MEETING OF THE TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
December 1, 2015
Agenda

1. Call the meeting of the Town of Islip Industrial Development Agency to order.

2. To approve the minutes from the meeting of the Town of Islip Industrial Development Agency on November 17, 2015.

3. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and SUNation Solar Systems, located at 171 Remington Boulevard, Ronkonkoma.

4. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and Prime Eleven Tower LLC/Pod Enterprises LLC located at 555 Prime Place, Hauppauge.

5. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and Hemisphere Trading of NY LLC/42 Windsor Place, Inc, located at 42 Windsor Place, Central Islip.

6. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and N & G Realty, Piping Rock Health Products and Zoom North America LLC, consenting to subleases and sales tax benefits, located at 2040 Express Drive South, Hauppauge.

7. To consider the adoption of a Resolution between the Town of Islip Industrial Development Agency and HSRE-EB Sayville, LLC 2015 facility approving the mortgage refinancing for Engel Burman at Sayville, LLC located at 115-121 Lakeland Avenue, Sayville.

8. To consider any other business that may come before the Agency.
1. The Meeting of the Town of Islip Industrial Development Agency was called to order on a motion by Councilman Senft and seconded by Councilman Cochrane. All members were present and the Chairwoman acknowledged a quorum.

2. To approve the minutes from the Meeting of the Members of the Town of Islip Industrial Development Agency on October 26, 2015. On a motion by Councilman Senft and seconded by Councilwoman Bergin Weichbrodt, said Minutes were approved unanimously.

3. To consider the adoption of an Inducement Resolution between of the Town of Islip Industrial Development Agency and SUNation Solar Systems, located at 171 Remington Boulevard Ronkonkoma. On a motion by Councilwoman Bergin Weichbrodt and seconded by Councilman Cochrane, said resolution was approved unanimously.

4. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and Prime Eleven Tower, LLC/Prime Enterprises, LLC located at 555 Prime Place, Hauppauge. On a motion by Supervisor Carpenter and seconded by Councilman Cochrane, said resolution was approved unanimously.

5. To consider the adoption of a Resolution between the Town of Islip Industrial Development Agency and Wesco Distribution/Prime Eleven, LLC consenting to the release of a portion of the Land and amending the legal description to the transaction documents. On a motion by Councilman Senft and seconded by Councilwoman Bergin Weichbrodt, said resolution was approved unanimously.

6. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and Hemisphere Trading of NY, LLC/42 Windsor Place, Inc. located at 42 Windsor Place, Central Islip. On a motion by Councilwoman Bergin Weichbrodt and seconded by Councilman Cochrane, said resolution was approved unanimously.

7. To consider the adoption of a Resolution consenting to a sublease and authorizing an increase in sales and use tax benefits for Perfume Center of America, located at 2020 Ocean Avenue, Ronkonkoma. On a motion by Councilman Flotteron and seconded by Councilwoman Bergin Weichbrodt, said resolution was approved unanimously.

8. To consider the adoption of a Resolution authorizing the mortgage refinancing for Briad Lodging CI 2, LLC 2015 Facility, located on Carleton Avenue in Central Islip. On a
motion by Councilman Senft and seconded by Councilman Flotteron, said resolution was approved unanimously.

9. To consider the adoption of a Resolution pertaining to the consent to a declaration of covenants and restrictions, a sewer easement and a connection agreement related to the Sunrise Business Center, located at 3500 Sunrise Highway, Great River. On a motion by Councilman Cochrane and seconded by Councilwoman Bergin Weichbrodt, said resolution was approved unanimously.

10. To consider the adoption of a resolution to terminate the IDA benefits for Reiko Wireless, located on Carleton Avenue, Central Islip. On a motion by Councilman Flotteron and seconded by Councilwoman Bergin Weichbrodt, said resolution was approved unanimously.

11. The November 17, 2015 meeting of the IDA Board was adjourned on a motion by Councilman Cochrane and seconded by Councilman Flotteron.
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 1st day of December, 2015 the following members of the Agency were:

Present:

Absent:

Also Present:

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to acquisition of title to, or an interest in, a certain industrial development facility more particularly described below (171 Remington LLC/SUNation Solar Systems, Inc. 2015 Facility) and the leasing of the facility to 171 Remington LLC for further sublease to SUNation Solar Systems, Inc.

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

Voting Aye

Voting Nay
AGENDA ITEM # 3

TYPE OF RESOLUTION: AUTHORIZING RESOLUTION

COMPANY: SUNATION SOLAR SYSTEMS

PROJECT LOCATION: 171 REMINGTON BLVD, RONKONKOMA

JOBS (RETAINED/CREATED): 64/31

INVESTMENT: 2.39M
RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ACQUISITION, RENOVATION AND EQUIPPING OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY TO BE LEASED TO 171 REMINGTON LLC, A NEW YORK LIMITED LIABILITY COMPANY AND TO BE SUBLLEASED TO SUNATION SOLAR SYSTEMS, INC., A NEW YORK BUSINESS CORPORATION AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS.

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

WHEREAS, 171 Remington LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of 171 Remington LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”) and SUNation Solar Systems, Inc., a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of SUNation Solar Systems, Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Sublessee”), have applied to enter into a transaction in which the Agency will assist in (a) the acquisition of an approximately 1.36 acre parcel of land located at 171 Remington Boulevard, Ronkonkoma, New York (the “Land”), the renovation of an approximately 20,000 square foot building located thereon (the “Improvements”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “Facility Equipment”; and, together with the Land and the Improvements, the “Company Facility”), which Company Facility is to be leased and subleased by the Agency to the Company and further subleased by the Company to the Sublessee, and (b) the acquisition and installation of certain equipment and personal property including, but not limited to office furniture, warehouse equipment, forklifts, enterprise resource planning software and a barcode scanning system (collectively, the “Equipment”), which Equipment is to be leased by the Agency to the Sublessee (the Company Facility and the Equipment are collectively referred to herein as the “Facility”), and which Facility is to be used by the Sublessee as office and warehouse space in its business as a custom solar sales, design and installation company, including the following as they relate to the appointment of the Company and the Sublessee as agent(s) of the Agency 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, 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; and

WHEREAS, the Agency will acquire a leasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of December 1, 2015 or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the “Company Lease”), by and between the Company and the Agency; and

WHEREAS, the Agency will sublease and lease the Company Facility to the Company pursuant to a certain Lease Agreement, dated as of December 1, 2015 or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the “Lease Agreement”), by and between the Agency and the Company; and

WHEREAS, the Agency will lease the Equipment to the Sublessee pursuant to a certain Equipment Lease Agreement, dated as of December 1, 2015 or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the “Equipment Lease Agreement”), by and between the Agency and the Sublessee; and

WHEREAS, 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 mortgage recording taxes for one or more mortgages securing the principal amount presently estimated to be $2,151,000 but not to exceed $3,000,000 in connection with the financing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed $31,500, in connection with the purchase or lease of equipment, building materials, services or other personal property, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A 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; and

WHEREAS, in order to define the Company and the Sublessee’s obligations regarding payments-in-lieu-of taxes with respect to the Facility, the Agency, the Company and the Sublessee will enter into a certain Payment-in-Lieu-of-Tax Agreement, dated as of December 1, 2015, or such date as may be determined by the Chairman or Executive Director of the Agency and counsel to the Agency (the “PILOT Agreement”), pursuant to which the Company and the Sublessee will make payments-in-lieu-of-taxes on the Facility; and

WHEREAS, in connection with the leasing and the subleasing of the Facility, the Agency, the Company and the Sublessee will enter into a certain Recapture Agreement, dated as of December 1, 2015 or such date as may be determined by the Chairman or
Executive Director of the Agency and counsel to the Agency (the “Recapture Agreement”), by and among the Agency, the Company and the Sublessee; and

