

Date: December 19, 2017

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 19th day of December, 2017, the following members of the Agency were:

Present:

Chairwoman Angie Carpenter
Councilwoman Trish Bergin Weichbrodt
Councilwoman Mary Kate Mullen
Councilman Steve Flotteron
Councilman John Cochrane

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 a certain industrial development facility more particularly described below (1290 Realty SN LLC/Galil Importing Corporation 2017 Facility) and the leasing of the facility to 1290 Realty SN LLC for further subleasing thereof to Galil Importing Corporation.

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

Voting Aye

Voting Nay

Chairwoman Angie Carpenter
Councilwoman Trish Bergin Weichbrodt
Councilwoman Mary Kate Mullen
Councilman Steve Flotteron
Councilman John Cochrane

SECOND AMENDED RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ACQUISITION, RENOVATION AND EQUIPPING OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY FOR 1290 REALTY SN LLC, A NEW YORK LIMITED LIABILITY COMPANY AND TO BE SUBLEASED TO GALIL IMPORTING CORPORATION, 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, there was submitted to the Agency a proposal to undertake the providing and leasing of an industrial development facility to Galil Importing Corporation, a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Galil Importing Corporation and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, “**Galil**”), consisting of the acquisition of an approximately 8.0 acre parcel of land located at 45 Gilpin Avenue, Hauppauge, New York 11788 (the “**Land**”), the renovation of an approximately 172,000 square foot building located thereon, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Land (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and, together with the Land and the Improvements, the “**Facility**”), which Facility will be leased by the Agency to Galil, and subleased in part to various tenants (the “**Tenants**”), and used, in part, by Galil as a warehouse, importing, packaging and distribution center in its business as an importer, packager and distributor of imported foods (the “**Project**”); and

WHEREAS, the Agency by resolution duly adopted on October 24, 2017 (the “**Authorizing Resolution**”), authorized the acquisition, renovation and equipping of the Facility and the execution and delivery of the Agency Documents (as defined therein); and

WHEREAS, Galil, by letter dated November 7, 2017 (the “**Letter Amendment**”), notified the Agency of its intent to amend its application for assistance dated August 31, 2017 (the “**Application**”), to reflect that (i) Galil will now be the sublessee (the “**Sublessee**”) of the Facility, (ii) the Company will be 1290 Realty Corp., a New York business corporation (“**1290 Realty Corp.**”), and (iii) the Sublessee has requested the Agency’s assistance in connection with the acquisition of certain equipment (defined below); and

WHEREAS, 1290 Realty Corp. represented to the Agency that the ownership and the principals of 1290 Realty Corp. and the Sublessee are the same owners and principals; and

WHEREAS, Galil, by letter dated November 7, 2017 (the “**Letter Amendment**”), notified the Agency of its intent to amend its application for assistance dated August 31, 2017

(the “**Application**”), to reflect that (i) Galil will be the sublessee (the “**Sublessee**”) of the Facility, (ii) the Company will be 1290 Realty Corp., a New York business corporation (“**1290 Realty Corp.**”), and (iii) the Sublessee has requested the Agency’s assistance in connection with the acquisition of certain equipment (defined below); and

WHEREAS, the Agency by resolution duly adopted on November 21, 2017, (the “**Amended Authorizing Resolution**”), authorized the acquisition, renovation and equipping of the Facility and the execution and delivery of the Agency Documents (as defined therein); and

WHEREAS, counsel to 1290 Realty Corp., by letter dated December 5, 2017 (the “**Second Letter Amendment**”), notified the Agency of 1290 Realty Corp.’s further amendment to its Application, to reflect that 1290 Realty intends to enter into a reverse 1031 exchange for the Facility, and the Company has formed an entity known as 1290 Realty SN LLC, a limited liability company (the “**LLC**”), the sole member of the LLC will initially be 1031 Highland, Inc., a qualified exchange company (the “**Exchange Agent**”; and, before Effective Date, the “**Company**”), and 180 days following the sale of 1290 Realty Corp.’s current facility, the membership interests in the LLC will be transferred by the Exchange Agent to 1290 Realty Corp., as the sole member of the LLC, and the LLC will become the Company (the “**Reverse 1031 Exchange**”); and

