MEETING OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

December 10, 2013

Agenda

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

2. To consider the adoption of a Resolution on behalf of the Town of Islip Industrial Development Agency to approve the minutes from the Special Meeting of the Members of the Town of Islip Industrial Development Agency on November 19, 2013.

3. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and Hauppauge Office Park Associates II, located at 898 Veterans Memorial Highway, Hauppauge.

4. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and FHIJ Enterprise LLC/AA Technology, located in the Town of Islip Foreign Trade Zone.

5. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and Engel Burman at Sayville LLC Facility located at 121-147 Lakeland Avenue, Sayville.

6. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and Briad Development II located at 7 Carleton Avenue, Central Islip.

7. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and 60 Hoffman LLC/United Lighting Electrical Corp./Playaction, LLC located at 60 Hoffman Avenue, Hauppauge.

8. To consider the adoption on an Authorizing Resolution between the Town of Islip Industrial Development Agency and Heartland Rental Properties Inc./Paramount Beauty Distributing Associates, Inc., located at 60 Heartland Blvd, Brentwood.

9. To consider the adoption of a revised Authorizing Resolution between the Town of Islip Industrial Development Agency and Ultimate Game Sports Complex, located on Carleton Avenue, Central Islip.

10. To consider the adoption of a Resolution on behalf of the Town of Islip Industrial Development Agency to enter into a contract with Mike Siniski, to provide computer programming services for the development of an IDA assessment roll and PILOT billing system, in the amount of $50 per hour, not to exceed $5,000.

11. To consider any other business.
MEETING OF THE TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY

November 19, 2013

Meeting Minutes

1. The Special Meeting of the Town of Islip Industrial Development Agency was called to order on a motion by Councilwoman Trish Bergin Weichbrodt and seconded by Councilman John Cochrane. All members were present except for Chairman Tom Croci, who is on military leave.

Motions were presented to approve and adopt the following resolution on the November 19, 2013 IDA Agenda. The resolutions were as follows:

2. To consider the adoption of a Resolution on behalf of the Town of Islip Industrial Development Agency to approve the minutes from the Special Meeting of the Members of the Town of Islip Industrial Development Agency on October 28, 2013. On a motion by Councilman John Cochrane and seconded by Councilman Steve Flotteron, said resolution was approved unanimously.

3. To consider amendments to the Uniform Tax Exemption Policy. On a motion by Councilman Anthony Senft and seconded by Councilman John Cochrane, said resolution was approved unanimously.

4. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and United Lighting and Electrical Corp/Playaction LLC located at 60 Hoffman Ave, located in Hauppauge. On a motion by Councilman Steve Flotteron and seconded by Councilman John Cochrane, said resolution was approved unanimously.

5. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and Paramount Beauty located at 60 Heartland Boulevard, Edgewood. On a motion by Councilman Anthony Senft and seconded by Councilwoman Trish Bergin Weichbrodt said resolution was approved unanimously.

6. The November 19, 2013 meeting of the IDA Board was adjourned on a motion by Councilwoman Trish Bergin Weichbrodt and seconded by Councilman John Cochrane.
RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING HAUPPAUGE OFFICE PARK ASSOCIATES, LLC, A NEW YORK LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF HAUPPAUGE OFFICE PARK ASSOCIATES, LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS AGENT(S) OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, RENOVATING AND EQUIPPING THE FACILITY, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY.

WHEREAS, Hauppauge Office Park Associates, LLC, a New York limited liability company, on behalf of itself and/or the principals of Hauppauge Office Park Associates, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”), has applied to the Town of Islip Industrial Development Agency (the “Agency”) to enter into a transaction in which the Agency will assist in the acquisition of approximately 25 acres of land located at 888 and 898 Veterans Highway, Hauppauge, Town of Islip, Suffolk County, New York (the “Land”), and the renovation and equipping of two buildings totaling approximately 220,000 square feet of space located thereon to make tenant fit-out improvements to provide incentives towards full occupancy by various lessees (collectively, the “Improvements”; and, together with the Land, the “Facility”), to be leased by the Agency to the Company for further sublease by the Company to future tenants not yet determined (collectively, the “Sublessees”), including the following as they relate to the appointment of the Company as agent of the Agency pursuant to Section 5 hereof with respect to the acquisition, renovation, installation 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, installation 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, installation and equipping of the Facility, and (iii) all purchases, leases, rentals and uses of equipment, machinery and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Facility; and

WHEREAS, the Agency will acquire fee title to or a leasehold interest in the Facility, and will lease or sublease the Facility to the Company, and the Company will sublease portions of the Facility to the Sublessees, all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 47 of the Laws of 1974 of the State of New York, as the same may be amended from time to time (collectively, the “Act”); and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company consistent with the policies of the Agency, in the form of (i) exemptions from sales
and use taxes in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $182,850 (as set forth in the Form of Sales Tax Letter set forth as Exhibit C hereof) and (ii) abatement of real property taxes to be fixed over a 7-year period at 100% and more fully described in the Authorizing Resolution, consistent with the policies of the Agency; and

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

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

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

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

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the Agency’s involvement with the Facility is either an inducement to the Company to remain in the State and reasonably necessary to discourage the Company from removing such other plant or Facility to a location outside of the State, and/or is reasonably necessary to maintain the competitive position of the Company in its industry; and

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

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

WHEREAS, the Questionnaire has been reviewed by the Agency; and

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

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

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

Section 3. The form and substance of a proposed inducement agreement (in substantially the form presented at this meeting) by and between the Agency and the Company setting forth the undertakings of the Agency and the Company with respect to the development of the Facility (the “Inducement Agreement”), is hereby approved. The Chairman or the Executive Director of the Agency are each hereby authorized, on behalf of the Agency, to execute and deliver the Inducement Agreement, with such changes in terms and form as the Chairman or the Executive Director shall approve. The execution thereof by the Chairman or the Executive Director executing the Inducement Agreement shall constitute conclusive evidence of such approval.

Section 4. Subject to the provisions of this resolution, and subject to the conditions set forth in Section 4.02 of the Inducement Agreement, the Agency shall (i) acquire, construct and equip the Facility, (ii) lease or sell (with an obligation to purchase) the Facility to the Company, and (iii) grant a mortgage on the Facility, if a mortgage is required.

Section 5. Subject to the provisions of this resolution, the Company is herewith and hereby appointed the agent of the Agency to acquire, construct and equip the Facility. The Company is hereby empowered to delegate its status as agent of the Agency to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company may choose in order to acquire, construct and equip the Facility. The terms and conditions for the appointment of the Company as agent of the Agency for the purposes described in this resolution are set forth in the form of the attached letter addressed to the Company, marked as Exhibit C to this resolution, which is incorporated herein by reference. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company 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, as agent of the Agency, shall be deemed to be on behalf of the Agency and for the benefit of the Facility. This agency appointment expressly excludes the purchase by the Company of any motor vehicles, including any cars, trucks, vans or buses which are licensed by the Department of Motor Vehicles for use on
public highways or streets. The Company shall indemnify the Agency with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company, as agent of the Agency. The aforesaid appointment of the Company as agent of the Agency to acquire, construct and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, (b) a date which the Agency designates, or (c) the date on which the Company has received exemptions from sales and use taxes in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $182,850 provided however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company if such activities and improvements are not completed by such time. The aforesaid appointment of the Company is subject to the Agency conducting a public hearing following public notice thereof as required by the Act and the adoption by the Agency of a ratification resolution after such public hearing has been held and minutes thereof have been made available to the members of the Agency to aid in their deliberations.

Section 6. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the acquisition, construction and equipping of the Facility in the form of (i) exemptions from sales and use taxes in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $182,850 (as set forth in the Form of Sales Tax Letter set forth as Exhibit C hereof) and (ii) abatement of real property taxes to be fixed over a 7-year period at 100% and more fully described in the Authorizing Resolution, consistent with the policies of the Agency.

Section 7. The Company hereby agrees to comply with Section 875 of the Act. The Company further agrees that the exemption of sales and use tax provided pursuant to the Act and the appointment of the Company as agent of the Agency pursuant to this resolution is subject to termination and recapture of benefits pursuant to Section 875 of the Act and the recapture agreement.

Section 8. The law firm of Nixon Peabody LLP is hereby appointed Transaction Counsel to the Agency.

Section 9. Counsel to the Agency and Transaction Counsel are hereby authorized to work with counsel to the Company and others to prepare, for submission to the Agency, all documents necessary to effect the transfer of real estate described in the foregoing resolution.

Section 10. The Chairman or the Executive Director of the Agency or any other duly authorized official 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 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 foregoing copy of a resolution of the Town of Islip Industrial Development Agency (the "Agency") with the original thereof on file in the office of the Agency, and the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.