WHEREAS, as security for a loan or loans, the Agency and the Company will execute and deliver to a lender or lenders not yet determined (collectively, the “Lender”), a mortgage or mortgages, and such other loan documents satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably required by the Lender, to be dated a date to be determined, in connection with the financing, any refinancing or permanent financing of the costs of the acquisition, renovation and equipping of the Facility (collectively, the “Loan Documents”); and

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

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

Section 1. The Agency hereby finds and determines:

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

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

(c) The acquisition, renovation and equipping of the Company Facility, the leasing of the Company Facility to the Company, the subleasing of the Company Facility by the Company to the Sublessee, and the acquisition and installation of the Equipment and the leasing of the Equipment to the Sublessee will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of Town of Islip, and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(d) The acquisition, renovation and equipping of the Facility is reasonably necessary to induce the Company and the Sublessee to maintain and expand their respective business operations in the State of New York; and

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

(f) The Facility and the operations conducted therein do not have a significant effect on the environment, as determined in accordance with Article 8 of the Environmental Conservation Law of the State of New York and the regulations promulgated thereunder; and
(g) It is desirable and in the public interest for the Agency to lease and sublease the Company Facility to the Company and to lease the Equipment to the Sublessee; and

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

(i) The Lease Agreement will be an effective instrument whereby the Agency leases and subleases the Company Facility to the Company; and

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

(k) The PILOT Agreement will be an effective instrument whereby the Agency, the Company and the Sublessee set forth the terms and conditions of their agreement regarding the Company's and the Sublessee's payments in lieu of real property taxes; and

(l) The Recapture Agreement will be an effective instrument whereby the Agency, the Company and the Sublessee agree to provide for the obligations of the Company and the Sublessee under the Transaction Documents (as defined in the Lease Agreement) and describe the circumstances in which the Agency may recapture some or all of the benefits granted to the Company and the Sublessee; and

(m) The Environmental Compliance and Indemnification Agreement, dated as of December 1, 2015 or such other date as may be determined by the Chairman or the Executive Director of the Agency and counsel to the Agency (the “Environmental Compliance and Indemnification Agreement”), by and among the Agency, the Company and the Sublessee will be an effective instrument whereby the Company and the Sublessee agree to comply with all Environmental Laws (as defined therein) applicable to the Facility and will indemnify and hold harmless the Agency for all liability under all such Environmental Laws; and

(n) The Agency Compliance Agreement, dated as of December 1, 2015 or such other date as may be determined by the Chairman or the Executive Director of the Agency and counsel to the Agency (the “Agency Compliance Agreement”), between the Agency and the Sublessee will be an effective instrument whereby the Sublessee will provide certain assurances to the Agency with respect to the Lease Agreement.

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

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) lease the Land and the Improvements from the Company pursuant to the Company Lease, (ii) execute, deliver and perform the Company Lease, (iii) lease and sublease the Company Facility to the Company pursuant to the Lease Agreement, (iv) execute, deliver and perform the Lease Agreement, (v) lease the Equipment to the Sublessee pursuant to the Equipment Lease Agreement, (vi) execute, deliver and perform the Equipment Lease Agreement, (vii) execute, deliver and perform the PILOT Agreement, (viii) execute, deliver and perform the
Recapture Agreement, (ix) execute and deliver the Environmental Compliance and Indemnification Agreement, (x) execute and deliver the Agency Compliance Agreement, (xi) grant a mortgage on and security interests in and to the Facility pursuant to the Loan Documents, and (xii) execute, deliver and perform the Loan Documents to which the Agency is a party.

Section 3. The Agency is hereby authorized to acquire the real property and personal property described in Exhibit A and Exhibit B, respectively, to the Lease Agreement, the personal property described in Exhibit A to the Equipment Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 4. The Agency is hereby authorized to acquire the Facility and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed. The Agency is hereby further authorized to execute and deliver the Loan Documents in connection with the financing of the costs of acquiring, renovating and equipping the Facility and any future Loan Documents in connection with any future refinancing or permanent financing of such costs of acquiring, renovating and equipping of the Facility without the need for any further or future approvals of the Agency.

Section 5. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company and the Sublessee in connection with the acquisition, renovation and equipping of the Facility in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing the principal amount presently estimated to be $2,151,000 but not to exceed $3,000,000 in connection with the financing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed $31,500, in connection with the purchase or lease of equipment, building materials, services or other personal property, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereto)., consistent with the policies of the Agency.

Section 6. Subject to the provisions of this resolution, the Company and the Sublessee are herewith and hereby appointed the agents of the Agency to acquire, renovate and equip the Facility. The Company and the Sublessee are hereby empowered to delegate their respective status as agent of the Agency to their respective agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company and the Sublessee may choose in order to acquire, renovate and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company and the Sublessee as agents of the Agency solely for purposes of making sales or leases of goods, services and supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company and the Sublessee, as agents of the Agency, shall be deemed to be on behalf of the Agency and for the benefit of the Facility. This agency appointment expressly excludes the purchase by the Company and the Sublessee of any motor vehicles,
including any cars, trucks, vans or buses which are licensed by the Department of Motor
Vehicles for use on public highways or streets. The Company and the Sublessee shall
indemnify the Agency with respect to any transaction of any kind between and among the
agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the
Company and the Sublessee, as agent of the Agency. The aforesaid appointment of the
Company and the Sublessee as agents of the Agency to acquire, renovate and equip the
Facility shall expire at the earlier of (a) the completion of such activities and improvements,
(b) a date which the Agency designates, or (c) the date on which the Company and/or the
Sublessee have received a total of exemptions from sales and use taxes in an amount of
$31,500, in connection with the purchase or lease of equipment, building materials, services
or other personal property; provided however, such appointment may be extended at the
discretion of the Agency, upon the written request of the Company and/or the Sublessee if
such activities and improvements are not completed by such time. The aforesaid
appointment of the Company and the Sublessee is subject to the execution of the documents
contemplated by this resolution.

Section 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 Authorizing Resolution is subject to
termination and recapture of benefits pursuant to Section 875 of the Act and the Recapture
Agreement.

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

Section 9.

(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 Company
Lease, the Lease Agreement, the Equipment Lease Agreement, the PILOT Agreement, the
Recapture Agreement, the Environmental Compliance and Indemnification Agreement, the
Agency Compliance Agreement and the Loan Documents to which the Agency is a party, all
in substantially the forms thereof presented to this meeting with such changes, variations,
omissions and insertions as the Chairman, Vice Chairman, Executive Director or any
member of the Agency shall approve, and such other related documents as may be, in the
judgment of the Chairman and counsel to the Agency, necessary or appropriate to effect the
transactions contemplated by this resolution (hereinafter collectively called the "Agency
Documents"). The execution thereof by the Chairman, Vice Chairman, Executive Director
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 10. 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 11. 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 1st day of December, 2015, 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 1st day of December, 2015.

By: ____________________________
    Assistant Secretary
EXHIBIT A

Form of Proposed PILOT Benefits

Formula for payments-in-lieu-of-taxes: Town of Islip, (including any existing incorporated village and any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), Connetquot School District, Suffolk County and Appropriate Special Districts

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

Payment Formula

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AGENDA ITEM # 4

TYPE OF RESOLUTION: AUTHORIZING RESOLUTION

COMPANY: PODS/PRIME ELEVEN

PROJECT LOCATION: 555 PRIME PLACE, HAUPPAUGE

JOBS (RETAINED/CREATED): 9/4

INVESTMENT: 7.2M
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 1st day of December, 2015 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 amendment and modification of a certain industrial development facility more particularly described below (Prime Eleven Tower, LLC/Pods Enterprises, LLC 2015 Facility) and the continued leasing of the facility to Prime Eleven Tower, LLC for further sublease to Pods Enterprises, LLC.

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

Voting Aye Voting Nay
RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY Approving the Amendment of Documents, Consenting to the Subleasing of a Portion of the Facility and Authorizing Additional Benefits All Related to a Certain Industrial Development Facility Leased to Prime Eleven Tower, LLC, a New York Limited Liability Company and to be Subleased to Pods Enterprises, LLC, a Florida Limited Liability Company and Approving the Form, Substance and Execution of Related Documents.

