire Board, exclusive of the ex-officio members, shall constitute a quorum for the transaction of business.

(b) A majority of the Members present, whether or not a quorum is present, may adjourn, any meeting to another time and place without notice to any Member.

Section 11. Compensation. Members shall receive no compensation for their services but may be reimbursed for the expenses reasonably incurred by them in the performance of their duties.
Section 12. Annual Independent Audit.

(a) Annual Independent Audit: The Audit Committee shall present to the Board upon its completion, the annual independent audit report performed in accordance with the requirements of the IDA Act, the PAAA, the PARA, the NYGML and generally accepted government auditing standards certified by a firm of independent public accountants selected by the Board pursuant to Section 1 of Article III of these By-Laws. The certified independent public accounting firm that performs the annual independent audit shall timely report to the Audit Committee the following:

(i) the assets and liabilities, including the status of reserve, depreciation, special or other funds including the receipts and payments of such funds, of the Agency as of the end of the fiscal year;

(ii) the principal changes in assets and liabilities, including trust funds, during said fiscal period;

(iii) the revenue or receipts of the Agency, both unrestricted and restricted to particular purposes during said fiscal period;

(iv) the expenses or disbursements of the Agency for both general and restricted purposes, during said fiscal period; and

(v) a schedule of the bonds and notes of the Agency outstanding during said fiscal period, including all refinancings, calls, refundings, defeasements, and interest rate exchange or other such agreements, and for any debt issued during the fiscal period, together with a statement of the amounts redeemed and incurred during such fiscal period as a part of a schedule of debt issuance that include the date of issuance, term, amount, interest rate, means of repayment and cost of issuance.

Furthermore, the certified independent public accounting firm that performs the annual independent audit shall timely report to the Audit Committee the following:

(i) all critical accounting policies and practices to be used;

(ii) all alternative treatments of financial information within generally accepted accounting principals that have been discussed with the management of the Agency, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the certified independent public accounting firm;

(iii) other material written communications between the certified independent public accounting firm and the management of the Agency, such as the management letter along with management’s response or plan of corrective action, material corrections identified or schedule of unadjusted differences, where applicable.
ARTICLE III - COMMITTEES

Section 1. Audit Committee. There shall be an Audit Committee consisting entirely of Independent members, who shall be elected by a plurality of the votes cast by the members of the Agency at each Annual Meeting and shall serve until the next Annual Meeting. To the extent practicable, members of the Audit Committee should be familiar with corporate financial and accounting practices. The Audit Committee shall recommend to the Board the hiring of a certified independent accounting firm in compliance with the Public Authorities Law of New York State to conduct the annual independent audit, establish the compensation to be paid to the accounting firm and provide direct oversight of the performance of the annual independent audit.

Section 2. Governance Committee. There shall be a Governance Committee consisting entirely of Independent members, who shall be elected by a plurality of the votes cast by the members of the Agency at each Annual Meeting and shall serve until the next Annual Meeting. The Governance Committee shall keep the Board informed of current best governance practices, review corporate governance trends, update the Agency's corporate governance principles, and advise the Appointing Authority on the skills and experience required of potential members.

Section 3. Finance Committee. There shall be a Finance Committee consisting entirely of Independent members, who shall be elected by a plurality of the votes cast by the members of the Agency at each Annual Meeting and shall serve until the next Annual Meeting. The Finance Committee shall review the Agency's financial budget, oversee the Agency's investments, assess the Agency's Capital requirements and Capital plans, and review financial and procurement thresholds.

Section 4. Other Committees. The Board may from time to time designate other committees as it deems necessary and desirable to assist the Agency to perform its duties in accordance with applicable law, including, without limit, a marketing committee. Each such committee created by the Board shall consist of such persons and shall have such authority as is provided in the resolution designating the committee.

Section 5. Meetings. Meetings of committees, of which no notice shall be necessary, shall be held at such time and place as shall be fixed by the Chair of the Board or the chair of such committee upon the advice and consent of all of the Members of the Board or the Members of such committee.

Section 6. Quorum and Manner of Acting. Unless otherwise provided by resolution of the Board, a majority of all of the Members of a committee shall constitute a quorum for the transaction of business and the vote of a majority of all of the Members of the committee shall be the act of the committee.

The procedures and manner of acting of the committees of the Board shall be subject at all times to the directions of the Board.

Section 7. Tenure of Members of Committees of the Board. Each committee of the Board and every member thereof shall serve at the pleasure of the Board.

Section 8. Alternate Members. The Board may designate one (1) or more members as alternate members of any standing committee of the Board, who may replace any absent member or members at any meeting of such committee.
ARTICLE IV - BOARD OFFICERS

Section 1. Officers. The Officers of the Agency’s Board shall be a Chair, a Vice Chair, a Treasurer, a Secretary and/or such other officers as the Board may in its discretion determine, including an Assistant Secretary who shall be the Chief Executive Officer of the Agency. Any two (2) or more offices may be held by the same person, except the offices of Chair and Secretary.

Section 2. Term of Office and Qualifications. Those officers whose titles are specifically mentioned in Section 1 of this Article IV shall be elected by the Board at its Annual Meeting. Unless a shorter term is provided in the resolution of the Board electing such officer, the term of office of each officer shall extend to the next Annual Meeting and until the officer’s successor is elected and qualified. The Chair shall be elected from among the Members.

Section 3. Additional Officers. Additional officers may be elected for such period, have such authority and perform such duties, either in an administrative or subordinate capacity, as the Board may from time to time determine.

Section 4. Removal of Officers. Any officer may be removed by the Board with or without cause at any time.

Section 5. Resignation. Any officer may resign his or her position as an officer at any time by giving written notice to the Board, to the Chair or to the Secretary. Any such resignation shall take effect at the time specified therein, or, if no time be specified, then upon delivery.

Section 6. Vacancies. A vacancy in any office shall be filled by the Board.

Section 7. Chair. The Chair shall preside at all meetings and of the Board at which the Chair is present. In the absence or incapacity of the Executive Director/Chief Executive Officer of the Agency or the Deputy Executive Director/Chief Financial Officer, and except as otherwise authorized by resolution of the Board, the Chair shall execute all agreements, contracts, deeds, and any other instruments of the Agency. At each meeting, the Chair shall submit recommendations and information as he or she may consider proper concerning the business, affairs, the bonds, the projects and facilities of the Agency, the economic benefits to be conferred on project applicants and occupants, and the policies of the Agency. Nothing in the provision shall be construed as granting the Chair the exclusive right to bring matters before the Agency for consideration.

Section 8. Vice Chairs. In the absence or incapacity to act of the Chair, or if the office of Chair be vacant, the Vice Chair or, if there be more than one Vice Chair, the Vice Chairs in order of seniority as determined by the Board, shall preside at all meetings of the Board, and shall perform the duties and exercise the powers of the Chair, subject to the right of the Board from time to time to extend or confine such powers and duties or to assign them to others. Each Vice Chair shall have such powers and shall perform such other duties as may be assigned by the Board or the Chair.

Section 9. Treasurer. The Treasurer shall, if required by the Board, obtain a bond for the faithful discharge of his or her duties, in such sum and with such sureties as the Board shall require. The Treasurer shall oversee the Deputy Executive Director/Chief Financial Officer of the Agency and shall all review the books and accounts of the Agency and shall advise the Deputy Executive Director/Chief Financial Officer of the Agency with respect to the charge, custody and
investment of all funds and securities of the Agency, and the Treasurer shall ensure the proper deposit by the Deputy Executive Director/Chief Financial Officer of the Agency all such funds in the name of and to the credit of the Agency in such banks, trust companies, or other depositories as shall be selected by the Board. The Treasurer shall also perform all other duties customarily incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board.

Section 10. **Assistant Treasurer.** The Assistant Treasurer shall carry out the duties of the Treasurer in the absence of the Treasurer.

Section 11. **Secretary.** It shall be the duty of the Secretary to act as secretary of all meetings of the Board, and to keep the minutes of all such meetings in a proper book or books to be provided for that purpose; the Secretary shall see that all notices required to be given by the Agency are duly given and served; the Secretary shall keep a current list of the Members and officers of the Agency’s Board and their residence addresses; the Secretary shall be custodian of the seal of the Agency and shall affix the seal, or cause it to be affixed, to all agreements, documents and other papers requiring the same. The Secretary shall have custody of the minute book containing the minutes of all meetings of Members, the Executive Committee, and any other committees which may keep minutes, and of all other contracts and documents which are not in the custody of the Treasurer of the Agency, or in the custody of some other person authorized by the Board to have such custody.

Section 12. **Assistant Secretary.** The Assistant Secretary shall carry out the duties of the Secretary in the absence of the Secretary.

Section 13. **Appointed Officers.** The Board may delegate to any officer or committee the power to appoint and to remove any subordinate officer, agent or employee.

**ARTICLE V - EXECUTIVE OFFICERS AND OTHER PERSONNEL**

Section 1. **Chief Executive Officer.** The Agency shall appoint an Executive Director by resolution, which resolution shall set the Executive Director’s annual compensation.

Section 2. **Duties and Responsibilities of Executive Director and Chief Executive Officer.** The Executive Director shall be the Chief Executive Officer of the Agency and he or she shall have general supervision and management of the Agency and all Agency staff and employees shall report directly to the Executive Director/Chief Executive Officer. Except as may otherwise be authorized by a resolution adopted by the Board, the Executive Director/Chief Executive Officer shall execute all agreements, bonds, notes, contracts, agreements, deeds, leases and any other instruments of the Agency. The Executive Director/Chief Executive Officer shall assist the Chairman with such matters as the Chairman or the Board may request in furtherance of the Agency’s public purposes. The Executive Director/Chief Executive Officer shall be charged with leading the Agency in carrying out its Mission Statement and fulfilling its public purposes under the IDA Act, the PAAA and PARA. The Executive Director/Chief Executive Officer shall also perform all other duties customarily incident to the office of a Chief Executive Officer of a public benefit corporation and public authority of the State of New York and such other duties as from time to time may be assigned by the Board.