Such resolution was passed at a meeting of the Agency duly convened in public session on December 10, 2013, at Islip Town Hall, 655 Main Street, Islip, New York, at which meeting the following members were:

Present: Chairman Eric Hofmeister Councilman Steve Flotteron Councilwoman Trish Bergin Weichbrodt Councilman John Cochrane Councilman Anthony Senft

Absent: Tom Croci absent due to Military leave

Also Present:

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

<table>
<thead>
<tr>
<th>Voting Aye</th>
<th>Voting Nay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Councilman Steve Flotteron</td>
<td></td>
</tr>
<tr>
<td>Councilwoman Trish Bergin Weichbrodt</td>
<td></td>
</tr>
<tr>
<td>Councilman John Cochrane</td>
<td></td>
</tr>
<tr>
<td>Councilman Anthony Senft</td>
<td></td>
</tr>
</tbody>
</table>

and, therefore, the resolution was declared duly adopted.

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

IN WITNESS WHEREOF, I have hereunto set my hand as of December 10, 2013.

______________________________
Secretary
RESOLUTION OF THE TOWN OF Islip INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING FHJ ENTERPRISE, LLC, A NEW YORK LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF FHJ ENTERPRISE, LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF THE FOREGOING AND A A TECHNOLOGY INC., A NEW YORK BUSINESS CORPORATION, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF A A TECHNOLOGY INC. AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS AGENT(S) OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND EQUIPPING THE FACILITY, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY.

WHEREAS, FHJ Enterprise, LLC, a New York limited liability company on behalf of itself and/or the principals of FHJ Enterprise, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”), and A A Technology Inc., a New York business corporation, on behalf of itself and/or the principals of A A Technology Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Sublessee”), have applied to the Town of Islip Industrial Development Agency (the “Agency”) to enter into a transaction in which the Agency will assist in the acquisition of a ground lease for an approximately 3.61 acre parcel of land located at 100 Trade Zone Drive, Ronkonkoma, Town of Islip, New York currently owned by the Town of Islip Trade Zone Authority (the “Land”) and the construction and equipping on the Land of an approximately 36,000 square foot building (the “Improvements” and “Equipment”; and, together with the Land, the “Facility”), to be leased by the Agency to the Company, for further sublease by the Company to, and used by, the Sublessee in the manufacture and distribution of circuit boards and electrical components, including cables, wire harnesses and build-in components, including the following as they relate to the appointment of the Company and the Sublessee as agent(s) of the Agency pursuant to Section 5 hereof with respect to the acquisition, construction 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, construction 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, construction 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 Facility and will lease or sublease the Facility to the Company for further sublease by the Company to the Sublessee, all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, as
amended, and Chapter 47 of the Laws of 1974 of the State of New York, as the same may be amended from time to time (collectively, the “Act”); and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company consistent with the policies of the Agency, in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be $2,925,000 but not to exceed $3,500,000 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 of the Facility, and (ii) exemptions from sales and use taxes in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $132,825 (as set forth in the Form of Sales Tax Letter set forth as Exhibit C 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, prior to the closing of the transaction described herein, a public hearing (the “Hearing”) will be held so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency or the location or nature of the Facility can be heard; and

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

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

WHEREAS, the Agency has given due consideration to the application of the Company and the Sublessee and to representations by the Company and the Sublessee that the proposed transfer of real estate is either an inducement to the Company and/or the Sublessee to maintain and expand the Facility in the Town of Islip or is necessary to maintain the competitive position of the Company and the Sublessee in their respective industry; and

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

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

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

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

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

Section 3. The form and substance of a proposed inducement agreement (in substantially the form presented to this meeting) by and among the Agency, the Company and the Sublessee setting forth the undertakings of the Agency, the Company and the Sublessee with respect to the development of the Facility (the “Agreement”) is hereby approved. The Executive Director of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agreement, with such changes in terms and form as the Executive Director shall approve. The execution thereof by the Executive Director shall constitute conclusive evidence of such approval.

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

Section 5. The Company and the Sublessee are hereby appointed the true and lawful agent(s) of the Agency to acquire, construct and equip the Facility on behalf of the Agency, with the authority to delegate their respective status as agent(s) of the Agency to the Company’s and the Sublessee’s respective agents, subagents, contractors, subcontractors, suppliers, vendors and other such parties as the Company and the Sublessee may choose. The terms and conditions for the appointment of the Company and the Sublessee as agent(s) of the Agency for the purposes described in this Section 5 are set forth in the form of the attached letter addressed to the Company and the Sublessee, marked as Exhibit C to this resolution, which is incorporated herein by reference. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company and the Sublessee as agent(s) of the Agency solely for purposes of making sales or leases of goods, services and supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company and the Sublessee, as agent(s) of the Agency, shall be
deemed to be on behalf of the Agency and for the benefit of the Facility. This agency appointment expressly excludes the purchase by the Company and the Sublessee of any motor vehicles, including any cars, trucks, vans or buses which are licensed by the Department of Motor Vehicles for use on public highways or streets. The Company and the Sublessee shall indemnify the Agency with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company and the Sublessee, as agent(s) of the Agency. The aforesaid appointment of the Company and the Sublessee as agent(s) of the Agency to acquire, construct and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, (b) a date which the Agency designates, or (c) the date on which the Company and/or the Sublessee has received exemptions from sales and use taxes in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $132,825 provided however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company and/or the Sublessee if such activities and improvements are not completed by such time. The aforesaid appointment of the Company and the Sublessee is subject to the Agency conducting a public hearing following public notice thereof as required by the Act and the adoption by the Agency of a ratification resolution after such public hearing has been held and minutes thereof have been made available to the members of the Agency to aid in their deliberations.; provided however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company and/or the Sublessee if such activities and improvements are not completed by such time. The aforesaid appointment of the Company and the Sublessee is subject to the Agency conducting a public hearing following public notice thereof as required by the Act and the adoption by the Agency of a ratification resolution after such public hearing has been held and minutes thereof have been made available to the members of the Agency to aid in their deliberations.

Section 6. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company and the Sublessee in connection with the acquisition, construction and equipping of the Facility in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be $2,925,000 but not to exceed $3,500,000 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 of the Facility, and (ii) exemptions from sales and use taxes in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $132,825 (as set forth in the Form of Sales Tax Letter set forth as Exhibit C hereof), consistent with the policies of the Agency.

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

Section 8. The law firm of Nixon Peabody LLP is hereby appointed Transaction Counsel to the Agency.
Section 9. Counsel to the Agency and Transaction Counsel are hereby authorized to work with counsel to the Company and the Sublessee and others to prepare, for submission to the Agency, all documents necessary to effect the transfer of real estate described in the foregoing resolution.

Section 10. The Chairman or the Executive Director of the Agency or any other duly authorized official of the Agency are each hereby authorized and directed (i) to distribute copies of this resolution to the Company and the Sublessee, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

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

Such resolution was passed at a meeting of the Agency duly convened in public session on December 10, 2013, at Islip Town Hall, 655 Main Street, Islip, New York, at which meeting the following members were:

Present: Chairman Eric Hofmeister
Councilman Steve Flotteron
Councilwoman Trish Bergin Weichbrodt
Councilman John Cochrane
Councilman Anthony Senft

Absent: Chairman Tom Croci absent due to Military leave

Also Present:

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

Voting Aye
Councilman Steve Flotteron
Councilwoman Trish Bergin Weichbrodt
Councilman John Cochrane
Councilman Anthony Senft

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

IN WITNESS WHEREOF, I have hereunto set my hand as of December 10, 2013.

______________________________
Secretary
RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF THE ISSLER’S INDUSTRIAL DEVELOPMENT REVENUE BONDS, SERIES 2013D (ENGEL BURMAN AT SAYVILLE, LLC FACILITY), IN THE AGGREGATE PRINCIPAL AMOUNT OF $1,500,000, AND THE 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 (collectively the “Act”), the Town of Islip Industrial Development Agency (the “Issuer”) was created with the authority and power to issue its special revenue bonds for the purpose of, among other things, acquiring certain industrial facilities as authorized by the Act; and

WHEREAS, the Issuer previously issued on behalf of Engel Burman at Sayville, LLC, a limited liability company organized and existing under the laws of the State of New York (the “Company”) its $18,500,000 aggregate principal amount Industrial Development Revenue Bonds, Series 2012A (Engel Burman at Sayville, LLC Facility) (the “Series 2012A Bonds”), its $12,300,000 aggregate principal amount Industrial Development Revenue Bonds, Series 2012B (Engel Burman at Sayville, LLC facility) (the “Series 2012B Bonds”) and its $7,510,000 aggregate principal amount Industrial Development Revenue Bonds, Series 2012C (Engel Burman at Sayville, Facility) (the “Series 2012C Bonds”; and, together with the Series 2012A Bonds and the Series 2012B Bonds, the “Series 2012 Bonds”) at respective purchase prices of $18,500,000, $12,300,000 and $7,510,000 for a total aggregate purchase price of $38,310,000 pursuant to Section 142(a)(7) of the Code 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 129 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 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 Issuer is selling the Facility to the Company pursuant to a certain Installment Sale Agreement, dated as of December 1, 2012, (the “Original Installment Sale Agreement”), between the Issuer, as seller, and the Company, as purchaser; and