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

WHEREAS, the Agency has previously assisted Prime Eleven Tower, LLC, a limited liability company duly organized and validly existing under the laws of the State of New York (the “Company”), in the acquisition of a parcel of land located at 500 Prime Place North Parcel, Hauppauge, Town of Islip, Suffolk County, New York (the “Land”), and the construction and equipping of an approximately 42,150 square foot building located thereon (the “Facility Equipment”; and together with the Land, the “Company Facility”), all to be leased by the Agency to the Company and subleased by the Company to a future tenant; and

WHEREAS, the Company leased the Land to the Agency pursuant to the terms of a Company Lease Agreement, dated as of October 1, 2013 (the “Company Lease”), by and between the Company, as lessor and the Agency, as lessee; and

WHEREAS, the Company transferred title to the Facility Equipment to the Agency pursuant to a Bill of Sale, dated October 4, 2013 (the “Bill of Sale”); and

WHEREAS, the Agency leased and subleased the Company Facility to the Company pursuant to the Lease Agreement, dated as of October 1, 2013 (the “Lease Agreement”), between the Agency, as lessor, and the Company, as lessee; and

WHEREAS, the Agency and the Company entered into a Recapture Agreement, dated as of October 1, 2013 (the “Recapture Agreement”), pursuant to which the Agency has the right to recapture certain economic benefits and assistance granted to the Company upon the terms and conditions set forth in the Recapture Agreement; and

WHEREAS in connection with the leasing and subleasing of the Company Facility, the Agency and the Company entered into a certain Environmental Compliance and Indemnification Agreement, dated as of October 1, 2013 (the “Environmental Compliance and Indemnification Agreement”), from the Company to the Agency; and
WHEREAS, the Company has completed the construction and equipping of the Company Facility and has requested the Agency’s consent to the subleasing of the Company Facility to Pods Enterprises, LLC, a limited liability company organized and existing under the laws of the State of Florida (the “Sublessee”), and the Agency’s assistance in the acquisition and installation of certain equipment and personal property including, but not limited to office furniture, forklifts and computers (collectively, the “Equipment”), which Equipment is to be leased by the Agency to the Sublessee (the Company Facility and the Equipment are collectively referred to herein as the “Facility”), for use by the Sublessee in the warehousing of portable storage units; and

WHEREAS, the Company will sublease the Company Facility to the Sublessee pursuant to a Lease Agreement, to be dated a date not yet determined (the “Sublease Agreement”), by and between the Company and the Sublessee, for a term of 10 years with an option to extend for 5 and additional years; and

WHEREAS, the Company 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 an Agency Compliance Agreement, dated a date to be determined, between the Agency and the Sublessee (the “Agency Compliance Agreement”); and

WHEREAS, in connection therewith, the Company and the Sublessee have submitted a request for the Agency’s consent to an increase in the total acreage of the Land to be approximately 1.8862 acres and for the Agency to provide payments-in-lieu-of-taxes benefits in connection with the Facility and an increase in exemptions from sales and use taxes; and

WHEREAS, in connection therewith the Company Lease, the Lease Agreement, the Recapture and the Environmental Compliance and Indemnification Agreement will be amended and restated; and

WHEREAS, the Agency consents to the increase of the acreage of the Land and in accordance with such increase, the parties intend to enter into (i) an Amended and Restated Company Lease (the “Amended and Restated Company Lease”), (ii) an Amended and Restated Lease Agreement (the “Amended and Restated Lease Agreement”), (iii) an Amended and Restated Recapture Agreement (the “Amended and Restated Recapture Agreement”), and (iv) an Amended and Restated Environmental Compliance and Indemnification Agreement (the “Amended and Restated Environmental Compliance and Indemnification Agreement”), each dated as of December 1, 2015 or such other date as may be determined, and each by and between the Company and the Agency, whereby, among other things, (i) the description of the Land as defined in the Company Lease, the Lease Agreement, the Environmental Compliance and Indemnification Agreement and the Recapture Agreement will be amended to include the increase in acreage, (ii) the terms of the Company Lease and the Lease Agreement will be extended to be coterminous with the proposed PILOT Agreement (as defined below), and (iii) the Recapture Agreement will be amended and restated to include a provision of recapture for the proposed PILOT benefits; and
WHEREAS, the Agency will lease the Equipment to the Sublessee pursuant to a certain Equipment Lease Agreement, dated as of December 1, 2015 or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the “Equipment Lease Agreement”), by and between the Agency and the Sublessee; and

WHEREAS, 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 mortgage recording taxes for one or more mortgages securing the principal amount presently estimated to be $4,500,000 but not to exceed $6,000,000 in connection with the financing of the acquisition, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, constructing and equipping the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed $174,470, in connection with the purchase or lease of equipment, building materials, services or other personal property, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A 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; and

WHEREAS, in order to define the Company and the Sublessee’s obligations regarding payments-in-lieu-of taxes with respect to the Facility, the Agency, the Company and the Sublessee will enter into a certain Payment-in-Lieu-of-Tax Agreement, dated as of December 1, 2015, or such date as may be determined by the Chairman or Executive Director of the Agency and counsel to the Agency (the “PILOT Agreement”), pursuant to which the Company and the Sublessee will make payments-in-lieu-of-taxes on the Facility; and

WHEREAS, as security for a loan or loans, the Agency and the Company will execute and deliver to a lender or lenders not yet determined (collectively, the “Lender”), a mortgage or mortgages, and such other loan documents satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably required by the Lender, to be dated a date to be determined, in connection with the financing, any refinancing or permanent financing of the costs of the acquisition, construction and equipping of the Facility (collectively, the “Loan Documents”); and

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

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

Section 1. The Agency hereby finds and determines:
(a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

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

(c) The acquisition, construction and equipping of the Company Facility, the continued leasing of the Company Facility to the Company, the subleasing of the Company Facility by the Company to the Sublessee, and the acquisition and installation of the Equipment and the leasing of the Equipment to the Sublessee will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of Town of Islip, and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(d) The acquisition, construction and equipping of the Facility is reasonably necessary to induce the Company and the Sublessee to maintain and expand their respective business operations in the State of New York; and

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

(f) The Facility and the operations conducted therein do not have a significant effect on the environment, as determined in accordance with Article 8 of the Environmental Conservation Law of the State of New York and the regulations promulgated thereunder; and

(g) It is desirable and in the public interest for the Agency to continue to lease and sublease the Company Facility to the Company and to lease the Equipment to the Sublessee; and

(h) The Amended and Restated Company Lease will be an effective instrument whereby the Agency continues to lease the Land and the Improvements from the Company; and

(i) The Amended and Restated Lease Agreement will be an effective instrument whereby the Agency continues to lease and sublease the Company Facility to the Company; and

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

(k) The PILOT Agreement will be an effective instrument whereby the Agency, the Company and the Sublessee set forth the terms and conditions of their agreement regarding the Company's and the Sublessee's payments in lieu of real property taxes; and
(l) The Amended and Restated Recapture Agreement will be an effective instrument whereby the Agency, the Company and the Sublessee agree to provide for the obligations of the Company and the Sublessee under the Transaction Documents (as defined in the Lease Agreement) and describe the circumstances in which the Agency may recapture some or all of the benefits granted to the Company and the Sublessee; and

(m) The Amended and Restated Environmental Compliance and Indemnification Agreement will be an effective instrument whereby the Company and the Sublessee agree to comply with all Environmental Laws (as defined therein) applicable to the Facility and will indemnify and hold harmless the Agency for all liability under all such Environmental Laws; and

(n) The Agency Compliance Agreement, dated as of December 1, 2015 or such other date as may be determined by the Chairman or the Executive Director of the Agency and counsel to the Agency (the “Agency Compliance Agreement”), between the Agency and the Sublessee will be an effective instrument whereby the Sublessee will provide certain assurances to the Agency with respect to the Lease Agreement.