Section 3. **Chief Financial Officer.** The Agency shall appoint a Chief Financial Officer (CFO) by resolution, which resolution shall set the CFO’s annual compensation.
Section 4. Duties and Responsibilities of Chief Financial Officer. The Comptroller of the Town of Islip, or his/her designee shall be the Chief Financial Officer of the Agency. The Chief Financial Officer shall keep and maintain the books and accounts of the Agency and shall have charge and custody of, and be responsible for, all funds and securities of the Agency, and shall deposit all such funds in the name of and to the credit of the Agency in such banks, trust companies, or other depositories as shall be selected by the Board. Except as otherwise authorized by resolution of the Board, the Chief Financial Officer shall sign all purchase orders and instruments and checks for the payment of money, and shall pay out and disburse such moneys under the direction of the Board. All such purchase orders and instruments and checks over certain dollar thresholds as may be established from time to time by the Board, shall be countersigned by the Chair or the Chief Financial Officer of the Board, or other officer or Board Member as shall be designated by the Board. The Chief Financial Officer shall also perform all other duties customarily incident to the office of a Chief Financial Officer of a public benefit corporation and public authority of the State of New York and such other, duties as from time to time may be assigned by the Board. The Chief Financial Officer of the Agency, in consultation with the Chair and the Executive Director/Chief Executive Officer of the Agency, shall prepare the annual budget of the Agency for submission to the Board for approval and he or she shall distribute all copies of the annual budget of the Agency to all persons required by the IDA Act, the PAAA and PARA. The Chief Financial Officer shall assist the Audit Committee of the Board in carrying out their functions. The Chief Financial Officer of the Agency shall be the Contracting Officer of the Agency for the disposition of real and personal property in accordance with the provisions of the PAAA and PARA.

Compliance Officer. The Agency shall appoint a Compliance Officer by resolution, who may be any employee of the Agency. The Compliance Officer shall be responsible for insuring that the Agency complies with all financial and other reporting requirements imposed by structure, including those requirements in the General Municipal Law and the Public Authorities Law of New York State. The Compliance Officer shall prepare and distribute all annual reports required by the IDA Act, the PAAA and PARA and as may be otherwise required by the Office of the Comptroller of the State of New York and as may be required by the Authority Budget Office of the State of New York. The Compliance Officer shall be the “Contracting Officer” (as such term is defined in Section 2895 of New York’s Public Authorities Law). The Compliance Officer shall be the Freedom of Information Officer of the Agency in accordance with the provisions of the New York Freedom of Information Law, Article 6 of the New York Public Officers Law.

Section 5. Additional Personnel. The Agency may from time to time employ such personnel as the Agency, upon the recommendation of the Executive Director/Chief Executive Officer, deems necessary to exercise the Agency’s powers, duties and functions as prescribed by the IDA Act, the PAAA, the PARA and all other laws of the State of New York applicable thereto. The selection and compensation of all personnel shall be determined by the Agency subject to the laws of the State of New York.

Section 6. Municipal Personnel. The Agency may, with the consent of the Board and the Town Board of the Town of Islip, use the agents, employees and facilities of the Town of Islip. In such event, the Agency will, by resolution, enter into a contract with the Town of Islip providing the terms upon which the Town of Islip will provide the use of its agents, employees and facilities to the Agency and the compensation, if any, that the Agency shall pay to the Town of Islip for the use by the Agency of the Town of Islip’s agents, employees and facilities. Such contract shall also include reimbursement for services rendered by the Agency to the Town of Islip, i.e., marketing, promotion, auditing, and other professional services.
ARTICLE VI - CONTRACTS, CHECKS, DRAFTS AND BANK ACCOUNTS

Section 1. Execution of Contracts. The Board, except as in these By-Laws otherwise provided, may authorize any officer or officers, agent or agents, in the name of and on behalf of the Agency to enter into any contract or execute and deliver any instrument, and such authority may be general or confined to specific instances; but, unless so authorized by the Board, or expressly authorized by these By-Laws, no officers, agent or employee shall have any power or authority to bind the Agency by any contract or engagement or to pledge its credit or to render it liable pecuniarily in any amount for any purpose.

Section 2. Loans. No loans shall be contracted on behalf of the Agency unless specifically authorized by the Board.

Section 3. Checks, Drafts, etc. All checks, drafts and other orders for the payment of money out of the funds of the Agency, and all notes or other evidences of indebtedness of the Agency, shall be signed on behalf of the Agency in such manner as shall from time to time be determined by these By-Laws or by resolution of the Board.

Section 4. Deposits. All funds of the Agency not otherwise employed shall be deposited from time to time to the credit of the Agency in such banks, trust companies or other depositories as the Board may select or in the absence of such selection by the Board, as the Deputy Executive Director/Chief Financial Officer shall select.

ARTICLE VII - INDEMNIFICATION AND INSURANCE

Section 1. Authorized Indemnification. Unless clearly prohibited by law or Section 2 of this Article VII, the Agency shall indemnify any person ("Indemnified Person") made, or threatened to be made, a party in any action or proceeding, whether civil, criminal, administrative, investigative or otherwise, including any action by or in the right of the Agency, by reason of the fact that he or she (or his or her testator or intestate), whether before or after adoption of this Section, (a) is or was a Member or officer of the Agency, or (b) in addition is serving or served, in any capacity, at the request of the Agency, as a Member or officer of any other Agency, or any partnership, joint venture, trust, employee benefit plan or other enterprise. The indemnification shall be against all judgments, fines, penalties, amounts paid in settlement (provided the Agency shall have consented to such settlement) and reasonable expenses, including attorneys’ fees and costs of investigation, incurred by an Indemnified Person with respect to any such threatened or actual action or proceeding, and any appeal thereof.

Section 2. Prohibited Indemnification. The Agency shall not indemnify any person if a judgment or other final adjudication adverse to the Indemnified Person (or to the person whose actions are the basis for the action or proceeding) establishes, or the Board in good faith determines, that such person’s acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

Section 3. Advancement of Expenses. The Agency shall, on request of any Indemnified Person who is or may be entitled to be indemnified by the Agency, pay or promptly reimburse the Indemnified Person’s reasonably incurred expenses in connection with a threatened or actual action or proceeding prior to its final disposition. However, no such advancement of expenses shall be made unless the Indemnified Person makes a binding, written commitment to
repay the Agency, with interest, for any amount advanced for which it is ultimately determined that he or she is not entitled to be indemnified under the law or Section 2 of this Article VII. An Indemnified Person shall cooperate in good faith with any request by the Agency that common legal counsel be used by the parties to such action or proceeding who are similarly situated unless it would be inappropriate to do so because of actual or potential conflicts between the interests of the parties.

Section 4. Indemnification of Others. Unless clearly prohibited by law or Section 2 of this Article VII, the Board may approve Agency indemnification as set forth in Section 1 of this Article VII or advancement of expenses as set forth in Section 3 of this Article VII, to a person (or the testator or intestate of a person) who is or was employed by the Agency or who is or was a volunteer for the Agency, and who is made, or threatened to be made, a party in any action or proceeding, by reason of the fact of such employment or volunteer activity, including actions undertaken in connection with service at the request of the Agency in any capacity for any other Agency, partnership, joint venture, trust, employee benefit plan or other enterprise.

Section 5. Determination of Indemnification. Indemnification mandated by a final order of a court of competent jurisdiction will be paid. After termination or disposition of any actual or threatened action or proceeding against an Indemnified Person, if indemnification has not been ordered by a court the Board shall, upon written request by the Indemnified Person, determine whether and to what extent indemnification is permitted pursuant to these By-Laws. Before indemnification can occur the Board must explicitly find that such indemnification will not violate the provisions of Section 2 of this Article VII. No Member with a personal interest in the outcome, or who is a party to such actual or threatened action or proceeding concerning which indemnification is sought, shall participate in this determination. If a quorum of disinterested Members is not obtainable, the Board shall act only after receiving the opinion in writing of independent legal counsel that indemnification is proper in the circumstances under then applicable law and these By-Laws.

Section 6. Binding Effect. Any person entitled to indemnification under these By-Laws has a legally enforceable right to indemnification which cannot be abridged by amendment of these By-Laws with respect to any event, action or omission occurring prior to the date of such amendment.

Section 7. Insurance. The Agency is not required to purchase Members’ and officers’ liability insurance, but the Agency may purchase such insurance if authorized and approved by the Board. To the extent permitted by law, such insurance may insure the Agency for any obligation it incurs as a result of this Article VII or operation of law and it may insure directly the Members, officers, employees or volunteers of the Agency for liabilities against which they are not entitled to indemnification under this Article VII as well as for liabilities against which they are entitled or permitted to be indemnified by the Agency.

Section 8. Nonexclusive Rights. The provisions of this Article VII shall not limit or exclude any other rights to which any person may be entitled under law or contract. The Board is authorized to enter into agreements on behalf of the Agency with any Member, officer, employee or volunteer providing them rights to indemnification or advancement of expenses in connection with potential indemnification in addition to the provisions therefore in this Article VII, subject in all cases to the limitations of Section 2 of this Article VII.
ARTICLE VIII - CONFLICTS OF INTEREST

Section 1. Definition of Conflicts of Interest. A conflict of interest will be deemed to exist whenever an individual is in the position to approve or influence Agency policies or actions which involve or could ultimately harm or benefit financially: (a) the individual; (b) any Member of his or her immediate family (spouse, parents, children, brothers or sisters, and spouses of these individuals); or (c) any organization in which he or she, or an immediate family member is a member, trustee, officer, member, partner or more than 10% shareholder. Service on the board of another not-for-profit agency does not constitute a conflict of interest.

Section 2. Disclosure of Conflicts of Interest. A Member or officer shall disclose a conflict of interest: (a) prior to voting on or otherwise discharging his or her duties with respect to any matter involving the conflict which comes before the Board or any committee; (b) prior to entering into any contract or transaction involving the conflict; (c) as soon as possible after the Member or officer learns of the conflict; and (d) on the annual conflict of interest disclosure form. The Secretary of the Agency shall distribute annually to all Members and officers, a form soliciting the disclosure of all conflicts of interest, including specific information concerning the terms of any contract or transaction with the Agency and whether the process for approval set forth in Section 3 of this Article VIII was used.