WHEREAS, the Series 2012 Bonds were issued pursuant to an Indenture of Trust, dated as of December 1, 2012, (the “Original Indenture”), between the Issuer and U.S. Bank National Association, authorized to accept and execute trusts under the laws of the State of New York, as trustee (the “Trustee”); and

WHEREAS, the Series 2012 Bonds were privately placed by Roosevelt & Cross, Incorporated (the “Placement Agent”) with one or more purchasers (collectively, the
"Purchaser") pursuant to a Bond Placement Agreement, dated as of December 27, 2012 (the “Original Bond Placement Agreement”), by and among the Issuer, the Company and the Placement Agent; and

WHEREAS, the Issuer and the Company secured the payment of the Series 2012 Bonds and the Company’s obligations under the Original Installment Sale Agreement, by granting to the Trustee (i) an Acquisition Loan Mortgage and Security Agreement, dated as of December 28, 2012 (the “Acquisition Loan Mortgage”), (ii) a Building Loan Mortgage and Security Agreement, dated as of December 28, 2012 (the “Original Building Loan Mortgage”), and (iii) a Project Loan Mortgage and Security Agreement, dated as of December 28, 2012 (the “Project Loan Mortgage”; and, together with the Acquisition Loan Mortgage and the Building Loan Mortgage, the “Original Mortgages”), each from the Issuer and the Company to the Trustee; and

WHEREAS, in connection with the Building Loan Mortgage, the Issuer, the Company and the Trustee entered into a Building Loan Agreement, dated as of December 1, 2012 (the “Original Building Loan Agreement”), which Building Loan Agreement was to be filed in the Suffolk County Clerk’s office; and

WHEREAS, the Company has now applied to the Issuer to issue additional Industrial Development Revenue Bonds in an amount equal to $1,500,000 (the “Series 2013D Bonds”; and, together with the Series 2012 Bonds, the “Bonds”), pursuant to Section 142(a)(7) of the Code to finance the completion of the Facility; and

WHEREAS, the Facility will be initially owned, operated and/or managed by the Company; and

WHEREAS, the Issuer will continue to sell the Facility to the Company pursuant to the Original Installment Sale Agreement as amended by a First Amendment to Installment Sale Agreement, dated as of December 1, 2013, or such other date as may be reasonable or necessary and acceptable to the Issuer (the “First Amendment to Installment Sale Agreement”; together with the Original Installment Sale Agreement, the “Installment Sale Agreement”) and at the end of the sale term, the Company will purchase the Facility from the Issuer pursuant to the Installment Sale Agreement; and

WHEREAS, the Series 2013D Bonds will be issued pursuant to the Original Indenture as amended and supplemented by a First Supplemental Indenture of Trust, dated as of December 1, 2013, or such other date as may be reasonable or necessary and acceptable to the Issuer (the “First Supplemental Indenture”; together with the Original Indenture, the “Indenture”), between the Issuer and U.S. Bank National Association, authorized to accept and execute trusts under the laws of the State of New York, as trustee (the “Trustee”); and

WHEREAS, the Series 2013D Bonds will be privately placed by Roosevelt & Cross, Incorporated (the “Series 2013D Placement Agent”) with one or more purchasers (collectively, the “Series 2013D Purchaser”) pursuant to a Bond Placement Agreement,
to be dated as of December 12, 2013 (the “Series 2013D Bond Placement Agreement”),

WHEREAES, the Issuer and the Company will secure the payment of the Series
2013D Bonds and the Company’s obligations under the Installment Sale Agreement, by
granting (i) a Building Loan Mortgage and Security Agreement, dated as of December 1,
2013, or such other date as may be reasonable or necessary and acceptable to the Issuer
(the “Series 2013 Building Loan Mortgage”), and (ii) a Building Loan Mortgage and
Security Agreement Modification and Consolidation Agreement, dated as of December 1,
2013, or such other date as may be reasonable or necessary and acceptable to the Issuer
(the “Modification and Consolidation Agreement”), which will amend and consolidate
the Series 2013 Building Loan Mortgage and the Original Building Loan Mortgage into
one Building Loan Mortgage, each from the Issuer and the Company to the Trustee; and

WHEREAES, in connection with the Series 2013 Building Loan Mortgage, the
Issuer, the Company and the Trustee will enter into a First Amendment Building Loan
Agreement, dated as of December 1, 2013, or such other date as may be reasonable or
necessary and acceptable to the Issuer (the “First Amendment Building Loan
Agreement”), which First Amendment Building Loan Agreement Amendment amends
the Original Building Loan Agreement filed in the Suffolk County Clerk’s office; and

WHEREAES, in compliance with the Code, and in compliance with Section 859-a
of the Act, a public hearing was held on December 9, 2013, after public notice thereof
was published on November 25, 2013, to hear all persons interested in the location and
nature of the Facility, the issuance of the Series 2013D Bonds and the other economic
benefits, tax exemptions and financial assistance to be granted by the Issuer to the
Company in connection with the completion of the Facility; and

WHEREAES, the Issuer has received $1,500,000 of volume cap allocation from the
New York State Department of Economic Development to the Issuer to be applied
towards the Series 2013D Bonds; and

WHEREAES, by Resolution of Approval to be adopted by the Town Board of the
Town of Islip, New York on or after December 10, 2013, the “applicable elected
representatives” as required under Section 147(f) of the Code will approve the issuance
of the Series 2013D Bonds, and will confirm the Issuer’s providing financial assistance to
the Facility pursuant to Section 862(c) of the General Municipal Law; and

WHEREAES, the Company has agreed to indemnify the Issuer against certain
losses, claims, expenses, damages and liabilities which may arise in connection with the
transactions contemplated by the sale of the Facility and the issuance and purchase of the
Series 2013D Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Town of Islip Industrial
Development Agency (a majority of the members thereof affirmatively concurring) as
follows:
Section 1. The Issuer has previously reviewed the Facility and on August 12, 2012, adopted a negative declaration for purposes of SEQR.

Section 2. The Issuer hereby finds and determines:

(a) By virtue of the Act, the Issuer 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) There is a lack of affordable safe, clean and modern senior assisted living housing in the Town of Islip;

(c) The Facility will create construction and permanent jobs, and by providing such affordable housing will enable retired persons and senior citizens to remain in the Town of Islip and thereby to support the businesses, retailers, banks, and other financial institutions, insurance companies, health care and legal services providers and other merchants in the Town of Islip, which will increase the economic health and well-being of the residents of the Town of Islip, and help preserve and increase permanent private sector jobs;

(d) The Facility will provide services, i.e., affordable senior housing, which but for the Facility, would not otherwise be reasonably accessible to the residents of the Town of Islip;

(e) The Facility constitutes a “project,” as such term is defined in the Act and a “qualified residential rental project” as such term is defined in the Code;

(f) The completion of the Facility and the sale of the Facility to the Company pursuant to the Installment Sale Agreement 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;

(g) The Issuer approves of the location of the site of the Facility;

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

(i) The financing of the completion of the Facility is reasonably necessary to induce the Company to maintain and expand its operations within the State of New York;

(j) Based upon the representations and warranties of the Company and counsel to the Company, the Facility and the operations conducted therein will not cause or result in the violation of the health, labor or other laws of the United States of America, the State of New York, or the Town of Islip;
(k) Based upon the representations and warranties of the Company and counsel to the Company, the Facility and the operations conducted therein will 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;

(l) It is desirable and in the public interest for the Issuer to issue and sell the Series 2013D Bonds in the aggregate principal amount of $1,500,000, for the purpose of completing the construction of the Facility, together with necessary incidental expenses in connection therewith;

(m) The Series 2013D Bond Placement Agreement will be an effective instrument whereby the Issuer will agree to sell the Bonds to the Underwriter when issued by the Issuer; and

(n) The First Supplemental Indenture, together with the Original Indenture will be an effective instrument which, among other things, secures the Bonds, assigns to the Trustee certain rights and remedies of the Issuer under the Installment Sale Agreement, and authorizes the Trustee to accept and execute trusts of the character set forth in the Indenture;

(o) The First Amendment to Installment Sale Agreement, together with the Original Installment Sale Agreement will be an effective instrument whereby the Issuer will sell the Facility to the Company;

(p) The Series 2013D Assignment, together with the Original Assignment will be an effective instrument pursuant to which the Issuer assigns to the Trustee certain of its rights and remedies under the Installment Sale Agreement (except for Unassigned Rights as defined in the Indenture and amounts on deposit in the Rebate Fund), including the right to collect and receive certain moneys due and to become due; and