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

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) amend the legal description and extend the terms of the Company Lease and the Lease Agreement, (ii) continue to lease the Land and the Improvements from the Company pursuant to the Amended and Restated Company Lease, (iii) execute, deliver and perform the Amended and Restated Company Lease, (iv) continue to lease and sublease the Company Facility to the Company pursuant to the Amended and Restated Lease Agreement, (v) execute, deliver and perform the Amended and Restated Lease Agreement, (vi) lease the Equipment to the Sublessee pursuant to the Equipment Lease Agreement, (vii) execute, deliver and perform the Equipment Lease Agreement, (viii) execute, deliver and perform the PILOT Agreement, (ix) execute, deliver and perform the Amended and Restated Recapture Agreement, (x) execute and deliver the Amended and Restated Environmental Compliance and Indemnification Agreement, (xi) execute and deliver the Agency Compliance Agreement, (xii) grant a mortgage on and security interests in and to the Facility pursuant to the Loan Documents, and (xiii) execute, deliver and perform the Loan Documents to which the Agency is a party.

Section 3. The Agency is hereby authorized to acquire the personal property described in Exhibit A to the Equipment Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 4. The Agency is hereby authorized to acquire the Facility and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed. The Agency is hereby further authorized to execute and deliver the Loan Documents in
connection with the financing of the costs of acquiring, constructing and equipping the Facility and any future Loan Documents in connection with any future refinancing or permanent financing of such costs of acquiring, constructing and equipping of the Facility without the need for any further or future approvals of the Agency.

Section 5. 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 mortgage recording taxes for one or more mortgages securing the principal amount presently estimated to be $4,500,000 but not to exceed $6,000,000 in connection with the financing of the acquisition, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, constructing and equipping the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed $174,470, in connection with the purchase or lease of equipment, building materials, services or other personal property, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereto), consistent with the policies of the Agency.

Section 6. Subject to the provisions of this resolution, the Company and the Sublessee are herewith and hereby appointed the agents of the Agency to acquire, equip and furnish the Facility. The Company and the Sublessee are hereby empowered to delegate their respective status as agent of the Agency to their respective agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company and the Sublessee may choose in order to acquire, equip and furnish the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company and the Sublessee as agents of the Agency solely for purposes of making sales or leases of goods, services and supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company and the Sublessee, as agents of the Agency, shall be deemed to be on behalf of the Agency and for the benefit of the Facility. This agency appointment expressly excludes the purchase by the Company and the Sublessee of any motor vehicles, including any cars, trucks, vans or buses which are licensed by the Department of Motor Vehicles for use on public highways or streets. The Company and the Sublessee shall indemnify the Agency with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company and the Sublessee, as agent of the Agency. The aforesaid appointment of the Company and the Sublessee as agents of the Agency to acquire, equip and furnish the Facility shall expire at the earlier of (a) the completion of such activities and improvements, (b) a date which the Agency designates, or (c) the date on which the Company and/or the Sublessee have received a total of exemptions from sales and use taxes in an amount of $174,470, in connection with the purchase or lease of equipment, building materials, services or other personal property; provided however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company and/or the Sublessee if such activities and improvements are not completed by such time. The aforesaid appointment of the Company and the Sublessee is subject to the execution of the documents contemplated by this resolution.
Section 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 Authorizing Resolution is subject to termination and recapture of benefits pursuant to Section 875 of the Act and the Recapture Agreement.

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

Section 9.

(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 Amended and Restated Company Lease, the Amended and Restated Lease Agreement, the Equipment Lease Agreement, the PILOT Agreement, the Amended and Restated Recapture Agreement, the Amended and Restated Environmental Compliance and Indemnification Agreement, the Agency Compliance Agreement and the Loan Documents to which the Agency is a party, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Executive Director or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “Agency Documents”). The execution thereof by the Chairman, Vice Chairman, Executive Director 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 10. 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 11. 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 1st day of December, 2015, 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 1st day of December, 2015.

                                                                                           Assistant Secretary
EXHIBIT A

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), Hauppauge Union Free School District, Suffolk County and Appropriate Special Districts

Definitions

X = $[________] – to be determined prior to the date of closing.

Y = increase in assessment above X resulting from the acquisition, construction and equipping of the Facility.

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

Payment

Tax Year (following first taxable status date after the election by Company and/or the Sublessee, more specifically set forth in paragraph 1(c) of the PILOT Agreement)

Formula

1. 100% normal tax on X and 50% normal tax on Y
2. 100% normal tax on X and 55% normal tax on Y
3. 100% normal tax on X and 60% normal tax on Y
4. 100% normal tax on X and 65% normal tax on Y
5. 100% normal tax on X and 70% normal tax on Y
6. 100% normal tax on X and 75% normal tax on Y
7. 100% normal tax on X and 80% normal tax on Y
8. 100% normal tax on X and 85% normal tax on Y
9. 100% normal tax on X and 90% normal tax on Y
10. 100% normal tax on X and 95% normal tax on Y
11. 100% normal tax on X and 100% normal tax on Y
TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR DECEMBER 1, 2015

AGENDA ITEM # 5

TYPE OF RESOLUTION: AUTHORIZING RESOLUTION

COMPANY: HEMISPHERE TRADING

PROJECT LOCATION: 42 WINDSOR PLACE, CENTRAL ISLIP

JOBS (RETAINED/CREATED): 7/9

INVESTMENT: 5.1M
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 1st day of December, 2015 the following members of the Agency were:

Present:

Absent:

Also Present:

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to acquisition of title to, or an interest in, a certain industrial development facility more particularly described below (42 Windsor Place, Inc./Hemisphere Trading of NY LLC 2015 Facility) and the leasing of the facility to 42 Windsor Place, Inc. for further sublease to Hemisphere Trading of NY LLC.

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

Voting Aye  Voting Nay
RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ACQUISITION, RENOVATION AND EQUIPPING OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY TO BE LEASED TO 42 WINDSOR PLACE, INC., A NEW YORK BUSINESS CORPORATION AND TO BE SUBLEASED TO HEMISPHERE TRADING OF NY LLC, A NEW YORK LIMITED LIABILITY COMPANY AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 47 of the Laws of 1974 of the State of New York, as 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, 42 Windsor Place, Inc., a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of 42 Windsor Place, Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”), and Hemisphere Trading of NY LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Hemisphere Trading of NY LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Sublessee”), have applied to the Town of Islip Industrial Development Agency (the “Agency”) to enter into a transaction in which the Agency will assist in (a) the acquisition of an approximately 3.68 acre parcel of land located at 42 Windsor Place, Central Islip, New York (the “Land”), the renovation of an approximately 65,000 square foot building located thereon (the “Improvements”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “Facility Equipment”; and, together with the Land and the Improvements, the “Company Facility”), which Company Facility is to be leased and subleased by the Agency to the Company and further subleased by the Company to the Sublessee, and (b) the acquisition and installation of certain equipment and personal property including, but not limited to office furniture, warehouse equipment, computers, telephone system, ceiling lighting (collectively, the “Equipment”), which Equipment is to be leased by the Agency to the Sublessee (the Company Facility and the Equipment are collectively referred to herein as the “Facility”), and which Facility is to be used by the Sublessee as office and warehouse space in its business as an importer and distributor of gourmet accessories, kitchen accessories, storage/organizational, and other tabletop glassware items, including the following as they relate to the appointment of the Company and the Sublessee as agent(s) of the Agency 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, 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; and

WHEREAS, the Agency will acquire a leasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of December 1, 2015 or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the “Company Lease”), by and between the Company and the Agency; and

WHEREAS, the Agency will sublease and lease the Company Facility to the Company pursuant to a certain Lease Agreement, dated as of December 1, 2015 or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the “Lease Agreement”), by and between the Agency and the Company; and

WHEREAS, the Agency will lease the Equipment to the Sublessee pursuant to a certain Equipment Lease Agreement, dated as of December 1, 2015 or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the “Equipment Lease Agreement”), by and between the Agency and the Sublessee; and