Section 3. Approval of Contracts and Transactions Involving Potential Conflicts of Interest. A Member or officer who has or learns about a potential conflict of interest should disclose promptly to the Secretary of the Agency the material facts surrounding any actual or potential conflict of interest, including specific information concerning the terms of any contract or transaction with the Agency. All effort should be made to disclose any such contract or transaction and have it approved by the Board before the arrangement is entered into.

Following receipt of information concerning a contract or transaction involving a potential conflict of interest, the Board shall consider the material facts concerning the proposed contract or transaction including the process by which the decision was made to recommend entering into the arrangement on the terms proposed. The Board shall approve only those contracts or transactions in which the terms are fair and reasonable to the Agency and the arrangements are consistent with the best interests of the Agency. Fairness includes, but is not limited to, the concepts that the Agency should pay no more than fair market value for any goods or services which the Agency receives and that the Agency should receive fair market value consideration for any goods or services that it furnishes others. The Board shall set forth the basis for its decision with respect to approval of contracts or transactions involving conflicts of interest in the minutes of the meeting at which the decision is made, including the basis for determining that the consideration to be paid is fair to the Agency.

Section 4. Validity of Actions. No contract or other transaction between the Agency and one or more of its Members or officers, or between the Agency and any other company, corporation, firm, association or other entity in which one or more of its members or officers are Members or officers of the Agency, or have a substantial financial interest, shall be either void or voidable for this reason alone or by reason alone that such Member or Members or officer or officers of the Agency are present at the meeting of the Board, or of a committee thereof, which authorizes such contract or transaction, or that his or her, or their votes are counted for such purpose, if the material facts as to such Member’s or officer’s interest in such contract or transaction and as to any such common membership, officer or financial interest are disclosed in good faith or known to the Board or committee, and the Board or committee authorizes such
contract or transaction by a vote sufficient for such purpose without counting the vote or votes of such interested Member or officers. Common or interested Members may be counted in determining the presence of a quorum at a meeting of the Board or committee which authorizes such contract or transaction. At the time of the discussion and decision concerning the authorization of such contract or transaction, the interested Member or officer should not be present at the meeting.

Section 5. Employee Conflicts of Interest. An employee of the Agency with a potential conflict of interest in a particular matter shall promptly and fully disclose the potential conflict to his or her supervisor. The employee shall thereafter refrain from participating in deliberations and discussion, as well as any decisions, relating to the matter and follow the direction of the supervisor as to how the Agency decisions which are the subject of the conflict will be determined. The Chair shall be responsible for determining the proper way for the Agency to handle Agency decisions which involve unresolved employee conflicts of interest. In making such determinations, the Chair may consult with legal counsel.

The Chair shall report to the Board at least annually concerning employee conflicts of interest which have been disclosed and contracts and transactions involving employee conflicts which the Chair has approved.

ARTICLE IX - COMPENSATION

Section 1. Reasonable Compensation. It is the policy of the Agency to pay no more than reasonable compensation for personal services rendered to the Agency by officers and employees. The Members of the Agency’s Board shall not receive compensation for fulfilling their duties as Members, although Members may be reimbursed for actual out-of-pocket expenses which they incur in order to fulfill their duties as Members. Expenses of spouses will not be reimbursed by the Agency unless the expenses are necessary to achieve an Agency purpose.

Section 2. Approval of Compensation. The Board must approve in advance the amount of all compensation for officers of the Agency’s Board.

Before approving the compensation of an officer, the Board shall determine that the total compensation to be provided by the Agency to the officer is reasonable in amount in light of the position, responsibility and qualification of the officer for the position held, including the result of an evaluation of the officer’s prior performance for the Agency, if applicable. In making the determination, the Board shall consider total compensation to include the salary and the value of all benefits provided by the Agency to the individual in payment for services. At the time of the discussion and decision concerning an officer’s compensation, the officer should not be present in the meeting. The Board shall obtain and consider appropriate data concerning comparable compensation paid to similar officers in like circumstances.

The Board shall set forth the basis for its decisions with respect to compensation in the minutes of the meeting at which the decisions are made, including the conclusions of the evaluation and the basis for determining that the individual’s compensation was reasonable in light of the evaluation and the comparability data.

ARTICLE X - GENERAL

Section 1. Books and Records. There shall be kept at the office of the Agency: (1) correct and complete books and records of account, (2) minutes of the proceedings of the
Board and the standing and special Committees of the Agency, (3) a current list of the Members of the Board and the officers of the Agency and their residence addresses, (4) a copy of these By-Laws, (5) a copy of the Agency’s application for recognition of exemption with the Internal Revenue Service, and (6) copies of the past three (3) years’ information returns to the Internal Revenue Service.

Section 2. Loans to Members and Officers. No loans shall be made by the Agency to its Members or Officers, or to any other company, corporation, firm, association or other entity in which one or more of the Members or Officers of the Agency are members, director or officers or hold a substantial financial interest except as allowed by law.

Section 3. Fiscal Year. The fiscal year of the Agency shall commence on January 1 in each calendar year and shall end on December 31 of each calendar year.

Section 4. Training. All Members of the Board appointed after January 15, 2006 shall participate in training approved by the State of New York regarding their legal, fiduciary, financial and ethical responsibilities as Members within one (1) year of appointment to the Board. All other Members of the Board shall participate in such continuing training as may be required to remain informed of best practices, regulatory and statutory changes relating to the effective oversight of the management and financial activities of the Agency and the adhere to the highest standards of responsible governance.

Section 5. Order of Business. At the regular meetings of the Agency, the following shall be the order of business, unless an alternative order shall be approved by the Chair:

1. Roll Call
2. New Business:
   a. Applications:
   b. Other
3. Reading and approval of the minutes of the previous meeting
4. Old Business:
   a. Document Processing
   b. Other
5. Report of Treasurer
6. Reports of Committees
7. Unfinished Business
8. Adjournment

ARTICLE XI - AMENDMENTS

Section 1. Amendments to By-Laws. The By-Laws of the Agency may be amended or repealed only with the approval of at least a majority of all of the Members of the Board at a regular meeting or special meeting, but no such amendment shall be adopted unless at least seven (7) days written notice thereof has been previously given to all Members of the Board.
TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
2014 Meeting Schedule

All meetings are held at 2pm in the Town Board Room, located on the 2nd floor, at 655 Main Street, Islip, unless otherwise noted

MEETING DATES

JANUARY 14, 2014
JANUARY 28, 2014
FEBRUARY 11, 2014 AT 7PM
MARCH 4, 2014
MARCH 18, 2014 AT 7PM
APRIL 8, 2014
APRIL 22, 2014
MAY 6, 2014 AT CONNETquot STATE PARK
MAY 27, 2014
JUNE 10, 2014
JUNE 24, 2014
JULY 15, 2014
AUGUST 5, 2014
AUGUST 26, 2014
SEPTEMBER 9, 2014
SEPTEMBER 23, 2014 AT 7PM
OCTOBER 14, 2014
NOVEMBER 18, 2014
DECEMBER 2, 2014
DECEMBER 16, 2014
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 18th day of March, 2014, the following members of the Agency were:

Present:

Absent:

Recused:

Also Present:

After the meeting had been duly called to order, the Chair announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the approval of the Town of Islip Industrial Development Agency’s meeting schedule for 2014.

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 REGARDING THE APPROVAL OF THE MEETING SCHEDULE FOR 2014.

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 (collectively, the “Act”), the Town of Islip Industrial Development Agency (the “Agency”) 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 of the State of New York and to improve their standard of living; and

WHEREAS, the New York State Legislature adopted the Public Authorities Accountability Act of 2005, as amended (the “PAAA”), designed to ensure that New York’s public authorities operate more efficiently, more openly, and with greater accountability; and

WHEREAS, the PAAA and the Agency’s By-Laws require that the Agency adopt a calendar of scheduled meetings each year, and;

WHEREAS, in order to fully comply with the provisions of the PAAA and the Agency’s By-Laws, the Agency intends to approve the meeting schedule for 2014; and

WHEREAS, to carry out the aforesaid purposes, the Agency has the power under the Act, the PAAA and its By-Laws to do all things necessary to fulfill its obligations imposed by the Act, the PAAA and its By-Laws.

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) Approving the 2014 meeting schedule of the Agency will allow the Agency to continue to operate in compliance with the Act, the provisions of the PAAA, and the Agency’s By-Laws, and cause the Agency to operate more efficiently, openly and with greater accountability to the residents of the Town of Islip.

Section 2. In consequence of the foregoing, the Agency hereby determines to approve its calendar of scheduled meetings for 2014.

Section 3. The Agency hereby undertakes to comply with all other provisions of the PAAA applicable to the Agency as diligently as possible.

Section 4. The Agency is hereby authorized to do all things necessary or appropriate for the accomplishment of the purposes of this resolution, and all acts heretofore taken by the Agency with respect to such activities are hereby approved, ratified and confirmed.
Section 5. This resolution shall take effect immediately.
STATE OF NEW YORK       )
COUNTY OF SUFFOLK      ) SS.

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 18th day of March 2014, 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.

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, as amended, that all members of said Agency had due notice of said meeting and that said meeting was in all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 18th day of March 2014.

By:__________________________

Assistant Secretary
RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING BRENTWOOD STEEL, LLC, A DELAWARE LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF BRENTWOOD STEEL, LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AND ELM FREIGHT HANDLERS INC., A NEW YORK BUSINESS CORPORATION, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF ELM FREIGHT HANDLERS INC. 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, RENOVATING AND EQUIPPING THE FACILITY, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY.