(q) The Mortgages will be effective instruments whereby the Company and the Issuer assign to the Trustee mortgages on and present and continuing security interests in all property and rights described in the respective granting clauses thereunder to secure payment of the Bonds and performance of their respective obligations under the Installment Sale Agreement, the Bond Placement Agreement, the Indenture and the other Bond Documents (as defined in the Indenture) and the Building Loan Agreement will be an effective instrument when filed in the Suffolk County Clerk’s office, under the New York Lien Law with respect to the disbursements of amounts on deposit in the Construction Account of the Project Fund under the Indenture to pursue the lien of the Building Loan Agreement; and

(r) The Guaranty Agreement, originally dated as of December 1, 2012, as amended by the First Amendment and Ratification of Guaranty, to be dated as of December 1, 2013 or such other date as may be reasonable or necessary and acceptable to the Issuer (collectively, the “Guaranty”), from the Company and any other guarantors required by the Placement Agent to the Issuer and the Trustee will be an effective
instrument whereby the Company will guarantee to the Issuer and the Trustee the full and prompt payment when due of the principal of, premium, if any, and interest on the Bonds, and the payment and performance of the Company’s obligations under the Company Documents (as defined in the Indenture) and will enhance the marketability of the Bonds; and

(s) The Completion Guaranty Agreement, originally dated as of December 1, 2012, as amended by the First Amendment and Ratification of Completion Guaranty, to be dated as of December 1, 2013 or such other date as may be reasonable or necessary and acceptable to the Issuer (collectively, the “Completion Guaranty”), each from the principals of the Company (collectively, the “Developers”) to the Issuer and the Trustee will be an effective instrument whereby the Developers will guarantee to the Issuer and the Trustee the completion of the Facility on or before the Completion Date (as such term is defined in the Indenture); and

(t) The Developer Guaranty Agreement, originally dated as of December 1, 2012, as amended by the First Amendment and Ratification of Developer Guaranty, to be dated as of December 1, 2013 or such other date as may be reasonable or necessary and acceptable to the Issuer (collectively, the “Developer Guaranty”), each from the Developers to the Issuer and the Trustee will be an effective instrument whereby the Developers will guarantee to the Issuer and the Trustee the, among other things, (i) payment of principal of, sinking fund installments, redemption premium, and interest on the Bonds until the Company has achieved and maintained a minimum required Debt Service Coverage Ratio (as such term is defined in the Indenture) from time to time, and (ii) its payment of an amount under the Installment Sale Agreement to redeem a sufficient amount of Bonds from time to time in order to enable the Company to achieve and maintain the required Debt Service Coverage Ratio; and

(u) The Original Tax Regulatory Agreement, dated December 28, 2012 (as defined in the Indenture), as amended by the First Supplemental Tax Regulatory Agreement, to be dated as of December 1, 2013 or such other date as may be reasonable or necessary and acceptable to the Issuer (collectively, the “Tax Regulatory Agreement”), each by and between the Company and the Issuer, will be an effective instrument whereby the Company and the Issuer set forth certain representations, expectations, conditions and covenants establishing compliance with the restrictions imposed by the Code relating to hearings and approval by the Issuer, activities of the Company, the Bonds, the Facility and the application of the proceeds of the Bonds; and

(x) The proposed form of the Original Private Placement Memorandum, as amended by the First Supplemental Private Placement Memorandum (collectively, the “Private Placement Memorandum”) to be distributed by the Issuer and the Company in connection with the issuance of the Bonds will contain true and accurate information regarding the ability of the Issuer to issue the Bonds and the information contained therein regarding the Issuer, the Bonds, the Bond Placement Agreement, the Indenture, the Installment Sale Agreement, the Assignment, the Mortgages, the Completion Guaranty, the Developer Guaranty, the Building Loan Agreement, the Tax Regulatory Agreement and the Guaranty is hereby approved; and
(y) The Issuer hereby determines to grant the mortgage recording tax exemptions in connection with the Facility and the Bonds consistent with the policies of the Issuer.

Section 3. In consequence of the foregoing, the Issuer hereby determines to: (i) issue and sell the Series 2013D Bonds pursuant to and in accordance with the Indenture and the Series 2013D Bond Placement Agreement, (ii) use the proceeds of the Series 2013D Bonds to finance the costs of the completion of the construction of the Facility and to disburse the proceeds of the Series 2013D Bonds proceeds, in accordance with the provisions of the Indenture, (iii) sell the Facility to the Company pursuant to the Installment Sale Agreement, (iv) secure the Bonds by vesting certain powers and duties in the Trustee pursuant to the Indenture, and by assigning to the Trustee certain of the Issuer's rights and remedies under the Installment Sale Agreement, including the right to collect and receive amounts payable thereunder pursuant to the Assignment (except for Unassigned Rights as defined in the Indenture and amounts on deposit in the Rebate Fund), (v) secure the Series 2013D Bonds by granting a lien upon and security interest in the Facility to the Trustee pursuant to the Mortgages, (vi) additionally secure the Bonds pursuant to the Guaranty, the Completion Guaranty and the Developer Guaranty, (vii) pay capitalized interest on the Bonds, if required, and pay a portion of the cost of issuance of the Bonds to the extent allowable under the Code; (viii) obtain the certification by a State official designated by State law or, if there is no such State official, the Governor of the State, that the Bonds meet the requirements of Section 146 of the Code, (ix) file the Information Return for Private Activity Bond Issues, Form 8038 (the "Information Return") in the manner and at the places provided in the Code, and (x) grant to the Company and the Facility other economic benefits consisting of the continuation of sales tax exemptions for a period which shall expire upon the completion of the Facility, continuation of real property tax abatements, pursuant to the PILOT Agreement, and mortgage recording tax exemptions, in accordance with the policies of the Issuer.

Section 4. The Issuer is hereby authorized to acquire the real and personal property described in Exhibits A and B, respectively, to the Installment Sale Agreement and to sell the same to the Company pursuant to the terms of the Installment Sale Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Issuer with respect to such acquisition are hereby approved, ratified and confirmed.

Section 5. The form and substance of the Series 2013D Bonds, the First Supplemental Indenture, the Series 2013D Bond Placement Agreement, the First Amendment to the Installment Sale Agreement, the Mortgages, the Completion Guaranty, the Developer Guaranty, the Building Loan Agreement, the Assignment, the Tax Regulatory Agreement, the Guaranty and the Private Placement Memorandum (each which will be in substantially the form and substance satisfactory to the Issuer and its counsel and which, prior to the execution and delivery thereof, may be redated) (collectively, the "Issuer Documents") and of the Information Return are hereby approved.
Section 6. The Issuer is hereby authorized to issue and execute, sell and deliver the Series 2013D Bonds to the Underwriter in the aggregate principal amount of $1,500,000, pursuant to the Act and in accordance with the Bond Placement Agreement and the Indenture; provided that:

(a) The Series 2013D Bonds shall (i) be issued, executed and delivered at such time as the Chairman of the Issuer and/or the Executive Director of the Issuer, or any member of the Issuer shall determine, and (ii) bear interest at the rates, be subject to redemption prior to maturity, and have such other provisions and be issued in such manner and on such conditions as are to be set forth in the Series 2013D Bonds, the Bond Placement Agreement and the Indenture, which terms are specifically incorporated herein with the same force and effect as if fully set forth herein.

(b) The 2013D Bonds shall be issued solely for the purpose of providing funds to finance the Costs of the completion of the Facility (as defined in the Indenture), and paying certain costs of issuance, including without limitation, the administrative, legal, financial and other expenses of the Issuer incurred in connection with the acquisition, construction and equipping of the Facility and incidental to the issuance of the Series 2013D Bonds.

(c) The Series 2013D Bonds and the interest thereon are not and shall never be a debt of the State of New York or the Town of Islip, New York, and neither the State of New York nor the Town of Islip, New York, shall be liable thereon.

(d) The Series 2013D Bonds, together with interest payable thereon, shall be special obligations of the Issuer payable solely from the revenues and receipts derived from the sale of the Facility or from the enforcement of the security provided by the Mortgage, the Installment Sale Agreement and the Assignment.

(e) Notwithstanding any other provision of this resolution, the Issuer covenants that it will make no use of the proceeds of the Series 2013D Bonds or of any other funds which, if such use had been reasonably expected on the date of issue of the Bonds, would cause the Series 2013D Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 7. To the extent the Company has paid or incurred or will pay or incur preliminary expenditures or hard costs in connection with the Facility with current funds, it reasonably expects to reimburse itself with proceeds from the Series 2013D Bonds.

Section 8.