WHEREAS, 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 mortgage recording taxes for one or more mortgages securing the principal amount presently estimated to be $4,387,500 but not to exceed $5,000,000 in connection with the financing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed $21,000, in connection with the purchase or lease of equipment, building materials, services or other personal property, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A 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; and

WHEREAS, in order to define the Company and the Sublessee’s obligations regarding payments-in-lieu-of taxes with respect to the Facility, the Agency, the Company and the Sublessee will enter into a certain Payment-in-Lieu-of-Tax Agreement, dated as of December 1, 2015, or such date as may be determined by the Chairman or Executive Director of the Agency and counsel to the Agency (the “PILOT Agreement”), pursuant to which the Company and the Sublessee will make payments-in-lieu-of-taxes on the Facility; and

WHEREAS, in connection with the leasing and the subleasing of the Facility, the Agency, the Company and the Sublessee will enter into a certain Recapapture Agreement, dated as of December 1, 2015 or such date as may be determined by the Chairman or
Executive Director of the Agency and counsel to the Agency (the “Recapture Agreement”), by and among the Agency, the Company and the Sublessee; and

WHEREAS, as security for a loan or loans, the Agency and the Company will execute and deliver to a lender or lenders not yet determined (collectively, the “Lender”), a mortgage or mortgages, and such other loan documents satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably required by the Lender, to be dated a date to be determined, in connection with the financing, any refinancing or permanent financing of the costs of the acquisition, renovation and equipping of the Facility (collectively, the “Loan Documents”); and

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

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

Section 1. The Agency hereby finds and determines:

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

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

(c) The acquisition, renovation and equipping of the Company Facility, the leasing of the Company Facility to the Company, the subleasing of the Company Facility by the Company to the Sublessee, and the acquisition and installation of the Equipment and the leasing of the Equipment to the Sublessee will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of Town of Islip, and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(d) The acquisition, renovation and equipping of the Facility is reasonably necessary to induce the Company and the Sublessee to maintain and expand their respective business operations in the State of New York; and

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

(f) The Facility and the operations conducted therein do not have a significant effect on the environment, as determined in accordance with Article 8 of the Environmental Conservation Law of the State of New York and the regulations promulgated thereunder; and
(g) It is desirable and in the public interest for the Agency to lease and sublease the Company Facility to the Company and to lease the Equipment to the Sublessee; and

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

(i) The Lease Agreement will be an effective instrument whereby the Agency leases and subleases the Company Facility to the Company; and

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

(k) The PILOT Agreement will be an effective instrument whereby the Agency, the Company and the Sublessee set forth the terms and conditions of their agreement regarding the Company's and the Sublessee’s payments in lieu of real property taxes; and

(l) The Recapture Agreement will be an effective instrument whereby the Agency, the Company and the Sublessee agree to provide for the obligations of the Company and the Sublessee under the Transaction Documents (as defined in the Lease Agreement) and describe the circumstances in which the Agency may recapture some or all of the benefits granted to the Company and the Sublessee; and

(m) The Environmental Compliance and Indemnification Agreement, dated as of December 1, 2015 or such other date as may be determined by the Chairman or the Executive Director of the Agency and counsel to the Agency (the “Environmental Compliance and Indemnification Agreement”), by and among the Agency, the Company and the Sublessee will be an effective instrument whereby the Company and the Sublessee agree to comply with all Environmental Laws (as defined therein) applicable to the Facility and will indemnify and hold harmless the Agency for all liability under all such Environmental Laws; and

(n) The Agency Compliance Agreement, dated as of December 1, 2015 or such other date as may be determined by the Chairman or the Executive Director of the Agency and counsel to the Agency (the “Agency Compliance Agreement”), between the Agency and the Sublessee will be an effective instrument whereby the Sublessee will provide certain assurances to the Agency with respect to the Lease Agreement.

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

Section 2. In consequence of the foregoing, the Agency hereby determines to:
(i) lease the Land and the Improvements from the Company pursuant to the Company Lease,
(ii) execute, deliver and perform the Company Lease, (iii) lease and sublease the Company Facility to the Company pursuant to the Lease Agreement, (iv) execute, deliver and perform the Lease Agreement, (v) lease the Equipment to the Sublessee pursuant to the Equipment Lease Agreement, (vi) execute, deliver and perform the Equipment Lease Agreement, (vii) execute, deliver and perform the PILOT Agreement, (viii) execute, deliver and perform the
Recapture Agreement, (ix) execute and deliver the Environmental Compliance and Indemnification Agreement, (x) execute and deliver the Agency Compliance Agreement, (xi) grant a mortgage on and security interests in and to the Facility pursuant to the Loan Documents, and (xii) execute, deliver and perform the Loan Documents to which the Agency is a party.

Section 3. The Agency is hereby authorized to acquire the real property and personal property described in Exhibit A and Exhibit B, respectively, to the Lease Agreement, the personal property described in Exhibit A to the Equipment Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 4. The Agency is hereby authorized to acquire the Facility and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed. The Agency is hereby further authorized to execute and deliver the Loan Documents in connection with the financing of the costs of acquiring, renovating and equipping the Facility and any future Loan Documents in connection with any future refinancing or permanent financing of such costs of acquiring, renovating and equipping the Facility without the need for any further or future approvals of the Agency.

Section 5. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company and the Sublessee in connection with the acquisition, renovation and equipping of the Facility in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing the principal amount presently estimated to be $4,387,500 but not to exceed $5,000,000 in connection with the financing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed $21,000, in connection with the purchase or lease of equipment, building materials, services or other personal property, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereto), consistent with the policies of the Agency.

Section 6. Subject to the provisions of this resolution, the Company and the Sublessee are herewith and hereby appointed the agents of the Agency to acquire, renovate and equip the Facility. The Company and the Sublessee are hereby empowered to delegate their respective status as agent of the Agency to their respective agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company and the Sublessee may choose in order to acquire, renovate and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company and the Sublessee as agents of the Agency solely for purposes of making sales or leases of goods, services and supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company and the Sublessee, as agents of the Agency, shall be deemed to be on behalf of the Agency and for the benefit of the Facility. This agency appointment expressly excludes the purchase by the Company and the Sublessee of any motor vehicles,
including any cars, trucks, vans or buses which are licensed by the Department of Motor Vehicles for use on public highways or streets. The Company and the Sublessee shall indemnify the Agency with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company and the Sublessee, as agent of the Agency. The aforesaid appointment of the Company and the Sublessee as agents of the Agency to acquire, renovate and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, (b) a date which the Agency designates, or (c) the date on which the Company and/or the Sublessee have received a total of exemptions from sales and use taxes in an amount of $21,000, in connection with the purchase or lease of equipment, building materials, services or other personal property; provided however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company and/or the Sublessee if such activities and improvements are not completed by such time. The aforesaid appointment of the Company and the Sublessee is subject to the execution of the documents contemplated by this resolution.

Section 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 Authorizing Resolution is subject to termination and recapture of benefits pursuant to Section 875 of the Act and the Recapture Agreement.

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

Section 9.

(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 Company Lease, the Lease Agreement, the Equipment Lease Agreement, the PILOT Agreement, the Recapture Agreement, the Environmental Compliance and Indemnification Agreement, the Agency Compliance Agreement and the Loan Documents to which the Agency is a party, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Executive Director or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "Agency Documents"). The execution thereof by the Chairman, Vice Chairman, Executive Director 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 10. 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 11. 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 1st day of December, 2015, 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 1st day of December, 2015.