WHEREAS, Brentwood Steel, LLC a limited liability company organized and existing under the laws of the State of Delaware, and authorized to transact business in the State of New York, on behalf of itself and/or the principals of Brentwood Steel, LLC and/or an entity formed or to be formed on behalf of the foregoing (collectively, the “Company”) has applied to the Agency for its assistance in (a) the acquisition of an approximately 31.5 acre parcel of land at 50 Emjay Boulevard, Brentwood, Town of Islip, Suffolk County, New York (the “Land”), and the renovation and equipping of an approximately 550,000 square foot building located thereon including, but not limited to equipment and supplies (the “Improvements”) and the acquisition and installation of certain equipment not part of the Equipment (as such term is defined in Exhibit A to the Equipment Lease Agreement, to be dated a date to be determined (the “Equipment Lease Agreement”), between the Agency and the hereinafter defined Sublessee) (the “Facility Equipment”; and, together with the Land and Improvements, the “Company Facility”), all to be leased by the Agency to the Company for further sublease by the Company to, and used by, ELM Freight Handlers Inc. d/b/a ELM Global Logistics, a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of ELM Freight Handlers Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Sublessee”), and (b) the acquisition and installation of the Equipment (the “Equipment”), which Equipment is to be leased by the Agency to the Sublessee for use in its warehousing and logistics services for local and national companies (the Company Facility and the Equipment collectively referred to herein as the “Facility”), including the following as they relate to the appointment of the Company and the Sublessee as agent(s) of the Agency pursuant to Section 5 hereof with respect to the acquisition, renovation and equipping of such Facility, whether or not any materials or supplies described below are incorporated into or become an integral part of such Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition and equipping of the Facility, and (iii) all purchases, leases, rentals and uses of equipment, machinery and other
tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Facility; and

WHEREAS, the Agency will acquire fee title to or a leasehold interest in the Facility, and will lease or 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 and the Sublessee consistent with the policies of the Agency, in the form of (i) exemptions from sales and use taxes in an amount not to exceed $13,800 in connection with the purchase or lease of equipment, building materials, services or other personal property (as set forth in the Form of Sales Tax Letter set forth as Exhibit C hereof) and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit D hereof), consistent with the policies of the Agency; 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 (the “State”); 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 transfer of a leasehold interest or a fee title interest is either an inducement to the Company and/or the Sublessee to maintain and expand the Facility in the Town of Islip or is necessary to maintain the competitive position of the Company and the Sublessee in their respective industry; 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 the Sublessee 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, renovation and equipping of the Company Facility by the Agency, the leasing thereof to the Company and the subleasing thereof to the Sublessee, the leasing of the Equipment by the Agency 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. The form and substance of a proposed inducement agreement (in substantially the form presented to this meeting) by and among the Agency, the Company and the Sublessee setting forth the undertakings of the Agency, the Company and the Sublessee with respect to the development of the Facility (the “Agreement”) is hereby approved. The Executive Director of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agreement, with such changes in terms and form as the Executive Director shall approve. The execution thereof by the Executive Director shall constitute conclusive evidence of such approval.

Section 4. Subject to the conditions set forth in Section 4.02 of the Agreement, the Agency shall (i) acquire, renovate and equip the Company Facility, (ii) lease (with an obligation to purchase) or sell the Company Facility to the Company and (iii) lease (with an obligation to purchase) the Equipment to the Sublessee.

Section 5. The Company and the Sublessee are hereby appointed the true and lawful agent(s) of the Agency to acquire, renovate and equip the Facility on behalf of the Agency, with the authority to delegate their respective status as agent(s) of the Agency to the Company’s and the Sublessee’s respective agents, subagents, contractors, subcontractors, suppliers, vendors and other such parties as the Company and the Sublessee may choose. The terms and conditions for the appointment of the Company and the Sublessee as agent(s) of the Agency for the purposes
described in this Section 5 are set forth in the form of the attached letter addressed to the Company and the Sublessee, marked as Exhibit C to this resolution, which is incorporated herein by reference. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company and the Sublessee as agent(s) 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 agent(s) 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(s) of the Agency. The aforesaid appointment of the Company and the Sublessee as agent(s) of the Agency to acquire, renovate and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, or (b) the date on which the Agency designates, or (c) the date on which the Company and/or the Sublessee receives exemptions from sales and use taxes in an amount not to exceed $13,800 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 Agency conducting a public hearing following public notice thereof as required by the Act and the adoption by the Agency of a ratification resolution after such public hearing has been held and minutes thereof have been made available to the members of the Agency to aid in their deliberations.

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, construction and equipping of the Facility in the form of (i) exemptions from sales and use taxes in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $13,800 (as set forth in the Form of Sales Tax Letter set forth as Exhibit C hereof) and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit D hereof), consistent with the policies of the Agency.

Section 7. The Company and the Sublessee hereby agree to comply with Section 875 of the Act. The Company and the Sublessee further agree that the exemption of sales and use tax provided pursuant to the Act and the appointment of the Company and the Sublessee as agents of the Agency pursuant to this resolution is subject to termination and recapture of benefits pursuant to Section 875 of the Act and a Recapture Agreement.

Section 8. 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 9. The Chairman, Executive Director, counsel to the Agency 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 10. This resolution shall take effect immediately.
STATE OF NEW YORK )
COUNTY OF SUFFOLK )

I, the undersigned 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 March 18, 2014, at Town of Islip, Offices of Economic Development, 40 Nassau Avenue, Islip, New York 11751, 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 Agreement and the Application are 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 March 18, 2014.

________________________________________
Secretary
EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Title 1 of Article 18-A of the New York State General Municipal Law will be held by the Town of Islip Industrial Development Agency (the “Agency”) on the ___ day of ________, 2014, at _____ a.m., local time, at Town of Islip, Offices of Economic Development, 40 Nassau Avenue, Islip, New York 11751, in connection with the following matters:

Brentwood Steel, LLC a limited liability company organized and existing under the laws of the State of Delaware, and authorized to transact business in the State of New York, on behalf of itself and/or the principals of Brentwood Steel, LLC and/or an entity formed or to be formed on behalf of the foregoing (collectively, the “Company”) has applied to the Agency for its assistance in (a) the acquisition of an approximately 31.5 acre parcel of land at 50 Emjay Boulevard, Brentwood, Town of Islip, Suffolk County, New York (the “Land”), and the renovation and equipping of an approximately 550,000 square foot building located thereon including, but not limited to equipment and supplies (the “Improvements”) and the acquisition and installation of certain equipment not part of the Equipment (as such term is defined in Exhibit A to the Equipment Lease Agreement, to be dated a date to be determined (the “Equipment Lease Agreement”), between the Agency and the hereinafter defined Sublessee) (the “Facility Equipment”); and, together with the Land and Improvements, the “Company Facility”), all to be leased by the Agency to the Company for further sublease by the Company to, and used by, ELM Freight Handlers Inc. d/b/a ELM Global Logistics, a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of ELM Freight Handlers Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Sublessee”), and (b) the acquisition and installation of the Equipment (the “Equipment”), which Equipment is to be leased by the Agency to the Sublessee for use in its warehousing and logistics services for local and national companies (the Company Facility and the Equipment collectively referred to herein as the “Facility”). The Company Facility will be initially owned, operated and/or managed by the Company.

The Agency will acquire a leasehold interest in the Facility and will sublease the Company Facility to the Company and lease the Equipment to the Sublessee, and the Company will sublease the Company Facility to the Sublessee. At the end of the lease term, the Company will purchase the Company Facility from the Agency and the Sublessee will purchase the Equipment from the Agency. The Agency contemplates that it will provide financial assistance to the Company and the Sublessee in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Facility, exemptions from sales and use taxes in connection with the equipping of the Facility and abatement of real property taxes consistent with the policies of the Agency.

A representative of the Agency will, at the above-stated time and place, hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company and the Sublessee or the location or nature of the Facility. At the hearing, all persons will have the opportunity to review the application for financial assistance filed by the Company and the Sublessee with the Agency and an analysis of the costs and benefits of the proposed Facility.
Dated: March ___, 2014

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

By: William G. Mannix
Title: Executive Director
EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON
March [__], 2014

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
(Brentwood Steel, LLC/ELM Freight Handlers Inc. 2014 Facility)

William G. Mannix, Executive Director of the Town of Islip Industrial Development Agency (the “Agency”) called the hearing to order.

William G. Mannix then appointed himself the hearing officer of the Agency, to record the minutes of the hearing.

The hearing officer then described the proposed transfer of the real estate, the other financial assistance proposed by the Agency and the location and nature of the Facility as follows:

Brentwood Steel, LLC a limited liability company organized and existing under the laws of the State of Delaware, and authorized to transact business in the State of New York, on behalf of itself and/or the principals of Brentwood Steel, LLC and/or an entity formed or to be formed on behalf of the foregoing (collectively, the “Company”) has applied to the Agency for its assistance in (a) the acquisition of an approximately 31.5 acre parcel of land at 50 Emjay Boulevard, Brentwood, Town of Islip, Suffolk County, New York (the “Land”), and the renovation and equipping of an approximately 550,000 square foot building located thereon including, but not limited to equipment and supplies (the “Improvements”) and the acquisition and installation of certain equipment not part of the Equipment (as such term is defined in Exhibit A to the Equipment Lease Agreement, to be dated a date to be determined (the “Equipment Lease Agreement”), between the Agency and the hereinafter defined Sublessee) (the “Facility Equipment”; and, together with the Land and Improvements, the “Company Facility”), all to be leased by the Agency to the Company for further sublease by the Company to, and used by, ELM Freight Handlers Inc. d/b/a ELM Global Logistics, a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of ELM Freight Handlers Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Sublessee”), and (b) the acquisition and installation of the Equipment (the “Equipment”), which Equipment is to be leased by the Agency to the Sublessee for use in its warehousing and logistics services for local and national companies (the Company Facility and the Equipment collectively referred to herein as the “Facility”). The Company Facility will be initially owned, operated and/or managed by the Company.
The Agency will acquire a leasehold interest in the Facility and will sublease the Company Facility to the Company and lease the Equipment to the Sublessee, and the Company will sublease the Company Facility to the Sublessee. At the end of the lease term, the Company will purchase the Company Facility from the Agency and the Sublessee will purchase the Equipment from the Agency. The Agency contemplates that it will provide financial assistance to the Company and the Sublessee in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Facility, exemptions from sales and use taxes in connection with the equipping of the Facility and abatement of real property taxes consistent with the policies of the Agency.