WHEREAS, the Project will now be described as the providing and leasing of an industrial development facility to 1290 Realty Corp., a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of 1290 Realty Corp. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**1290 Realty Corp.**”) and Galil Importing Corporation, a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Galil Importing Corporation and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Sublessee**”), consisting of (i) the acquisition of an approximately 8.0 acre parcel of land located at 45 Gilpin Avenue, Hauppauge, New York 11788 (the “**Land**”), and the renovation of an approximately 172,000 square foot building located thereon, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Land (the “**Improvements**”) and the acquisition and installation of certain equipment not part of the Equipment (as hereinafter defined) (the “**Facility Equipment**”; together with the Land and the Improvements, the “**Company Facility**”), which Company Facility is to be leased by the Agency to the to the Company (as defined below) and a portion of the Company Facility will be subleased by the Company (as defined below) to the Sublessee and a portion of the Company Facility will be subleased by the Company (as defined below) to various tenants (the “**Tenants**”), and (ii) the acquisition and installation of certain equipment and personal property (the “**Equipment**”; and, together with the Company Facility, the “**Facility**”), which Equipment is to be leased by the Agency to the Sublessee, and which Facility is to be used by each of the Sublessee and the Tenants as a warehouse, importing, packaging and distribution center in its business as an importer, packager and distributor of imported foods (the “**Project**”); and

WHEREAS, the Exchange Agent and 1290 RealtyCorp. will enter into an Exchange Accommodation Titleholder Agreement, and such other documents as may be necessary (the

“**Accommodation Agreement**”), pursuant to which the Exchange Agent has agreed to acquire the fee title interest in the Facility prior to the Effective Date (as such term is defined in the Lease Agreement); and

WHEREAS, pursuant to the Accommodation Agreement, the Exchange Agent’s fee interest in the Facility will be assumed by 1290 Realty Corp., on the earlier to occur of (i) the closing of the transactions contemplated by the Accommodation Agreement, or (ii) six (6) months after the execution and delivery of the Accommodation Agreement; and

WHEREAS, upon the Effective Date, the parties hereto hereby agree that 1290 Realty Corp. will be the sole member of the LLC and shall be the owner of the Facility, and the Agency agrees to release the Exchange Agent from all of its obligations, liabilities and duties under the Lease Agreement arising as a result of the Exchange Agent’s ownership interest in the Facility prior to the Effective Date (as such term is defined in the Lease Agreement); and

WHEREAS, a public hearing (the “**Hearing**”) was held and notice of the Hearing was given as required, and such notice (together with proof of publication) together with the minutes of the Hearing are in substantially in the form annexed hereto as Exhibits A and B respectively; and

WHEREAS, they Agency ratifies and confirms all terms contemplated under the Authorizing Resolution, as amended by the Amended Authorizing Resolution, and as amended by this Second Amended Authorizing Resolution, including the Agency Documents (as defined therein); 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 transaction contemplated in the Authorizing Resolution, as amended by the Amended Authorizing Resolution, and as amended by this Second Amended Authorizing Resolution; and

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

Section 1. The Agency hereby amends the Authorizing Resolution, as amended by the Amended Authorizing Resolution, and as amended by this Second Amended Authorizing Resolution to consent to the Reverse 1031 Exchange.

Section 2. The Agency hereby ratifies and confirms all terms contemplated by the Authorizing Resolution, as amended by the Amended Authorizing Resolution, as further amended by this Second Amended Authorizing Resolution, including the Agency Documents.

Section 3. This amended resolution shall take effect immediately.

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

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

That I have compared the annexed extract of the minutes of the meeting of the Town of Islip Industrial Development Agency (the “Agency”), including the resolutions contained therein, held on the 19th day of December, 2017, 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 in all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 19th day of November, 2017.

By: 
Assistant Secretary