By: __________________________

Assistant Secretary
EXHIBIT A

Form of Proposed PILOT Benefits

Formula for payments-in-lieu-of-taxes: Town of Islip, (including any existing incorporated village and any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), Central Islip School District, Suffolk County and Appropriate Special Districts

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

Payment Formula

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016/2017</td>
<td>100% Normal Tax Due on the agreed upon assessed value of $205,350</td>
</tr>
<tr>
<td>2017/2018</td>
<td>100% Normal Tax Due on the agreed upon assessed value of $225,885</td>
</tr>
<tr>
<td>2018/2019</td>
<td>100% Normal Tax Due on the agreed upon assessed value of $246,420</td>
</tr>
<tr>
<td>2019/2020</td>
<td>100% Normal Tax Due on the agreed upon assessed value of $266,955</td>
</tr>
<tr>
<td>2020/2021</td>
<td>100% Normal Tax Due on the agreed upon assessed value of $287,490</td>
</tr>
<tr>
<td>2021/2022</td>
<td>100% Normal Tax Due on the agreed upon assessed value of $308,025</td>
</tr>
<tr>
<td>2022/2023</td>
<td>100% Normal Tax Due on the agreed upon assessed value of $328,560</td>
</tr>
<tr>
<td>2023/2024</td>
<td>100% Normal Tax Due on the agreed upon assessed value of $349,095</td>
</tr>
<tr>
<td>2024/2025</td>
<td>100% Normal Tax Due on the agreed upon assessed value of $369,630</td>
</tr>
<tr>
<td>2025/2026</td>
<td>100% Normal Tax Due on the agreed upon assessed value of $390,165</td>
</tr>
<tr>
<td>2026/2027</td>
<td>100% Normal Tax Due on the agreed upon assessed value of $410,700</td>
</tr>
</tbody>
</table>

and thereafter
AGENDA ITEM # 6

TYPE OF RESOLUTION: CONSENT TO SUBLEASE AND APPROVE SALES TAX BENEFITS

COMPANY: N&G REALTY/PIPING ROCK HEALTH PRODUCTS/ZOOM NORTH AMERICA

PROJECT LOCATION: 2040 EXPRESS DRIVE SOUTH, HAUPPAUGE

JOBS (RETAINED/CREATED):
   PIPING ROCK – RETAIN 12   ZOOM – RETAIN 11

INVESTMENT:
   PIPING ROCK - $403,750
   ZOOM - $446,000
At a meeting of the Town of Islip Industrial Development Agency (the “Agency”), held at the Islip Town Hall, 655 Main Street, Islip, New York on the 1st day of December, 2015, the following members of the Agency were:

Present:

Absent:

Recused:

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 authorization of financial assistance and consent to subleasing in connection with a certain industrial development facility more particularly described below (N & G Realty Co. 2015 Facility).

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

Voting Aye

Voting Nay
RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD THE CONSENT TO THE SUBLEASING OF A PORTION OF THE N & G REALTY CO. 2015 FACILITY AND AUTHORIZING SALES AND USE TAX BENEFITS FOR PIPING ROCK HEALTH PRODUCTS, LLC AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS.

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

WHEREAS, the Agency has previously assisted N & G Realty Co., a partnership duly organized and validly existing under the laws of the State of New York (the “Company”), consisting of the acquisition of an approximately 10.16 acre parcel of land located at 2040 Express Drive South, Hauppauge, New York (the “Land”), and the construction of an approximately 125,000 square foot building and the equipping thereof (the “Improvements” and “Equipment”; and, together with the Land and the Improvements, the “Facility”), leased by the Agency to the Company and subleased by the Company to a future tenant or tenants; and

WHEREAS, the Company leased the Land and the Improvements to the Agency pursuant to the terms of a Company Lease Agreement, dated as of March 1, 2015 (the “Company Lease”), by and between the Company, as lessor and the Agency, as lessee; and

WHEREAS, the Company transferred title to the Equipment to the Agency pursuant to a Bill of Sale, dated March 30, 2015 (the “Bill of Sale”); and

WHEREAS, the Agency leased and subleased the Facility to the Company pursuant to the Lease Agreement, dated as of March 1, 2015 (the “Lease Agreement”), between the Agency, as lessor, and the Company, as lessee, such that a leasehold interest or title to the Facility will remain with the Agency throughout the Lease Term (as such term is defined in the Lease Agreement); and

WHEREAS, in order to define the Company’s obligations regarding payments-in-lieu-of taxes with respect to the Facility, the Agency and the Company entered into a certain Payment-in-Lieu-of-Tax Agreement, dated as of March 1, 2015 (the “PILOT Agreement”), pursuant to which the Company agreed to make payments in lieu of taxes on the Facility; and

WHEREAS, the Agency and the Company entered into a Recapture Agreement, dated as of March 1, 2015 (the “Recapture Agreement”), pursuant to which the Agency has the right to recapture certain economic benefits and assistance granted to the Company upon the terms and conditions set forth in the Recapture Agreement”; and
WHEREAS in connection with the leasing and subleasing of the Facility, the Agency and the Company entered into a certain Environmental Compliance and Indemnification Agreement, dated as of March 1, 2015 (the “Environmental Compliance and Indemnification Agreement”), from the Company to the Agency; and

WHEREAS, the Company has requested the Agency’s consent to (i) a subleasing of an approximately 36,455 square foot portion of the Facility (the “Piping Rock Facility”) to Piping Rock Health Products, LLC (the “Piping Rock”) for use by Piping Rock in the manufacture and distribution of health care products, and (ii) a subleasing of an approximately 15,625 square foot portion of the Facility (the “Zoom Facility”; and, together with the Piping Rock Facility, the “Demised Premises”) to Zoom North America LLC (the “Zoom”; and, together with Piping Rock, the “Tenants”) for use by Zoom in the manufacture and distribution of health care products; and

WHEREAS, the Company will sublease the Demised Premises to the Tenants pursuant to a Lease Agreement, to be dated a date not yet determined (the “Tenant Lease”), by and between the Company and the Tenants, for a term of 10 years and 2 months, for a commencement on or about April, 2016; and

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

WHEREAS, the Company has requested that the Agency consent to the subleasing of the Piping Rock Facility to Piping Rock; and

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

WHEREAS, in connection with the subleasing of the Piping Rock Facility, Piping Rock has requested the Agency’s consent to sales or use tax exemptions on the purchases or lease of equipment, building materials, services or other personal property in an amount equal to approximately $34,823 in sales tax benefits totaling approximately $403,750 in purchases in the acquisition, equipping and installation of the Piping Rock Facility (collectively, the “Piping Rock Sales and Use Tax Benefits”); and

WHEREAS, the Company has requested that the Agency consent to the subleasing of the Zoom Facility to Zoom; and

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

WHEREAS, in connection with the subleasing of the Zoom Facility, Zoom has requested the Agency’s consent to sales or use tax exemptions on the purchases or lease of equipment, building materials, services or other personal property in an amount equal to approximately $38,468 in sales tax benefits totaling approximately $446,000 in purchases in
the acquisition, equipping and installation of the Zoom Facility (collectively, the “Zoom Sales and Use Tax Benefits”; and, together with Piping Rock Sales and Use Tax Benefits, the “Demised Premises Sales and Use Tax Benefits”); and

WHEREAS, prior to the Agency granting the Demised Premises Sales and Use Tax Benefits, a public hearing (the “Hearing”) was held, so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency could be heard; and

WHEREAS, notice of the Hearing was given, and such notice (together with proof of publication) is 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 Company, Piping Rock and Zoom have agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the subleasing of the Demised Premises to the Tenants and the Demised Sales and Use Tax Benefits.