The hearing officer then opened the hearing for comments from the floor for or against the proposed transfer of real estate, the other financial assistance proposed by the Agency and the location and nature of the Facility. The following is a listing of the persons heard and a summary of their views.

5. The hearing officer then asked if there were any further comments, and, there being none, the hearing was closed at [______________]

__________________________
Secretary
STATE OF NEW YORK    )
COUNTY OF SUFFOLK    )

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

That I have compared the foregoing copy of the minutes of a public hearing held by the Town of Islip Industrial Development Agency (the "Agency") on March [__], 2014, at [__] a.m., local time, at Town of Islip, Offices of Economic Development, 40 Nassau Avenue, Islip, New York 11751, with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of the minutes in connection with such matter.

IN WITNESS WHEREOF, I have hereunto set my hand as of March [__], 2014.

__________________________
Secretary
EXHIBIT C-1

(To be copied on Agency letterhead and delivered to the Company at time of Closing.)

February 2014

Joseph Losrito
Brentwood Steel, LLC
700 Hicksville Road
Bethpage, New York 11714

RE: Town of Islip Industrial Development Agency
(Brentwood Steel, LLC/ELM Freight Handlers Inc. 2014 Facility)

Dear Mr. Losrito:

Pursuant to resolutions duly adopted on March 18, 2014 and on [ ], the Town of Islip Industrial Development Agency (the “Agency”) appointed Brentwood Steel, LLC, a Delaware limited liability company authorized to transact business in the State of New York, on behalf of itself and/or the principals of Brentwood Steel, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”), and ELM Freight Handlers Inc. d/b/a ELM Global Logistics, a New York business corporation, on behalf of itself and/or the principals of ELM Freight Handlers Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Sublessee”), the true and lawful agent(s) of the Agency in connection with the Agency’s assistance in (a) the acquisition of an approximately 31.5 acre parcel of land at 50 Emjay Boulevard, Brentwood, Town of Islip, Suffolk County, New York (the “Crendo including, but not limited to equipment and supplies (the “Improvements”) and the acquisition and installation of certain equipment not part of the Equipment (as such term is defined in Exhibit A to the Equipment Lease Agreement, to be dated a date to be determined (the “Equipment Lease Agreement”), between the Agency and the hereinafter defined Sublessee) (the “Facility Equipment”; and, together with the Land and Improvements, the “Company Facility”), all to be leased by the Agency to the Company for further sublease by the Company to, and used by the Sublessee and (b) the acquisition and installation of the Equipment (the “Equipment”)), which Equipment is to be leased by the Agency to the Sublessee for use in its warehousing and logistics services for local and national companies (the Company Facility and the Equipment collectively referred to herein as the “Facility”).

This appointment of the Company includes authority to purchase on behalf of the Agency all materials to be incorporated into and made an integral part of the Company Facility, and the following activities as they relate to any acquisition, renovation and equipping of any
buildings, whether or not any materials, equipment or supplies described below are incorporated into or become an integral part of such Company Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, renovation and equipping of the Company Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, renovation and equipping of the Company Facility, and (iii) all purchases, leases, rentals and uses of equipment, machinery and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Company Facility.

The agency appointment includes the power to delegate such agency appointment, in whole or in part, to agents, subagents, contractors, subcontractors, materialmen, suppliers and vendors of the Company and to such other parties as the Company may choose so long as it is engaged, directly or indirectly, in the activities hereinbefore described.

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.

In exercising this agency appointment, the Company and its agents, subagents, contractors and subcontractors should give the supplier or vendor a copy of this letter to show that the Company and its subagents, contractors and subcontractors are each acting as agent for the Agency. The supplier or vendor should identify the Company Facility on each bill or invoice and indicate thereon that the Company and its agents, subagents, contractors and subcontractors acted as agent for the Agency in making the purchase. You and each of your agents, subagents, contractors and/or subcontractors claiming a sales tax exemption in connection with the Company Facility must execute a copy of the Contract in Lieu of Exemption Certificate attached hereto, and must complete a New York State Department of Taxation and Finance Form ST-60. Original copies of each Contract in Lieu of Exemption Certificate and completed Form ST-60 must be delivered to the Agency within five (5) days of the appointment of each of your agents, subagents, contractors or subcontractors. Any agent, subagent, contractor or subcontractor of the Company which delivers a completed Form ST-60 to the Agency will be deemed to be the agent, subagent, contractor or subcontractor of the Agency for purposes of acquiring, renovating and equipping the Company Facility. Failure to comply with these requirements may result in loss of sales tax exemptions for the Company Facility.

The aforesaid appointment of the Company and the Sublessee as agent(s) of the Agency to acquire, renovate and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, or (b) ____________, or (c) the date on which the Company and/or the Sublessee receives exemptions from sales and use taxes in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $13,800; 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, and further provided that the
Agency shall not unreasonably withhold its consent to the extension of such appointment.

You should be aware that the New York State General Municipal Law requires you to
file an Annual Statement with the New York State Department of Taxation and Finance
regarding the value of sales tax exemptions you, your agents, consultants or subcontractors have
claimed pursuant to the authority we have conferred on you with respect to this Project. The
penalty for failure to file such statement is the removal of your authority to act as an agent.

If, for some reason, this transaction never closes, you will be liable for payment of the
sales tax, if applicable and you are not otherwise exempt, on all materials purchased.

Please sign and return a copy of this letter for our files.

Very truly yours,

TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY

By: ____________________________

William G. Mannix
Executive Director

ACCEPTED & AGREED:

BRENTWOOD STEEL, LLC

By: ____________________________

Name: __________________________

Title: __________________________
TO: All Contractors, Subcontractors, Suppliers and Vendors, etc. of Brentwood Steel, LLC

Attached please find a “Contract in Lieu of Exemption Certificate” (the “Contract”) which will serve as documentation for not charging BRENTWOOD STEEL, LLC (the “Company”) for sales or use tax in connection with any purchase, lease, rental and other use of materials, equipment, goods, services or supplies at the facility owned by the TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY (the “Agency”) and described in Addendum A to the aforesaid Contract (the “Company Facility”).

Also attached is a letter signed by the Agency appointing the Company as its agent for the purpose of acquiring, renovating and equipping the Company Facility. This letter authorizes the Company to delegate its authority as agent of the Agency to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company may authorize.

In accordance with the authority granted to the Company by the Agency, you are hereby appointed as agent of the Agency for the purpose of making purchases or leases of materials, equipment, goods, services and supplies to the Company Facility. Your appointment as agent of the Agency is contingent upon your completing the attached Form ST-60 and returning it to the Company and the Form ST-60 then being filed by the Agency with the New York State Department of Taxation and Finance.

Very truly yours,

BRENTWOOD STEEL, LLC

By: ____________________________
Name: __________________________
Title: __________________________

xc: Town of Islip Industrial Development Agency
CONTRACT IN LIEU OF EXEMPTION CERTIFICATE

This Contract is entered into by and between BRENTWOOD STEEL, LLC (the "Company") as agent for and on behalf of the TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation and a governmental agency of the State of New York, hereinafter called the "Agency" or the "Owner" of the facility described in Addendum A hereto (the "Facility"), and the contractor or the subcontractor more particularly described on page 2 hereof (hereinafter, the "Contractor").

Pursuant to the authority granted to the Company as agent of the Agency, the Contractor is hereby appointed agent of said Agency for purposes of completing, executing or otherwise carrying out the obligations imposed under this Contract.

The Contractor acknowledges that the Agency holds title to or a leasehold interest in and owns the Company Facility and that said Agency is a public benefit corporation and governmental entity of the State of New York. By reason of such status, the Owner and its agents acting on its behalf are exempt from payment of all New York State and local sales and use taxes on the purchase or lease of all materials, equipment, goods, services and supplies incorporated into and made an integral component part of any structure, building or real property which becomes the property of the Owner, and all equipment, machinery and other tangible personal property (including installation costs with respect thereto) which becomes the property of the Owner. In addition, the Owner and its agents acting on its behalf are exempt from all sales and use taxes arising out of or connected with the following, as they relate to performance under this Contract: (i) purchases, leases, rentals and other uses of tools, machinery and equipment, and (ii) purchases, leases, rentals, uses or consumption of supplies, goods, materials and services of every kind and description; provided however, that exemption from sales and use taxes with respect to clauses (i) and (ii) above shall apply only if the Contractor is then acting as agent for the Owner under the terms of this Contract.

This sales tax letter 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.

Pursuant to these exemptions from sales and use taxes, the Contractor shall not include such taxes in its contract price, bid or reimbursable costs, as the case may be. If the Contractor does not comply with the requirements for sales and use tax exemptions, as described above, then it shall be responsible for and pay any and all applicable New York State sales and use taxes, and no portion thereof shall be charged or billed to the Owner or to the Company directly or indirectly, the intent of this Contract being that neither the Owner nor the Company shall be liable for any of the sales or use taxes described above. This Contract may be accepted by the Contractor in lieu of an exemption certificate and the Contractor shall retain a copy hereof to substantiate the sales and use tax exemption.

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, or (b) the date on which the Agency designates, or (c) the date on which the Company and/or ELM Freight Handlers Inc. (the "Sublessee") receives exemptions from sales
and use taxes in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $13,800; 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, and further provided that the Agency shall not unreasonably withhold its consent to the extension of such appointment.

The Owner shall have the right to assign this Contract to the Company by written notice to the Contractor and without written consent of the Contractor, in which case the Owner shall be relieved of all obligations hereunder. In the event of such assignment, all applicable sales and use taxes shall be added to the purchase price and paid to the Contractor pursuant to a change order. All of the above provisions with respect to exemptions for New York State and local sales and use taxes shall apply to all subcontractors and other parties in privity of contract with the Company, the Owner or the Contractor pursuant to the terms of this Contract.