(a) The Chairman of the Issuer and/or the Executive Director of the Issuer, or any member of the Issuer are hereby authorized, on behalf of the Issuer, to execute and deliver the Issuer Documents, and the Information Return, where appropriate, the Secretary or any Assistant Secretary of the Issuer is hereby authorized to affix the seal of the Issuer to the Series 2013D Bonds, all in substantially the forms thereof presented to
this meeting with such changes, variations, omissions and insertions as the Chairman of the Issuer and/or the Executive Director of the Issuer, or any member of the Issuer shall approve. The execution thereof by the Chairman of the Issuer and/or the Executive Director of the Issuer, or any member of the Issuer shall constitute conclusive evidence of such approval.

(b) The Chairman of the Issuer and/or the Executive Director of the Issuer, or any member of the Issuer are further hereby authorized, on behalf of the Issuer, to designate any additional Authorized Representatives of the Issuer (as defined in and pursuant to the Installment Sale Agreement).

Section 9. The officers, employees and agents of the Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer to do all acts and things required or provided for by the provisions of the Issuer 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 Issuer with all of the terms, covenants and provisions of the Issuer Documents binding upon the Issuer.

Section 10.

(a) It is desirable and in the best interest of the Issuer that, in connection with the issuance of the Series 2013D Bonds, the Series 2013D Bonds be qualified or registered for offer in various states authorized by the Issuer and that each of the members, officers, employees and agents of the Issuer be, and they hereby are each, authorized to determine the states in which appropriate action shall be taken to qualify or register for offer all or such part of the Series 2013D Bonds as said members, officers, employees and agents may deem advisable (and any such action taken to date is hereby approved, ratified and confirmed); that each of said members, officers, employees and agents be, and they hereby are each, authorized and directed to take any and all action for and on behalf of the Issuer, in connection with the proposed offering of the Series 2013D Bonds, which they may deem necessary or appropriate to obtain licenses or permits, or register, qualify or notice the Series 2013D Bonds for reoffering and issuance under the securities or Blue Sky laws of such of the various states as each of said members, officers, employees or agents may deem advisable (and any such action taken to date is hereby approved, ratified and confirmed), and in connection with such registrations, licenses, permits, qualifications or notices, to execute and file for and on behalf of the Issuer all such applications, notices, reports, issuer’s covenants, resolutions, irrevocable consents to service of process (including appointment of a designated state official to act as agent to receive process), powers of attorney and information, and to take all such further action as any of them may deem necessary or desirable to keep in effect such registrations, licenses, permits, qualifications or notices or to comply with the requirements of any regulatory commission whose approval or notification with respect to the Series 2013D Bonds may be required (and any such action taken to date is hereby approved, ratified and confirmed); and that the execution by such members, officers, employees and agents of the Issuer of any such paper or document or the doing by them
of any act in connection with the foregoing matters shall conclusively establish their authority therefor by the Issuer of the papers and documents so executed and the action so taken (and any such action taken to date is hereby approved, ratified and confirmed).

(b) The Issuer hereby adopts the form of any resolution required by any state authority to be filed in connection with any application, consent to service of process or other document mentioned in the foregoing resolution if (i) in the opinion of a member, officer, employee or agent of the Issuer the adoption of such a resolution is necessary or advisable, and (ii) the Secretary or Assistant Secretary of the Issuer evidences such adoption by attaching to the minutes of this meeting copies of such resolutions, which will thereupon be deemed to have been adopted by the Issuer with the same force and effect as if originally attached to the minutes of this meeting (and any such action taken to date is hereby approved, confirmed and ratified).

(c) The Issuer hereby resolves, that each of the members, officers, employees and agents be, and they hereby are each, authorized and directed to take any and all action for and on behalf of the Issuer in connection with the proposed issuance and offering of the Series 2013D Bonds which they may deem necessary or appropriate to render the Series 2013D Bonds legal for investment by savings banks, insurance companies, trust funds and any other institutions in such other of the various states as such members, officers, employees or agents may deem advisable (and any such action taken to date is hereby approved, confirmed and ratified).

Section 11. This resolution shall take effect immediately and the Series 2013D Bonds are hereby ordered to be issued in accordance with this resolution.
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 "Issuer"), including the resolutions contained therein, held on the 10th day of December, 2013, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Issuer and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, that all members of said Issuer 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 this 10th day of December, 2013.

______________________________
Secretary
At a meeting of the Town of Islip Industrial Development Agency (the “Issuer”), held at the Islip Town Hall, 655 Main Street, Islip, New York on the 10th day of December, 2013, the following members of the Issuer were:

Present:  Chairman Eric Hofmeister  
Councilman Steve Flotteron  
Councilwoman Trish Bergin Weichbrodt  
Councilman John Cochrane  
Councilman Anthony Senft

Absent:  Tom Croci, due to Military leave

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 issuance and sale of the Issuer’s proposed Industrial Development Revenue Bonds, Series 2013D (Engel Burman at Sayville, LLC Facility) in the aggregate principal amount of $1,500,000.

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

**AYE**

Councilman Steve Flotteron  
Councilwoman Trish Bergin Weichbrodt  
Councilman John Cochrane  
Councilman Anthony Senft

**NAY**
RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE APPOINTMENT OF BRIAD DEVELOPMENT, LLC, A LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF BRIAD DEVELOPMENT, LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS AGENT OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND EQUIPPING AN INDUSTRIAL DEVELOPMENT FACILITY AND APPROVING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY FOR BRIAD DEVELOPMENT, 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, Briad Development, LLC, a Nevada limited liability company, on behalf of itself and/or the principals of Briad Development, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”), has applied to the Agency to enter into a transaction in which the Agency will assist in the acquisition of an approximately 3.15 acre parcel of land located at the northeast corner of Carleton Avenue and Courthouse Drive, Central Islip, New York (more specifically identified as tax map number 0500-207.00-01.00-003.058) (the “Land”) and the construction and equipping of an approximately 70,000 square foot 4-story, 125 room select-service hotel to be located thereon, including, but not limited to, an indoor pool, exercise room, conference room, business library, wired and wireless internet, a café bistro and additional parking spaces, together with the acquisition and installation of furniture, fixtures and equipment (the “Improvements” and “Equipment”), to be leased by the Agency to the Company to provide a full range of services to the business and leisure traveler visiting the Town of Islip (the Land, Improvements and Equipment, collectively, the “Facility”), including the following as they relate to the appointment of the Company as agent of the Agency pursuant to Section 4 hereof with respect to the acquisition, construction, installation 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, construction, installation 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, construction, installation 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, all to be leased to the Company pursuant to a certain Lease Agreement, dated as of December 1, 2013, or
such other date as the Chairman, the Executive Director and counsel to the Agency shall agree (the "Lease Agreement"); and

WHEREAS, the Agency will lease the Facility to the pursuant to a certain Lease Agreement, dated as of December 1, 2013 or such other date as the Chairman, the Executive Director and counsel to the Agency shall agree (the "Lease Agreement"); 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 (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be $12,700,000 but not to exceed $14,000,000 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 of the Facility, (ii) exemptions from sales and use taxes in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $557,600 (as set forth in the Form of Sales Tax Letter set forth as Exhibit A hereof) and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit B hereof), consistent with the policies of the Agency; and

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

WHEREAS, the Agency by Inducement Resolution, dated October 28, 2013, decided to proceed under the provisions of the Act to acquire, construct and equip the Facility and enter into 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 will enter into a certain Payment-in-Lieu-of-Tax Agreement, dated as of December 1, 2013 or such date as may be determined by the Agency and counsel to the Agency (the "PILOT Agreement"), pursuant to which the Company 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 and the Company will enter into a certain Recapture Agreement, dated as of December 1, 2013 or such date as may be determined by the Agency and counsel to the Agency (the "Recapture Agreement"), between the Agency and the Company; and

WHEREAS, as security for a loan or loans (as such term is defined in the Lease Agreement), the Agency and the Company will execute and deliver to a lender or lenders not yet determined (the "Lender"), a mortgage or mortgages, and such other loan documents satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably required by the Lender, to be dated a date to be determined, in connection with the financing, any refinancing or permanent financing of the costs of the acquisition, renovation and equipping of the Facility (collectively, the "Loan Documents"); and
WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the Agency's involvement with the Facility is either an inducement to the Company to remain in the State and reasonably necessary to discourage the Company from removing such other plant or Facility to a location outside of the State, and/or is reasonably necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the transfer of fee title or leasehold interest to the Land (as such term is defined in the Lease Agreement) and the Facility to the Agency and the lease of the Facility by the Agency to the Company and the further subleasing of the Facility by the Company to the Sublessees; and

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, construction and equipping of the Facility and the leasing of the Facility by the Agency to the Company and the provision of financial assistance to the Company, consistent with the policies of the Agency, pursuant to the Act, 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 acquisition, construction and equipping of the Facility by the Agency is reasonably necessary to induce the Company 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 conforms with the local zoning laws and planning regulations of the Town of Islip and all regional and local land use plans for the area in which the Facility is located; and

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

(g) The Lease Agreement will be an effective instrument whereby the Agency leases the Facility to the Company; and
(h) The PILOT Agreement will be an effective instrument whereby the Agency and the Company set forth the terms and conditions of their agreement regarding the Company's payments in lieu of real property taxes; and

(i) The Recapture Agreement will be an effective instrument whereby the Agency and the Company agree to provide for the obligations of the Company 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

(j) The Environmental Compliance and Indemnification Agreement, dated as of December 1, 2013, or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency (the “Environmental Compliance and Indemnification Agreement”), by and between the Agency and the Company, will be an effective instrument whereby the Company covenants that the acquisition, construction, equipping and operation of the Facility will be in compliance with all laws and regulations, and the Company will indemnify and hold the Agency harmless from any violation of the environmental laws and regulations with respect to the Facility; and

(k) The Loan Documents to which the Agency is a party will be effective instruments whereby the Agency and the Company agree to secure the Loan and assign to the Lender their respective rights under the Lease Agreement (except for Unassigned Rights as defined in such Lease Agreement).