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

Section 1. The Agency hereby finds and determines:

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

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

(c) The continued leasing of the Facility to the Company, the subleasing of the Demised Premises to the Tenants and the Demised Premises Sales and Use Tax Benefits, 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

(d) The Demised Premises Sales and Use Tax Benefits are reasonably necessary to induce the Tenants to maintain and expand their respective business operations in the State of New York; and

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

(f) It is desirable and in the public interest for the Agency to consent to the subleasing of the Piping Rock Facility to Piping Rock; and
(g) It is desirable and in the public interest for the Agency to consent to the subleasing of the Zoom Facility to Zoom; and

(h) The execution of the (i) Piping Rock Tenant Agency Compliance Agreement and the (ii) Zoom Tenant 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

(i) The Piping Rock Equipment Lease Agreement, dated as of December 1, 2015 or such other date as may be determined by the Agency and counsel to the Agency (the “Equipment Lease Agreement”), between the Agency and Piping Rock, will be an effective instrument wherein the Agency leases the Equipment (as defined therein) to Piping Rock and appoints Piping Rock as its agent in connection with the acquisition, equipping and installation of the Piping Rock Facility to Piping Rock; and

(j) The Piping Rock Equipment Bill of Sale, dated as of December 1, 2015 or such other date as may be determined by the Agency and counsel to the Agency (the “Piping Rock Equipment Bill of Sale”), from Piping Rock to the Agency, will be an effective instrument whereby Piping Rock conveys the Equipment (as defined therein) to the Agency; and

(k) The Piping Rock Recapture Agreement, dated as of December 1, 2015 or such other date as may be determined by the Agency and counsel to the Agency (the “Piping Rock Recapture Agreement”), between the Agency and Piping Rock, will be an effective instrument whereby the Agency and Piping Rock agree to provide for the obligations of Piping Rock and describe the circumstances in which the Agency may recapture some or all of the benefits granted to Piping Rock; and

(l) The Zoom Equipment Lease Agreement, dated as of December 1, 2015 or such other date as may be determined by the Agency and counsel to the Agency (the “Zoom Equipment Lease Agreement”), between the Agency and Zoom, will be an effective instrument wherein the Agency leases the Equipment (as defined therein) to Zoom and appoints Zoom as its agent in connection with the acquisition, equipping and installation of the Zoom Facility to Zoom; and

(m) The Zoom Equipment Bill of Sale, dated as of December 1, 2015 or such other date as may be determined by the Agency and counsel to the Agency (the “Zoom Equipment Bill of Sale”), from Zoom to the Agency, will be an effective instrument whereby Zoom conveys the Equipment (as defined therein) to the Agency; and

(n) The Zoom Recapture Agreement, dated as of December 1, 2015 or such other date as may be determined by the Agency and counsel to the Agency (the “Zoom Recapture Agreement”), between the Agency and Zoom, will be an effective instrument whereby the Agency and Zoom agree to provide for the obligations of Zoom and describe the circumstances in which the Agency may recapture some or all of the benefits granted to Zoom; and
Section 2. The Agency hereby approves the subleasing of (i) the Piping Rock Facility by the Company to Piping Rock and (ii) the Zoom Facility by the Company to Zoom.

Section 3. The Agency hereby approves the amount of sales and use tax exemptions on the purchases or lease of equipment, building materials, services or other personal property to acquire, install and equip the Demised Premises, for a total aggregate amount of up to $73,291, with an equivalent aggregate purchasing of approximately $849,750).

Section 4. In consequence of the foregoing, the Agency hereby (i) approves the Demised Premises Sales and Use Tax Benefits, (ii) approves the subleasing of the Demised Premises by the Company to the Tenants, (iii) will execute, deliver and perform the Piping Rock Equipment Lease Agreement, (iv) will execute, deliver and perform the Piping Rock Tenant Agency Compliance Agreement, (v) will execute, deliver and perform the Piping Rock Recapture Agreement, (vi) will execute, deliver and perform the Zoom Equipment Lease Agreement, (vii) will execute, deliver and perform the Zoom Tenant Agency Compliance Agreement, (viii) will execute, deliver and perform the Zoom Recapture Agreement, and (ix) authorizes the execution and delivery of such other related documents as may be necessary or appropriate to effect the provisions of this Resolution.

Section 5.

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

(b) The Chairman, Executive Director and all members 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 6. 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, and all documents necessary to effect the consent to the subleasing of the Demised Premises and the Demised Premises Sales and Use Tax Benefits described in the foregoing resolution.

Section 7. 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 8. This resolution shall take effect immediately.
STATE OF NEW YORK  
COUNTY OF SUFFOLK  

: SS.:  

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

That I have compared the annexed extract of the minutes of the meeting of the Town of Islip Industrial Development Agency (the “Agency”), including the resolutions contained therein, held on the 1st day of December, 2015, 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 herein and of the whole of said original insofar as the same related to the subject matters therein referred to.

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

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

IN WITNESS WHEREOF, I have hereunto set my hand as of the 1st day of December, 2015.

By: ____________________________  
Assistant 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 24th day of November, 2015, at 9:30 a.m., local time, at the Town of Islip, Offices of Economic Development, 40 Nassau Avenue, Islip, New York 11751 in connection with the following matters:

The Agency previously assisted N & G Realty Co., a partnership duly organized and validly existing under the laws of the State of New York (the “Company”), consisting of the acquisition of an approximately 10.16 acre parcel of land located at 2040 Express Drive South, Hauppauge, New York (the “Land”), and the construction of an approximately 125,000 square foot building and the equipping thereof (the “Improvements” and “Equipment”; and, together with the Land and the Improvements, the “Facility”), leased by the Agency to the Company and subleased by the Company to a future tenant or tenants. The Facility is operated and/or managed by the Company.

The Company has requested the Agency’s consent to the subleasing of a portion of the Facility to Piping Rock Health Products, LLC, a limited liability company organized and existing under the laws of the State of New York and Zoom North America LLC, a limited liability company organized and existing under the laws of the State of New York (collectively, the “Tenants”), for use by the Tenants in the manufacture and distribution of health care products. At the end of the lease term, the Tenants will purchase their respective equipment from the Agency.

In connection with the completion of the construction and equipping of the Facility, the Agency contemplates that it will provide financial assistance to the Tenants in the form of sales and use tax exemptions 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 the proposed financial assistance to the Tenants. At the hearing, all persons will have the opportunity to review the letter for financial assistance filed by the Tenants with the Agency and an analysis of the costs and benefits of the proposed Facility.

Dated: November 11, 2015

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

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

MINUTES OF PUBLIC HEARING HELD ON
NOVEMBER 24, 2015 AT 9:30 A.M.

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
(N & G REALTY CO. 2015 FACILITY)

Section 1. William G. Mannix, Executive Director of the Town ofIslip Industrial Development Agency (the "Agency"), called the hearing to order.

Section 2. William G. Mannix then appointed himself the hearing officer of the Agency, to record the minutes of the hearing.

Section 3. The hearing officer then described the financial assistance proposed by the Agency as follows:

The Agency previously assisted N & G Realty Co., a partnership duly organized and validly existing under the laws of the State of New York (the "Company"), consisting of the acquisition of an approximately 10.16 acre parcel of land located at 2040 Express Drive South, Hauppauge, New York (the "Land"), and the construction of an approximately 125,000 square foot building and the equipping thereof (the "Improvements" and "Equipment"; and, together with the Land and the Improvements, the "Facility"), leased by the Agency to the Company and subleased by the Company to a future tenant or tenants. The Facility is operated and/or managed by the Company.

The Company has requested the Agency’s consent to the subleasing of a portion of the Facility to Piping Rock Health Products, LLC, a limited liability company organized and existing under the laws of the State of New York and Zoom North America LLC, a limited liability company organized and existing under the laws of the State of New York (collectively, the "Tenants"), for use by the Tenants in the manufacture and distribution of health care products. At the end of the lease term, the Tenants will purchase their respective Equipment from the Agency.

In connection with the completion of the construction and equipping of the Facility, the Agency contemplates that it will provide financial assistance to the Tenants in the form of sales and use tax exemptions consistent with the policies of the Agency.

Section 4. The hearing officer then opened the hearing for comments from the floor for or against the proposed financial assistance proposed by the Agency for the Facility.

The following is a listing of the persons heard and a summary of their views:
The hearing officer then asked if there were any further comments, and, there being none, the hearing was closed at ______.
STATE OF NEW YORK  )
          : SS.:  
COUNTY OF SUFFOLK  )

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

That I have compared the foregoing copy of the minutes of a public hearing held by the Town of Islip Industrial Development Agency (the “Agency”) on November 24, 2015 at 9:30 a.m., local time, at Islip Town Hall, 655 Main Street, Islip, New York, 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 November 24, 2015.