OWNER:

BRENTWOOD STEEL, LLC
as Agent for and on behalf of the
Town of Islip Industrial
Development Agency

Insert name of Contractor or Subcontractor

By:__________________________
Name:________________________
Title:________________________

DATE:_______________________

By:__________________________
Name:________________________
Title:________________________

DATE:_______________________

xc: Town of Islip Industrial Development Agency
ADDENDUM A

DESCRIPTION OF THE COMPANY FACILITY

The Company Facility consists of (a) the acquisition of an approximately 31.5 acre parcel of land at 50 Emjay Boulevard, Brentwood, Town of Islip, Suffolk County, New York, and the renovation and equipping of an approximately 550,000 square foot building located thereon including, but not limited to equipment and supplies and the acquisition and installation of certain equipment not part of the Equipment (as such term is defined in Exhibit A to the Equipment Lease Agreement, to be dated a date to be determined (the “Equipment Lease Agreement”), between the Agency and the Sublessee), all to be leased by the Agency to the Company for further sublease by the Company to, and used by, the Sublessee.
EXHIBIT C-1

(To be copied on Agency letterhead and delivered to the Sublessee at time of Closing.)

_____________________, 2014

Joseph Conboy
ELM Freight Handlers Inc.
16 Julia Circle
Dix Hills, New York 11746

RE: Town of Islip Industrial Development Agency
(Brentwood Steel, LLC/ELM Freight Handlers Inc. 2014 Facility)

Dear Mr. Conboy:

Pursuant to resolutions duly adopted on March 18, 2014 and on [_______, 20____], the Town of Islip Industrial Development Agency (the “Agency”) appointed Brentwood Steel, LLC, a Delaware limited liability company authorized to transact business in the State of New York, on behalf of itself and/or the principals of Brentwood Steel, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”), and ELM Freight Handlers Inc. d/b/a ELM Global Logistics, a New York business corporation, on behalf of itself and/or the principals of ELM Freight Handlers Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Sublessee”), the true and lawful agent(s) of the Agency in connection with the Agency’s assistance in (a) the acquisition of an approximately 31.5 acre parcel of land at 50 Emjay Boulevard, Brentwood, Town of Islip, Suffolk County, New York (the “Land”), and the renovation and equipping of an approximately 550,000 square foot building located thereon including, but not limited to equipment and supplies (the “Improvements”) and the acquisition and installation of certain equipment not part of the Equipment (as such term is defined in Exhibit A to the Equipment Lease Agreement, to be dated a date to be determined (the “Equipment Lease Agreement”), between the Agency and the hereinafter defined Sublessee) (the “Facility Equipment”; and, together with the Land and Improvements, the “Company Facility”), all to be leased by the Agency to the Company for further sublease by the Company to, and used by the Sublessee and (b) the acquisition and installation of the Equipment (the “Equipment”), which Equipment is to be leased by the Agency to the Sublessee for use in its warehousing and logistics services for local and national companies (the Company Facility and the Equipment collectively referred to herein as the “Facility”).

This appointment of the Sublessee includes authority to purchase on behalf of the Agency all materials to be incorporated into and made an integral part of the Facility, and the following activities as they relate to any acquisition, renovation and equipping of any buildings,
whether or not any materials, equipment or supplies described below are incorporated into or become an integral part of such Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, renovation and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, renovation and equipping of the Facility, and (iii) all purchases, leases, rentals and uses of equipment, machinery and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Facility.

The agency appointment includes the power to delegate such agency appointment, in whole or in part, to agents, subagents, contractors, subcontractors, materialmen, suppliers and vendors of the Sublessee and to such other parties as the Sublessee may choose so long as it is engaged, directly or indirectly, in the activities hereinbefore described.

This agency appointment expressly excludes the purchase by 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.

In exercising this agency appointment the Sublessee and its agents, subagents, contractors and subcontractors should give the supplier or vendor a copy of this letter to show that the Sublessee and its subagents, contractors and subcontractors are each acting as agent for the Agency. The supplier or vendor should identify the Facility on each bill or invoice and indicate thereon that the Sublessee and its agents, subagents, contractors and subcontractors acted as agent for the Agency in making the purchase. You and each of your agents, subagents, contractors and/or subcontractors claiming a sales tax exemption in connection with the Facility must execute a copy of the Contract in Lieu of Exemption Certificate attached hereto, and must complete a New York State Department of Taxation and Finance Form ST-60. Original copies of each Contract in Lieu of Exemption Certificate and completed Form ST-60 must be delivered to the Agency within five (5) days of the appointment of each of your agents, subagents, contractors or subcontractors. Any agent, subagent, contractor or subcontractor of the Sublessee which delivers a completed Form ST-60 to the Agency will be deemed to be the agent, subagent, contractor or subcontractor of the Agency for purposes of acquiring, renovating and equipping the Facility. Failure to comply with these requirements may result in loss of sales tax exemptions for the Facility.

The aforesaid appointment of the Company and the Sublessee as agent(s) of the Agency to acquire, renovate and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, or (b) [________], or (c) the date on which the Company and/or the Sublessee receives exemptions from sales and use taxes in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $13,800; 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, and further provided that the Agency shall not unreasonably withhold its consent to the extension of such appointment.

You should be aware that the New York State General Municipal Law requires you to file an Annual Statement with the New York State Department of Taxation and Finance regarding the value of sales tax exemptions you, your agents, consultants or subcontractors have claimed pursuant to the authority we have conferred on you with respect to this Project. The penalty for failure to file such statement is the removal of your authority to act as an agent.

If, for some reason, this transaction never closes, you will be liable for payment of the sales tax, if applicable and you are not otherwise exempt, on all materials purchased.

Please sign and return a copy of this letter for our files.

Very truly yours,

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

By: ____________________________
William G. Mannix
Executive Director

ACCEPTED & AGREED:

ELM FREIGHT HANDLERS INC.

By: ____________________________
Name:
Title:
TO: All Contractors, Subcontractors, Suppliers and Vendors, etc. of ELM Freight Handlers Inc.

Attached please find a “Contract in Lieu of Exemption Certificate” (the “Contract”) which will serve as documentation for not charging ELM FREIGHT HANDLERS INC. (the “Sublessee”) for sales or use tax in connection with any purchase, lease, rental and other use of materials, equipment, goods, services or supplies at the facility owned by the TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY (the “Agency”) and described in Addendum A to the aforesaid Contract (the “Facility”).

Also attached is a letter signed by the Agency appointing the Sublessee as its agent for the purpose of acquiring, renovating and equipping the Facility. This letter authorizes the Sublessee to delegate its authority as agent of the Agency to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Sublessee may authorize.

In accordance with the authority granted to the Sublessee by the Agency, you are hereby appointed as agent of the Agency for the purpose of making purchases or leases of materials, equipment, goods, services and supplies to the Facility. Your appointment as agent of the Agency is contingent upon your completing the attached Form ST-60 and returning it to the Sublessee and the Form ST-60 then being filed by the Agency with the New York State Department of Taxation and Finance.

Very truly yours,

ELM FREIGHT HANDLERS INC.

By: _______________________
Name: _____________________
Title: ______________________

xc: Town of Islip Industrial Development Agency
CONTRACT IN LIEU OF EXEMPTION CERTIFICATE

This Contract is entered into by and among ELM FREIGHT HANDLERS INC. (the "Sublessee") as agent for and on behalf of the TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation and a governmental agency of the State of New York, hereinafter called the "Agency" or the "Owner" of the facility described in Addendum A hereto (the "Facility"), and the contractor or the subcontractor more particularly described on page 2 hereof (hereinafter, the "Contractor").

Pursuant to the authority granted to the Sublessee, as agent of the Agency, the Contractor is hereby appointed agent of said Agency for purposes of completing, executing or otherwise carrying out the obligations imposed under this Contract.

The Contractor acknowledges that the Agency holds title to or a leasehold interest in and owns the Facility and that said Agency is a public benefit corporation and governmental entity of the State of New York. By reason of such status, the Owner and its agents acting on its behalf are exempt from payment of all New York State and local sales and use taxes on the purchase or lease of all materials, equipment, goods, services and supplies incorporated into and made an integral component part of any structure, building or real property which becomes the property of the Owner, and all equipment, machinery and other tangible personal property (including installation costs with respect thereto) which becomes the property of the Owner. In addition, the Owner and its agents acting on its behalf are exempt from all sales and use taxes arising out of or connected with the following, as they relate to performance under this Contract: (i) purchases, leases, rentals and other uses of tools, machinery and equipment, and (ii) purchases, leases, rentals, uses or consumption of supplies, goods, materials and services of every kind and description; provided however, that exemption from sales and use taxes with respect to clauses (i) and (ii) above shall apply only if the Contractor is then acting as agent for the Owner under the terms of this Contract.

This sales tax letter expressly excludes the purchase by 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.

Pursuant to these exemptions from sales and use taxes, the Contractor shall not include such taxes in its contract price, bid or reimbursable costs, as the case may be. If the Contractor does not comply with the requirements for sales and use tax exemptions, as described above, then it shall be responsible for and pay any and all applicable New York State sales and use taxes, and no portion thereof shall be charged or billed to the Owner or to the Sublessee directly or indirectly, the intent of this Contract being that neither the Owner nor the Sublessee shall be liable for any of the sales or use taxes described above. This Contract may be accepted by the Contractor in lieu of an exemption certificate and the Contractor shall retain a copy hereof to substantiate the sales and use tax exemption.

The aforesaid appointment of the Sublessee as agent(s) of the Agency to acquire, renovate and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, or (b) the date on which the Agency designates, or (c) the date on which Brentwood Steel, LLC (the "Company") and/or the Sublessee receives exemptions from sales
and use taxes in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $13,800; 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, and further provided that the Agency shall not unreasonably withhold its consent to the extension of such appointment.