Section 2. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the acquisition, construction and equipping of the Facility in the form of (i) exemptions from the mortgage recording tax, if a mortgage is required now or in the future in connection with the financing or refinancing of the Facility, on a mortgage or mortgages in an aggregate amount presently estimated to be $12,700,000 but not to exceed $14,000,000, and any future financing, refinancing or permanent financing of the costs of acquiring, constructing and equipping of the Facility, (ii) exemptions from sales and use taxes on the acquisition from the Company of a leasehold interest in certain fixtures, furniture and equipment located in the Facility and any new fixtures, furniture and equipment to be installed in the Facility or renovating to the Facility in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $557,600 (as set forth in the Form of Sales Tax Letter set forth as Exhibit A hereof) and, (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit B hereof), all consistent with the policies of the Agency.

Section 3. The Company hereby agrees to comply with Section 875 of the Act. The Company further agrees that the exemption of sales and use tax provided pursuant to the Act and the appointment of the Company as agent of the Agency pursuant to this resolution is subject to termination and recapture of benefits pursuant to Section 875 of the Act and the Recapture Agreement.

Section 4. The Company is hereby appointed the true and lawful agent of the Agency to acquire, construct, and equip the Facility on behalf of the Agency, with the
authority to delegate its status as agent of the Agency to its agents, subagents, contractors, subcontractors, suppliers, vendors and other such parties as the Company may choose. The terms and conditions for the appointment of the Company as agent of the Agency for the purposes described in this Section 4 are set forth in the form of the attached letter addressed to the Company, marked as Exhibit A to this resolution, which is incorporated herein by reference. The appointment described above includes the following activities as they relate to the acquisition, construction and equipping of the Facility, whether or not the materials, services or supplies described below are incorporated into or become an integral part of the Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, construction and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description in connection with the acquisition, construction 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 the Facility. This agency appointment includes the power to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agents for the Agency, and in general to do all things which may be requisite or proper for completing the Facility, all with the same powers and with the same validity as would the Agency if acting on its own behalf. This agency appointment expressly excludes the Company from purchasing 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 aforesaid appointment of the Company as agent of the Agency to acquire, construct and equip the Facility shall expire at the earlier (A) the completion of such acquisition, constructing and equipping of the Facility, (B) such date as the Agency designates, or (C) the date on which the Company has received exemptions from New York State sales and use tax totaling $557,600 in connection with the purchase or lease of equipment, building materials, services or other personal property for the Facility; provided however, such appointment may be extended at the discretion of the Executive Director or the Chairman of the Agency for up to six (6) additional months, in each case or by the Agency Board for any period beyond such six (6) months, upon the written request of the Company if such activities and improvements are not completed by such time.

Section 5. In consequence of the foregoing, the Agency hereby determines to: (i) acquire, construct and equip the Facility and lease the Facility to the Company pursuant to the Lease Agreement; (ii) execute, deliver and perform the Lease Agreement; (iii) execute, deliver and perform the PILOT Agreement; (iv) execute, deliver and perform the Recapture Agreement; (v) execute and deliver the Environmental Compliance and Indemnification Agreement; (vi) grant a mortgage on and security interest in and to the Facility pursuant to the Loan Documents; and (vii) execute, deliver and perform any Loan Documents to which the Agency is a party, 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 the Facility, without the need for any further or future approvals of the Agency.

Section 6. The Agency is hereby authorized to acquire the real property and personal property described in Exhibit A and Exhibit B, respectively, to the Lease Agreement and 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 7. The form and substance of the Lease Agreement, the PILOT Agreement, the Recapture Agreement, the Environmental Compliance and Indemnification Agreement, and the Loan Documents (each in substantially the forms presented to or approved by the Agency and which, prior to the execution and delivery thereof, may be redated and renamed) are hereby approved.

Section 8.

(a) The Chairman, Executive Director or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Lease Agreement, the PILOT Agreement, the Recapture Agreement, the Environmental Compliance and Indemnification Agreement and the Loan Documents, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the 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, Executive Director 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, Executive Director, or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The 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 9. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 10. This resolution shall take effect immediately.
STATE OF NEW YORK  )
COUNTY OF SUFFOLK  )

: SS.:

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

That I have compared the annexed extract of the minutes of the meeting of the Town of Islip Industrial Development Agency (the "Agency"), including the resolutions contained therein, held on the 10th day of December, 2013, 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 10th day of December, 2013.

By: ____________________________
Secretary
At a meeting of the Town of Islip Industrial Development Agency (the “Agency”), held at Islip Town Hall, 655 Main Street, Islip, New York on the 10th day of December, 2013, the following members of the Agency were:

Present:  Chairman Eric Hofmeister  
Councilman Steve Flotteron  
Councilwoman Trish Bergin Weichbrodt  
Councilman John Cochrane  
Councilman Anthony Senft

Absent:  Tom Croci, due to Military leave

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 (Briad Development, LLC 2013 Facility) and the leasing of the facility to Briad Development, LLC.

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

Voting Aye  
Councilman Steve Flotteron  
Councilwoman Trish Bergin Weichbrodt  
Councilman John Cochrane  
Councilman Anthony Senft

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 60 HOFFMAN LLC, A DELAWARE LIMITED LIABILITY COMPANY, UNITED LIGHTING ELECTRICAL CORP., A NEW YORK BUSINESS CORPORATION, AND PLAYACTION, 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, 60 Hoffman LLC, a limited liability company organized and existing under the laws of the State of Delaware and authorized to transact business in the State of New York (the “Company”) has applied to the Town of Islip Industrial Development Agency (the “Agency”) for its assistance in (a) the acquisition of an approximately 3.2 acre parcel of land located at 60 Hoffman Avenue, Hauppauge, New York 11788 (the “Land”), and the renovation and equipping of an approximately 62,770 square foot building located thereon (the “Improvements”) and the acquisition and installation of certain equipment not part of the Equipment (as such term is defined in Exhibit A to the Equipment Lease Agreement, to be dated a date to be determined (the “Equipment Lease Agreement”), between the Agency and the hereinafter defined sublessees) (the “Facility Equipment”; and, together with the Land and Improvements, the “Company Facility”), all to be leased by the Agency to the Company for further sublease by the Company of (i) an approximate 70% portion of the Company Facility to, and used by United Lighting Electrical Corp., a business corporation organized and existing under the laws of the State of New York (“United Lighting”), as a supplier of electrical supplies and lighting material to developers and contractors in the tri-state area; and (ii) an approximate 30% portion of the Company Facility to, and used by Playaction, LLC, a limited liability company organized and existing under the laws of the State of New York (“Playaction”; and, together with United Lighting, the “Sublessees”), as a sports and entertainment brand licensing company supplying products to big box and national retailers, and (b) the acquisition and installation of the Equipment (the “Equipment”), which Equipment is to be leased by the Agency to the Sublessees for use in their respective businesses (the Company Facility and the Equipment collectively referred to herein as the “Facility”), including the following as they relate 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 Land will be leased by the Company to the Agency pursuant to the terms of the Company Lease Agreement, dated as of December 1, 2013 or such other date as the Chairman or the Executive Director and counsel to the Agency shall agree (the “Company Lease Agreement”); and

WHEREAS, the Agency will sublease the Facility to the Company pursuant to a certain Lease Agreement, dated as of December 1, 2013 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 United Lighting Equipment will be leased to United Lighting pursuant to a certain Equipment Lease Agreement, dated as of December 1, 2013 or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the “United Lighting Equipment Lease”), by and between the Agency and United Lighting; and

WHEREAS, the Playaction Equipment will be leased to Playaction pursuant to a certain Equipment Lease Agreement, dated as of December 1, 2013 or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the “Playaction Equipment Lease”; and, together with the United Lighting Equipment Lease, the “Equipment Lease Agreements”), by and between the Agency and Playaction; and