________________________________________
Assistant Secretary
TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR DECEMBER 1, 2015

AGENDA ITEM # 7

TYPE OF RESOLUTION: MORTGAGE REFINANCE

COMPANY: ENGEL BURMAN AT SAYVILLE

PROJECT LOCATION: 115-121 LAKELAND AVENUE, SAYVILLE

JOBS (RETAINED/CREATED): N/A

INVESTMENT: N/A
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 1st day of December, 2015, the following members of the Agency were:

Present:

Absent:

Also Present:

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on a proposed mortgage financing and the execution of related loan documents in connection with a certain industrial development facility more particularly described below (HSRE-EB Sayville, LLC 2015 Facility) and approving the execution and delivery of related documents.

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

Voting Aye                          Voting Nay
RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING MORTGAGE REFINANCING AND THE EXECUTION AND DELIVERY OF DOCUMENTS IN CONNECTION THEREWITH FOR THE HSRE-EB SAYVILLE, LLC 2015 FACILITY AND APPROVING THE FORM, SUBSTANCE, EXECUTION AND DELIVERY OF SUCH RELATED DOCUMENTS

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

WHEREAS, the Agency previously issued on behalf of Engel Burman at Sayville LLC, a limited liability company (the “Original Company”), its $18,500,000 Industrial Development Revenue Bonds, Series 2012A (Engel Burman at Sayville, LLC Facility) (the “Series 2012A Bonds”), its $12,300,000 Industrial Development Revenue Bonds, Series 2012B (Engel Burman at Sayville, LLC Facility) (the “Series 2012B Bonds”), its $7,510,000 Industrial Development Revenue Bonds, Series 2012C (Engel Burman at Sayville, LLC Facility) (the “Series 2012C Bonds”) and its $1,500,000 Industrial Development Revenue Bonds (the “Series 2013D Bonds”; and, together with the Series 2012A Bonds, the Series 2012B Bonds, and the Series 2012 C Bonds, the “Bonds”), pursuant to an Indenture of Trust, dated as of December 1, 2012, as supplemented by the First Supplemental Indenture, dated as of December 1, 2013 (collectively, the “Indenture”), between the Agency and U.S. Bank National Association, a national banking association, as trustee (the “Trustee”), for the purposes of providing funding to the Original Company to finance the costs of the acquisition, construction and equipping of an industrial development facility consisting of the acquisition of six (6) parcels of land totaling approximately 6.206 acres located at 115 and 121 Lakeland Avenue, Sayville, Town of Islip, County of Suffolk, New York (the “Land”), the demolition of existing structures located thereon, and the completion of a two-story above-grade approximately 96,136 square foot building for use by the Original Company as an assisted living residential facility consisting of approximately 120 assisted living units for use by elderly citizens in the community as a fully integrated residence including living, dining, housekeeping, personal laundry and transportation services, and a portion of the building is contemplated to be designated for use by residents in the early stages of Alzheimer’s disease (the “Facility”); and

WHEREAS, the Agency previously entered into a certain Installment Sale Agreement, dated as of December 1, 2012, (the “Original Installment Sale Agreement”), between the Agency, as seller, and the Original Company, as purchaser; and

WHEREAS, in connection therewith the Agency, the Trustee and the Original Company entered into a certain Environmental Compliance and Indemnification Agreement, dated as of December 1, 2012 (the “Original Environmental Compliance and Indemnification Agreement”); and
WHEREAS, the Agency and the Original Company entered into a Payment-in-Lieu-of-Tax Agreement, dated as of December 1, 2012 (the “Original PILOT Agreement”), pursuant to which the Agency and the Original Company set forth the terms and conditions of their agreement regarding the payments in lieu of real property taxes in connection with the Facility; and

WHEREAS, in connection with the issuance of the Series 2013D Bonds, the Agency and the Company entered into a certain First Amendment to Installment Sale Agreement, dated as of December 1, 2013, (the “First Amendment to Installment Sale Agreement”); and

WHEREAS, effective October 9, 2015, the Agency and the Assignor caused the Bonds to be defeased and deemed paid in full in accordance with the provisions of the Bonds, the Indenture and a Letter of Instructions, dated October 9, 2015 (the “Letter of Instructions”) from the Issuer to the Trustee; and

WHEREAS, in connection therewith, the Indenture was discharged and terminated (the “Termination”); and

WHEREAS, in connection therewith, the Agency consented to the assignment and assumption of the Facility and corresponding benefits by the Original Company to HSRE-EB Sayville, LLC, a limited liability company (the “Company”), pursuant to a certain Assignment, Assumption and Amendment Agreement, dated as of October 1, 2015 (the “Assignment, Assumption and Amendment Agreement”) whereby the Company assumed all of the right, title, interest, liability, duty and obligations of the Original Company with respect to the Facility under the Original Installment Sale Agreement, as amended by the First Amendment to Installment Sale Agreement (the Original Installment Sale Agreement and the First Amendment to Installment Sale Agreement, together with the Assignment, Assumption and Amendment Agreement, the “Installment Sale Agreement”) and the Original PILOT Agreement; and

WHEREAS, the Company has now requested the Agency’s assistance in connection with the refinancing of the Facility with The Prudential Insurance Company of America, or a lender not yet determined (collectively, the “Lender”), wherein the Lender shall make a loan to the Company in the aggregate principal amount presently expected to be $31,230,000 (the “Loan”); and

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

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company consistent with the policies of the Agency, in the form of exemptions from mortgage recording taxes securing the principal amount presently estimated to be $31,230,000 but not to exceed $32,000,000 in connection with the financing or refinancing
of the acquisition, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, constructing and equipping the Facility; and

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

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

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

Section 1. The Agency hereby finds and determines:

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

(b) The Facility continues to constitute a “project”, as such term is defined in the Act.

(c) The financing or refinancing of the acquisition, construction and equipping of the Facility will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Islip, Suffolk County and the State of New York and improve their standard of living and thereby serve the public purposes of the Act.

(d) The financing or refinancing of the acquisition, construction and equipping of the Facility as contemplated in this resolution is reasonably necessary to maintain the competitive position of the Company in its industry.

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

(f) It is desirable and in the public interest for the Agency to assist in the financing or refinancing of the acquisition, construction and equipping of the Facility.

(g) The Loan Documents will be effective instruments whereby the Agency and the Company agree to secure the Loan and assign to the Lender their
respective rights under the Installment Sale Agreement (except the Agency’s Unassigned Rights as defined therein).

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) grant a mortgage on and security interest in and to the Facility pursuant to a certain mortgage and security agreement for the benefit of the Lender (the “Mortgage”), (ii) execute, deliver and perform the Mortgage, (iii) execute, deliver and perform the Loan Documents to which the Agency is a party, and (iv) execute, deliver and perform such other related documents, to which the Agency is a party, as may be necessary or appropriate to effect the Loan or any subsequent refinancing of the Mortgage.

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

Section 4. Subject to the provisions of this resolution and the Installment Sale Agreement, the Agency hereby authorizes and approves the following economic benefits to be granted to the Company in the form of exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be $31,230,000 but not to exceed $32,000,000, in connection with the financing or refinancing of the acquisition, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, constructing and equipping of the Facility.

Section 5.

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

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

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

Section 8. This resolution shall take effect immediately.

ADOPTED: December 1, 2015
STATE OF NEW YORK    
COUNTY OF SUFFOLK    

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

That I have compared the annexed extract of the minutes of the meeting of the Town of Islip Industrial Development Agency (the “Agency”), including the resolutions contained therein, held on December 1, 2015, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

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

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

IN WITNESS WHEREOF, I have hereunto set my hand as of the 1st day of December, 2015.

By: ____________________________
   Assistant Secretary