The Owner shall have the right to assign this Contract to the Sublessee by written notice to the Contractor and without written consent of the Contractor, in which case the Owner shall be relieved of all obligations hereunder. In the event of such assignment, all applicable sales and use taxes shall be added to the purchase price and paid to the Contractor pursuant to a change order. All of the above provisions with respect to exemptions for New York State and local sales and use taxes shall apply to all subcontractors and other parties in privity of contract with the Sublessee, the Owner or the Contractor pursuant to the terms of this Contract.

OWNER:

Insert name of Contractor or Subcontractor

By: __________________________
Name: ________________________
Title: _________________________

DATE: _________________________

ELM FREIGHT HANDLERS INC.

as Agent for and on behalf of the
Town of Islip Industrial
Development Agency

By: __________________________
Name: ________________________
Title: _________________________

DATE: _________________________

xc: Town of Islip Industrial Development Agency
ADDENDUM A

DESCRIPTION OF THE FACILITY

The Facility consists of (a) the acquisition of an approximately 31.5 acre parcel of land at 50 Emjay Boulevard, Brentwood, Town of Islip, Suffolk County, New York, and the renovation and equipping of an approximately 550,000 square foot building located thereon including, but not limited to equipment and supplies and the acquisition and installation of certain equipment not part of the Equipment (as such term is defined in Exhibit A to the Equipment Lease Agreement, to be dated a date to be determined (the “Equipment Lease Agreement”), between the Agency and the Sublessee), all to be leased by the Agency to the Company for further sublease by the Company to, and used by, the Sublessee and (b) the acquisition and installation of the Equipment, which Equipment is to be leased by the Agency to the Sublessee for use in its warehousing and logistics services for local and national companies.
EXHIBIT D

Form of Proposed PILOT Benefits

Formula for In-Lieu-of-Taxes Payment: 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), Brentwood UFSD School District, Suffolk County and Appropriate Special Districts

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RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD AUTHORIZING THE EXTENSION OF THE EXPIRATION OF A CERTAIN SALES TAX LETTER FOR BRIAD LODGING GROUP CENTRAL ISLIP, LLC 2012 FACILITY (A/K/A BRIAD DEVELOPMENT EAST, LLC FACILITY), AND THE EXECUTION OF RELATED DOCUMENTS.

WHEREAS, pursuant to resolutions adopted on October 25, 2011 and January 17, 2012, the Town of Islip Industrial Development Agency (the “Agency”) appointed Briad Lodging Group Central Islip, LLC, a New York limited liability company, on behalf of itself and/or the principals of Briad Lodging Group Central Islip, LLC and/or an entity formed or to be formed on behalf of the foregoing and Briad Development East, LLC, a New York limited liability company, on behalf of itself and/or the principals of Briad Development East, LLC and/or an entity formed or to be formed on behalf of the foregoing (collectively, the “Company”) the true and lawful agent of the Agency in connection with the Agency’s assistance in the acquisition of an approximately 3.46 acre parcel of land located at the northeast corner of Carleton Avenue and Courthouse Drive, Central Islip, New York (more specifically identified as tax map number 0500-207.00-01.00-003.056) (the “Land”) and the construction and equipping of an approximately 95,205 square foot 4-story, 125 room, all-suite extended stay hotel to be located thereon, including, but not limited to, a fitness center, conference rooms, a business center, a pool and additional parking spaces, together with the acquisition and installation of furniture, fixtures and equipment (the “Improvements” and “Equipment”), to be 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, in connection with that appointment, the Agency delivered a Sales Tax Letter, dated January 17, 2012 (the “Original Sales Tax Letter”), to the Company, the terms of which Original Sales Tax Letter included an expiration date of January 17, 2013; and

WHEREAS, the Agency previously extended the expiration date of the Original Sales Tax Letter pursuant to a Sales Tax Letter, dated January 17, 2013 (the “Second Sales Tax Letter”), to the Company, the terms of which Second Sales Tax Letter included an expiration date of December 31, 2013; and

WHEREAS, in order to complete the costs of the acquisition, construction and equipping of the Facility the Company has now requested that the Agency extend the expiration date of the Second Sales Tax Letter to provide for an expiration date of June 30, 2014 and to increase the amount of exemptions from sales and use tax by $25,000.00 (the “Extension”); and

NOW, THEREFORE, BE IT RESOLVED by the Town of Islip Industrial Development Agency (a majority of the members thereof affirmatively concurring) as follows:
Section 1. The Agency hereby approves the Extension and the aforesaid appointment of the Company as agent of the Agency to acquire, construct and equip the Facility shall now expire at the earlier of (a) the completion of such activities and improvements, (b) June 30, 2014, or (c) the date on which the Company receives exemptions from sales and use taxes in the amount of $25,000 in connection with the purchase or lease of equipment, building materials, services or other personal property authorized under the Lease Agreement (which such amount is in addition to those amounts previously authorized by a certain Sales Tax Letter, dated January 17, 2012 and a certain Sales Tax Letter, dated January 13, 2013); 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, and further provided that the Agency shall not unreasonably withhold its consent to the extension of such appointment.

Section 2. In consequence of the foregoing, the Agency hereby (i) approves the Extension, (ii) approves the form and substance of a new Sales Tax Letter to the Company (the “Sales Tax Extension Letter”) (substantially in the form attached hereto as Exhibit A), and (iii) authorizes the execution and delivery of the Sales Tax Extension Letter such other related documents as may be necessary or appropriate to effect the Extension.

Section 3. Counsel to the Agency and Nixon Peabody LLP, Transaction Counsel to the Agency are hereby authorized and directed to prepare, for submission to the Agency, the Sales Tax Extension Letter and all documents necessary to effect the Extension described in the foregoing resolution.

Section 4. The Chairman, the Executive Director and any member of the Agency are each 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 5. This resolution shall take effect immediately.
STATE OF NEW YORK

COUNTY OF SUFFOLK

I, the undersigned 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 March 18th, 2014, at Town of Islip, Offices of Economic Development, 40 Nassau Avenue, Islip, New York 11751, at which the following members were:

Present:
Recused:
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  Voting Nay

and, therefore, the resolution was declared duly adopted.
I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), 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 the 18th day of March, 2014.

[Signature]

Secretary
EXHIBIT A

(Agency letterhead)

March [__], 2014

Brad Honigfeld, Chief Executive Officer
Briad Lodging Group Central Islip, LLC
Briad Development East, LLC
78 Okner Parkway
Livingston, New Jersey 07039

RE: Town of Islip Industrial Development Agency
   (Briad Lodging Group Central Islip, LLC 2012 Facility)
   (Briad Development East, LLC Facility)

Dear Mr. Honigfeld:

Pursuant to resolutions duly adopted on October 25, 2011 and January 17, 2012, the Town of Islip Industrial Development Agency (the “Agency”) appointed Briad Lodging Group Central Islip, LLC, a New York limited liability company, on behalf of itself and/or the principals of Briad Lodging Group Central Islip, LLC and/or an entity formed or to be formed on behalf of the foregoing and Briad Development East, LLC, a limited liability company, on behalf of itself and/or the principals of Briad Development East, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”) the true and lawful agent of the Agency in connection with the acquisition of an approximately 3.46 acre parcel of land located at the northeast corner of Carleton Avenue and Courthouse Drive, Central Islip, New York (more specifically identified as tax map number 0500-207.00-01.00-003.056) (the “Land”) and the construction and equipping of an approximately 95,205 square foot 4-story, 125 room, all-suite extended stay hotel to be located thereon, including, but not limited to, a fitness center, conference rooms, a business center, a pool and additional parking spaces, together with the acquisition and installation of furniture, fixtures and equipment (the “Improvements” and “Equipment”), to be 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”).

This appointment shall be effective as of the date of the sales tax letter and includes authority to purchase on behalf of the Issuer all materials to be incorporated into and made an integral part of the Facility, and the following activities as they relate to any construction, erection, renovation, equipping and completion of any buildings, whether or not any materials, equipment or supplies described below are incorporated into or become an integral part of such Facility: (i) all purchases, leases, rentals and other uses of tools, machinery,
computers and equipment in connection with the acquisition, renovation and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, renovation and equipping of the Facility, and (iii) all purchases, leases, rentals and uses of equipment, machinery, computers and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Facility.

This agency appointment includes the power to delegate such agency appointment, in whole or in part, to agents, subagents, contractors, subcontractors, materialmen, suppliers and vendors of the Company and to such other parties as the Company may choose so long as it is engaged, directly or indirectly, in the activities hereinbefore described.

This agency appointment expressly excludes the Company from purchasing any motor vehicles, including cars, trucks, vans or buses which are licensed by the Department of Motor Vehicles for use on public highways or streets.

In exercising this agency appointment, the Company and its agents, subagents, contractors and subcontractors should give the supplier or vendor a copy of this letter to show that the Company and its agents, subagents, contractors and subcontractors are each acting as agent for the Issuer. The supplier or vendor should identify the Facility on each bill or invoice and indicate thereon that the Company and its agents, subagents, contractors and subcontractors acted as agent for the Issuer in making the purchase. You and each of your agents, subagents, contractors and/or subcontractors claiming a sales tax exemption in connection with the Facility must execute a copy of the Contract in Lieu of Exemption Certificate attached hereto, and must complete a New York State Department of Taxation and Finance Form ST-60. Original copies of each Contract in Lieu of Exemption Certificate and completed Form ST-60 must be delivered to the Issuer within five (5) days of the appointment of each of your agents, subagents, contractors or subcontractors. Any agent, subagent, contractor or subcontractor of the Company which delivers a completed Form ST-60 to the Issuer will be deemed to be the agent, subagent, contractor or subcontractor of the Issuer for purposes of acquiring, constructing and equipping the Facility. Failure to comply with these requirements may result in loss of sales tax exemptions for the Facility.

The aforesaid appointment of the Company as agent of the Issuer to acquire, construct and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, or (b) June 30, 2014, or (c) the date on which the Company receives exemptions from sales and use taxes in the amount of $25,000 in connection with the purchase or lease of equipment, building materials, services or other personal property authorized under the Lease Agreement (which such amount is in addition to those amounts previously authorized by a certain Sales Tax Letter, dated January 17, 2012 and a certain Sales Tax Letter, dated January 13, 2013); provided, however, such appointment may be
extended at the discretion of the Issuer, upon the written request of the Company if such activities and improvements are not completed by such time, and further provided that the Issuer shall not unreasonably withhold its consent to the extension of such appointment.