WHEREAS, the Agency by resolution duly adopted on November 19, 2013 (the “Inducement Resolution”), decided to proceed under the provisions of the Act to acquire and lease the Facility and enter into the Lease Agreement and the Equipment Lease Agreements; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company and the Sublessees consistent with the policies of the Agency, in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be $2,800,000 but not to exceed $3,500,000 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, constructing and equipping of the Facility, (ii) exemptions from sales and use taxes in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $10,350 (as set forth in the Form of Sales Tax Letter set forth as Exhibit A hereof) and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit B 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 Sublessees’ obligations regarding payments-in-lieu-of taxes with respect to the Facility, the Agency, the Company
and the Sublessees will enter into a certain Payment-in-Lieu-of-Tax Agreement, dated as of December 1, 2013, or such date as may be determined by the Agency and counsel to the Agency (the “PILOT Agreement”), pursuant to which the Company and the Sublessees 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 Sublessees will enter into a certain Recapture Agreement, dated as of December 1, 2013 or such date as may be determined by the Agency and counsel to the Agency (the “Recapture Agreement”), among the Agency, the Company and the Sublessees; and

WHEREAS, as security for a loan or loans (as such term is defined in the Lease Agreement), the Agency and the Company will execute and deliver to a lender 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 Sublessees 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 continued leasing of the Facility by the Agency to the Company;

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

Section 1. The Agency hereby finds and determines:

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

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

(c) The acquisition, renovation and equipping of the Facility and the leasing of the Facility to the Company, the subleasing of the Facility by the Company 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 Sublessees to maintain and expand their respective business operations in the State of New York; and

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

(h) The Lease Agreement is an effective instrument whereby the Agency leases the Company Facility to the Company; and

(i) The Equipment Lease Agreements are effective instruments whereby the Agency leases the respective Equipment to the Sublessees; and

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

(k) The Recapture Agreement will be an effective instrument whereby the Agency, the Company and the Sublessees agree to provide for the obligations of the Company and the Sublessees 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 Sublessees; and

(l) The Environmental Compliance and Indemnification Agreement, dated as of December 1, 2013 or such other date as may be determined by the Agency and counsel to the Agency (the "Environmental Compliance and Indemnification Agreement"), by and among the Agency, the Company and the Sublessees will be an effective instrument whereby the Company and the Sublessees 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

(m) The Agency Compliance Agreement, dated as of December 1, 2013 or such other date as may be determined by the Agency and counsel to the Agency (the "United Lighting Agency Compliance Agreement"), between the Agency and United Lighting will be an effective instrument whereby United Lighting will provide certain assurances to the Agency with respect to the United Lighting Sublease Agreement; and

(n) The Agency Compliance Agreement, dated as of December 1, 2013 or such other date as may be determined by the Agency and counsel to the Agency (the "Playaction Agency Compliance Agreement"; and together with the United Lighting Agency Compliance Agreement; the "Agency Compliance Agreements"), between the Agency and Playaction will be an effective instrument whereby Playaction will provide certain assurances to the Agency with respect to the Playaction Sublease Agreement; and
(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 from the Company pursuant to the Company Lease Agreement; (ii) sublease the Land and lease the Improvements to the Company pursuant to the Lease Agreement; (iii) lease the Equipment to the Sublessees pursuant to the Equipment Lease Agreements; (iv) execute, deliver and perform the Lease Agreement; (v) execute, deliver and perform the Equipment Lease Agreements; (vi) execute, deliver and perform the PILOT Agreement; (vii) execute and deliver the Recapture Agreement (viii) execute and deliver the Environmental Compliance and Indemnification Agreement; (ix) execute and deliver the Agency Compliance Agreements; (x) grant the mortgage on and security interest and assignment of leases and rents, in and to the Facility pursuant to the Loan Documents; (x) execute, deliver and perform the Loan Documents to which the Agency is a party; and (xii) execute, deliver and perform any future loan documents to which the Agency is a party, in connection with any future refinancing or permanent financing of the costs of acquiring, constructing and equipping of the Facility without the need for any further or future approvals of the Agency.

Section 3. The Agency is hereby authorized to acquire a subleasehold interest in the real property and to acquire the personal property described in Exhibit A and Exhibit B, respectively, to the Lease Agreement and the personal property described in Exhibit A to each of the Equipment Lease Agreements 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 Sublessees in connection with the acquisition, renovation and equipping of the Facility in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be $4,684,700 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 of the Facility, (ii) exemptions from sales and use taxes in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $75,181 (as set forth in the Form of Sales Tax Letter set forth as Exhibit A hereof) and (iii) abatement of real
property taxes (as set forth in the PILOT Schedule attached as Exhibit B hereof), consistent with the policies of the Agency.

Section 6. The Company and the Sublessees hereby agree to comply with Section 875 of the Act. The Company and the Sublessees further agree that the exemption of sales and use tax provided pursuant to the Act and the appointment of the Company and the Sublessees 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 7. The form and substance of the Company Lease Agreement, the Lease Agreement, the Equipment Lease Agreements, the PILOT Agreement, the Recapture Agreement, the Environmental Compliance and Indemnification Agreement, the Agency Compliance Agreements and the Loan Documents (each in substantially the forms presented to or approved by the Agency and which, prior to the execution and delivery thereof, may be redated) are hereby approved.

Section 8.

(a) The Chairman and the Executive Director are hereby authorized, on behalf of the Agency, to execute and deliver the Company Lease Agreement, the Lease Agreement, the Equipment Lease Agreements, the PILOT Agreement, the Recapture Agreement, the Environmental Compliance and Indemnification Agreement, the Agency Compliance Agreements and the Loan Documents, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman or the Executive Director shall approve, and such other related documents as may be, in the judgment of the Chairman, Executive Director 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 or the Executive Director 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 9. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 10. This resolution shall take effect immediately.
STATE OF NEW YORK

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 10th day of December, 2013, 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 10th day of December, 2013.

By: __________________________

Secretary
At a meeting of the Town of Islip Industrial Development Agency (the “Agency”), held at Islip Town Hall, 655 Main Street, Islip, New York on the 10th day of December, 2013 the following members of the Agency were:

Present:  Chairman Eric Hofmeister  
Councilman Steve Flotteron  
Councilwoman Trish Bergin Weichbrodt  
Councilman John Cochrane  
Councilman Anthony Senft  

Absent:  Tom Croci, due to Military leave  

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 (60 Hoffman LLC/United Lighting Electrical Corp./Playaction, LLC 2013 Facility) and the leasing of the facility to 60 Hoffman LLC for further sublease of a portion of the facility to United Lighting Electrical Corp. and a portion of the facility to Playaction, LLC.

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

Voting Aye:  
Councilman Steve Flotteron  
Councilwoman Trish Bergin Weichbrodt  
Councilman John Cochrane  
Councilman Anthony Senft  

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 60 HOFFMAN LLC, A DELAWARE LIMITED LIABILITY COMPANY, UNITED LIGHTING ELECTRICAL CORP., A NEW YORK BUSINESS CORPORATION, AND PLAYACTION, 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, Heartland Rental Properties, 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 Heartland Rental Properties, Inc. and/or an entity formed or to be formed on behalf of the foregoing (collectively, the “Company”) has applied to the Town of Islip Industrial Development Agency (the “Agency”) for its assistance in (a) the acquisition of an approximately 4.0 acre parcel of land at 60 Heartland Boulevard, Edgewood, Town of Islip, Suffolk County, New York (the “Land”), and the renovation and equipping of an approximately 59,000 square foot building located thereon including, but not limited to equipment and supplies (the “Improvements”) and the acquisition and installation of certain equipment not part of the Equipment (as such term is defined in Exhibit A to the Equipment Lease Agreement, to be dated a date to be determined (the “Equipment Lease Agreement”), between the Agency and the hereinafter defined Sublessee) (the “Facility Equipment”; and, together with the Land and Improvements, the “Company Facility”), all to be leased by the Agency to the Company for further sublease by the Company to, and used by, Paramount Beauty Distributing Associates, 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 Paramount Beauty Distributing Associates, Inc. and/or an entity formed or to be formed on behalf of the foregoing (collectively, the “Sublessee”), and (b) the acquisition and installation of the Equipment (the “Equipment”), which Equipment is to be leased by the Agency to the Sublessee for use in its beauty product warehouse and distribution including, but not limited to, a pick/pack conveyor system, a line pallet racking system, narrow aisle material handling equipment, reach trucks, computer stations and office furniture (the Company Facility and the Equipment collectively referred to herein as the “Facility”), including the following as they relate 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 Land will be leased by the Company to the Agency pursuant to the terms of the Company Lease Agreement, dated as of December 1, 2013 or such other date as the Chairman or the Executive Director and counsel to the Agency shall agree shall agree (the “Company Lease Agreement”); and