You should be aware that the New York State General Municipal Law requires you to file an Annual Statement with the New York State Department of Taxation and Finance regarding the value of sales tax exemptions you, your agents, consultants or subcontractors have claimed pursuant to the authority we have conferred on you with respect to this Project. The penalty for failure to file such statement is the removal of your authority to act as an agent.

(Remainder of Page Intentionally left Blank – Signature Page Follows)
Briad Lodging Group Central Islip, LLC
Briad Development East, LLC
March [___], 2014
Page 3

Please sign and return a copy of this letter for our files.

Very truly yours,

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

By: __________________________
Name: Frederick E. Parola
Title: Executive Director and Chief Executive Officer

ACCEPTED & AGREED:

BRIAD DEVELOPMENT EAST, LLC

By: __________________________
Name:
Title:

BRIAD LODGING GROUP CENTRAL ISLIP, LLC

By: __________________________
Name:
Title:
TO: All Contractors, Subcontractors, Suppliers and Vendors, etc. of Briad Lodging Group Central Islip, LLC
Briad Development East, LLC

Attached please find a “Contract in Lieu of Exemption Certificate” (the “Contract”) which will serve as documentation for not charging BRIAD LODGING GROUP CENTRAL ISLIP, LLC, a New York limited liability company or BRIAD DEVELOPMENT EAST, LLC (collectively, the “Company”) for sales or use tax in connection with any purchase, lease, rental and other use of materials, equipment, goods, services or supplies at the facility owned by the TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY (the “Agency”) and described in Addendum A to the aforesaid Contract (the “Facility”).

Also attached is a letter signed by the Agency appointing the Company its agents for the purpose of acquiring, constructing and equipping the Facility. This letter authorizes the Company to delegate its authority as agents of the Issuer to their respective agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company may authorize.

In accordance with the authority granted to the Company by the Agency, you are hereby appointed as agent of the Agency for the purpose of making purchases or leases of materials, equipment, goods, services and supplies to the Facility. Your appointment as agent of the Agency is contingent upon your completing the attached Form ST-60 and returning it to the Company and the Form ST-60 then being filed by the Issuer with the New York State Department of Taxation and Finance.

Very truly yours,

BRIAD DEVELOPMENT EAST, LLC

By: ____________________________
Name:
Title:

BRIAD LODGING GROUP CENTRAL ISLIP, LLC

By: ____________________________
Name:
Title:

xc: Town of Islip Industrial Development Agency
CONTRACT IN LIEU OF EXEMPTION CERTIFICATE

This Contract is entered into by and among BRIAD LODGING GROUP CENTRAL ISLIP, LLC, a New York limited liability company or BRIAD DEVELOPMENT EAST, LLC (collectively, the "Company") as agent for and on behalf of the TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation and a governmental agency of the State of New York, hereinafter called the "Agency" or the "Owner" of the facility described in Addendum A hereto (the "Facility"), and the contractor or the subcontractor more particularly described on page 2 hereof (hereinafter, the "Contractor").

Pursuant to the authority granted to the Company, as agent of the Agency, the Contractor is hereby appointed agent of said Agency for purposes of completing, executing or otherwise carrying out the obligations imposed under this Contract.

The Contractor acknowledges that the Agency holds title to or a leasehold interest in the Facility and that said Agency is a public benefit corporation and governmental entity of the State of New York. By reason of such status, the Owner and its agents acting on its behalf are exempt from payment of all New York State and local sales and use taxes on the purchase or lease of all materials, equipment, goods, services and supplies incorporated into and made an integral component part of any structure, building or real property which becomes the property of the Owner, and all equipment, machinery and other tangible personal property (including installation costs with respect thereto) which becomes the property of the Owner. In addition, the Owner and its agents acting on its behalf are exempt from all sales and use taxes arising out of or connected with the following, as they relate to performance under this Contract: (i) purchases, leases, rentals and other uses of tools, machinery, computer and equipment, and (ii) purchases, leases, rentals, uses or consumption of supplies, goods, materials, computers and services of every kind and description; provided, however, that exemption from sales and use taxes with respect to clauses (i) and (ii) above shall apply only if the Contractor is then acting as agent for the Owner under the terms of this Contract.

These exemptions expressly prohibit the Company from purchasing any motor vehicles, including cars, trucks, vans or buses which are licensed by the Department of Motor Vehicles for use on public highways or streets.

Pursuant to these exemptions from sales and use taxes, the Contractor shall not include such taxes in its contract price, bid or reimbursable costs, as the case may be. If the Contractor does not comply with the requirements for sales and use tax exemptions, as described above, then it shall be responsible for and pay any and all applicable New York State sales and use taxes, and no portion thereof shall be charged or billed to the Owner or to the Company directly or indirectly. the intent of this Contract being that neither the Owner nor the Company shall be liable for any of the sales or use taxes described above. This Contract may be accepted by the Contractor in lieu of an exemption certificate and the Contractor shall retain a copy hereof to substantiate the sales and use tax exemption.
The aforesaid appointment of the Company as agent of the Issuer to acquire, construct and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, (b) June 30, 2014, or (c) the date on which the Company receives exemptions from sales and use taxes in the amount of $25,000 in connection with the purchase or lease of equipment, building materials, services or other personal property authorized under the Lease Agreement (which such amount is in addition to those amounts previously authorized by a certain Sales Tax Letter, dated January 17, 2012 and a certain Sales Tax Letter, dated January 13, 2013); provided, however, such appointment may be extended at the discretion of the Issuer, upon the written request of the Company if such activities and improvements are not completed by such time, and further provided that the Issuer shall not unreasonably withhold its consent to the extension of such appointment.

The Owner shall have the right to assign this Contract to the Company by written notice to the Contractor and without written consent of the Contractor, in which case the Owner shall be relieved of all obligations hereunder. In the event of such assignment, all applicable sales and use taxes shall be added to the purchase price and paid to the Contractor pursuant to a change order. All of the above provisions with respect to exemptions for New York State and local sales and use taxes shall apply to all subcontractors and other parties in privity of contract with the Company and/or the Sublessee, the Owner or the Contractor pursuant to the terms of this Contract.

OWNER:

BRIAD DEVELOPMENT EAST, LLC
as Agent for and on behalf of
the Town of Islip Industrial Development Agency

By: ___________________________
Name: _________________________
Title: __________________________
DATE: _________________________

BRIAD DEVELOPMENT EAST, LLC
as Agent for and on behalf of
the Town of Islip Industrial Development Agency

By: ___________________________
Name: _________________________
Title: __________________________
DATE: _________________________

xc: Town of Islip Industrial Development Agency
ADDENDUM A

DESCRIPTION OF THE FACILITY

The Facility consists of the acquisition of an approximately 3.46 acre parcel of land located at the northeast corner of Carleton Avenue and Courthouse Drive, Central Islip, New York (more specifically identified as tax map number 0500-207.00-01.00-003.056) and the construction and equipping of an approximately 95,205 square foot 4-story, 125 room, all-suite extended stay hotel to be located thereon, including, but not limited to, a fitness center, conference rooms, a business center, a pool and additional parking spaces, together with the acquisition and installation of furniture, fixtures and equipment to provide a full range of services to the business and leisure traveler visiting the Town of Islip.
At a meeting of the Town of Islip Industrial Development Agency (the "Agency") held on the 18th day of March, 2014, 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 the ZTA Rental Properties, L.P. 2013 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 THE ZTA RENTAL PROPERTIES, L.P. 2013 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, ZTA Rental Properties, L.P., a limited partnership duly organized and validly existing under the laws of the State of New York, having an address 1 Executive Drive, Edgewood, New York 11717 (the “Company”), has previously entered into a transaction with the Agency in which the Agency assisted in the acquisition, renovation and equipping of approximately 9.3 acres of land at 110 Wilshire Boulevard in the Heartland Business Center in Edgewood/Brentwood, Town of Islip, Suffolk County, New York (“the Land”), and the construction and equipping of an approximately 150,000 square foot warehouse/light manufacturing building located thereon with approximately 26.0 foot high ceilings under steel located thereon (collectively, the “Improvements”; and, together with the Land, the “Facility”) to be leased by the Agency to the Company for further sublease by the Company to future tenants; and

WHEREAS, the Agency currently leases the Facility from the Company pursuant to a certain Company Lease Agreement, dated as of November 1, 2013 (the “Company Lease Agreement”), by and between the Company, as lessee, and the Agency, as lessor; and

WHEREAS, the Agency currently subleases the Facility to the Company pursuant to a certain Lease Agreement, dated as of November 1, 2013, (the “Lease Agreement”), by and between the Agency, as lessor, and the Company, as lessee; and

WHEREAS, the Company is now in negotiations to sublease the Facility, for a term of five (5) years to U.S. Alliance Paper, Inc., a New York business corporation (the “Sublessee”), to be used in its business as a manufacturer, warehouse and distributor of consumer tissue products, including, but not limited to paper towels, napkins and facial tissues, initially housing approximately forty (40) employees; and

WHEREAS, the Company has requested that the Agency consent to the subleasing of the Facility to the Sublessee; 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 Agency Compliance Agreement, to be dated a date to be determined, between the Agency and the Sublessee (the “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 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 subleasing of the Facility to the Sublessee 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 sublease of the Facility to the Sublessee; and

(d) The execution of the Agency Compliance Agreement will satisfy the requirement of Section 9.3 of the Lease Agreement that any sublease 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 sublease of the Facility and to enter into the Agency Compliance Agreement.

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

Section 3. The form and substance of the 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, or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Agency Compliance Agreement in the form the Chairman, Vice Chairman, 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, 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, or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Vice Chairman, 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 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 18th day of March, 2014, 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 18th day of March, 2014.

By_________________________________
Secretary