WHEREAS, the Agency will sublease the Facility to the Company pursuant to a certain Lease Agreement, dated as of December 1, 2013 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 Equipment will be leased to the Sublessee pursuant to a certain Equipment Lease Agreement, dated as of December 1, 2013 or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the “Equipment Lease”), by and between the Agency and the Sublessee; and

WHEREAS, the Agency by resolution duly adopted on November 19, 2013 (the “Inducement Resolution”), decided to proceed under the provisions of the Act to acquire and lease the Facility and enter into the Lease Agreement and the Equipment Lease Agreement; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company and the Sublessee consistent with the policies of the Agency, in the form of (i) exemptions from sales and use taxes in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $89,700 (as set forth in the Form of Sales Tax Letter set forth as Exhibit A hereof) and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit B 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, 2013, or such date as may be determined by 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, 2013 or such date as may be determined by the Agency and counsel to the Agency (the “Recapture Agreement”), among the Agency, the Company and the Sublessee; 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 continued leasing of the Facility by the Agency to the Company;

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

Section 1. The Agency hereby finds and determines:

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

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

(c) The acquisition, renovation and equipping of the Facility and the leasing of the Facility to the Company, the subleasing of the Facility by the Company 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 the 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 the Company Facility and the Equipment; and

(h) The Lease Agreement is an effective instrument whereby the Agency leases the Company Facility to the Company; and

(i) The Equipment Lease Agreements are effective instruments whereby the Agency leases the respective Equipment to the Sublessee; and

(j) 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
(k) 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

(l) The Environmental Compliance and Indemnification Agreement, dated as of December 1, 2013 or such other date as may be determined by 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

(m) The Agency Compliance Agreement, dated as of December 1, 2013 or such other date as may be determined by 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 Sublease Agreement; and

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) lease the Land from the Company pursuant to the Company Lease Agreement; (ii) sublease the Land and lease the Improvements to the Company pursuant to the Lease Agreement; (iii) lease the Equipment to the Sublessee pursuant to the Equipment Lease Agreement; (iv) execute, deliver and perform the Lease Agreement; (v) execute, deliver and perform the Equipment Lease Agreement; (vi) execute, deliver and perform the PILOT Agreement; (vii) execute and deliver the Recapture Agreement (viii) execute and deliver the Environmental Compliance and Indemnification Agreement; and (ix) execute and deliver the Agency Compliance Agreement.

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

Section 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.

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 sales and use taxes in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $89,700 (as set forth in the Form of Sales Tax Letter set forth as Exhibit A hereof) and (ii) abatement of real property taxes (as set forth
in the PILOT Schedule attached as Exhibit B hereof), consistent with the policies of the Agency.

Section 6. 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 7. The form and substance of the Company Lease Agreement, the Lease Agreement, the Equipment Lease Agreement, the PILOT Agreement, the Recapture Agreement, the Environmental Compliance and Indemnification Agreement and the Agency Compliance Agreement (each in substantially the forms presented to or approved by the Agency and which, prior to the execution and delivery thereof, may be redated) are hereby approved.

Section 8.

(a) The Chairman and the Executive Director are hereby authorized, on behalf of the Agency, to execute and deliver the Company Lease Agreement, the Lease Agreement, the Equipment Lease Agreement, the PILOT Agreement, the Recapture Agreement, the Environmental Compliance and Indemnification Agreement and the Agency Compliance Agreement, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman or the Executive Director shall approve, and such other related documents as may be, in the judgment of the Chairman, Executive Director 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 or the Executive Director 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 9. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 10. This resolution shall take effect immediately.
STATE OF NEW YORK  
COUNTY OF SUFFOLK

: SS:

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

That I have compared the annexed extract of the minutes of the meeting of the Town of Islip Industrial Development Agency (the "Agency"), including the resolutions contained therein, held on the 10th day of December, 2013, 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 10th day of December, 2013.

By: Secretary
At a meeting of the Town of Islip Industrial Development Agency (the “Agency”), held at Islip Town Hall, 655 Main Street, Islip, New York on the 10th day of December, 2013 the following members of the Agency were:

Present: Chairman Eric Hofmeister
Councilman Steve Flotteron
Councilwoman Trish Bergin Weichbrodt
Councilman John Cochrane
Councilman Anthony Senft

Absent: Tom Croci, due to Military leave

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 (Heartland Rental Properties, Inc./Paramount Beauty Distributing Associates, Inc. 2013 Facility) and the leasing of the facility to Heartland Rental Properties, Inc. for further sublease of the facility to Paramount Beauty Distributing Associates, Inc.

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

Voting Aye
Councilman Steve Flotteron
Councilwoman Trish Bergin Weichbrodt
Councilman John Cochrane
Councilman Anthony Senft

Voting Nay

Date: December 10, 2013
RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE APPOINTMENT OF UGS REALTY, LLC, A LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF UGS REALTY, LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS AGENT OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND EQUIPPING AN INDUSTRIAL DEVELOPMENT FACILITY AND APPROVING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY FOR UGS REALTY, LLC AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS MAKING CERTAIN FINDINGS AND DETERMINATIONS AND REQUESTING THE SUPERVISOR OF THE TOWN OF ISLIP TO CONFIRM ITS FINDINGS WITH RESPECT TO THE FACILITY

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, UGS Realty, 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 UGS Realty, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”) has applied to the Town of Islip Industrial Development Agency (the “Agency”) for the Agency’s assistance in connection with an industrial development facility consisting of the acquisition of fee title to or a leasehold interest in an approximately 34 acre parcel of land located at 275 Carlton Avenue, Central Islip, New York currently owned by the Town of Islip (collectively, the “Land”), the construction of approximately 1,400,000 square feet of outdoor multipurpose sports fields with synthetic turf and grandstands or bleachers, outdoor lighting, parking, driveways, and the construction of an approximately 267,000 square foot building or buildings to be located thereon, and the equipping thereof to include, but is not limited to, indoor sports field with synthetic turf, HVAC units, electrical work and field lighting, and grandstand or bleachers (the “Equipment”; and, together with the Land, collectively, the “Facility”), to be leased by the Agency to the Company to be used by the Company as (i) an indoor/outdoor recreational facility to include state-of-the-art indoor and outdoor playing fields for youth and adults with all the amenities (climate controlled, food court, restrooms, security, etc.), (ii) an approximately 6,000 square foot learning center for children kindergarten through high school, (iii) an approximately 15,000 square foot affordable day-care facility, and (iv) a health spa and physical therapy office, golf center and a food court and pro shop and retail space (i.e. pro shop), including the following as they relate to the appointment of the Company as agent of the Agency pursuant to Section 5 hereof with respect to the acquisition, construction 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, construction 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, construction 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 Facility will be used for recreational use as indoor and outdoor playing fields, and a learning center for children kindergarten through high school, and a day-care facility and a health spa and physical therapy office, golf center and a food court and pro shop and retail space, to customers who personally visit the Facility and would be considered a “recreational facility” as defined in Section 854(9) and a facility described in accordance with the provisions of Section 862(2) of the Act, however, based upon the representations and warranties of the Company in the application for financial assistance filed by the Company with the Agency, dated November 15, 2013 (the “Application”), the Facility will provide services not readily available to the residents of the Town of Islip;

WHEREAS, by a confirmation to be executed prior to the closing of the transaction described herein (the “Confirmation”), the Supervisor of the Town of Islip, New York (the “Town”), will have confirmed the Agency’s findings and determinations with respect to the Facility that the Facility qualifies as a “project” under the Act and that the Facility satisfies all other requirements of the Act; and

WHEREAS, the Facility will be leased by the Company to the Agency pursuant to the terms of the Company Lease Agreement, dated as of December 1, 2013 or such other date as the Chairman or the Executive Director and counsel to the Agency shall agree (the “Company Lease Agreement”); and

WHEREAS, the Agency will sublease the Facility to the Company pursuant to a certain Lease Agreement, dated as of December 1, 2013 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 contemplates that it will provide financial assistance to the Company consistent with the policies of the Agency, in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be $53,000,000 but not to exceed $58,000,000 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, constructing and equipping of the Facility, (ii) exemptions from sales and use taxes in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $1,745,700 (as set forth in the Form of Sales Tax Letter set forth as Exhibit D hereof) and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit E 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’s obligations regarding payments-in-lieu-of taxes with respect to the Facility, the Agency and the Company will enter into a certain Payment-in-Lieu-of-Tax Agreement, dated as of December 1, 2013, or such date as may be determined by the Agency and counsel to the Agency (the “PILOT Agreement”), pursuant to which the Company 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 and the Company will enter into a certain Recapture Agreement, dated as of December 1, 2013 or such date as may be determined by the Agency and counsel to the Agency (the “Recapture Agreement”), between the Agency and the Company; and

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

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed transfer of leasehold interest in the Facility is either an inducement to the Company to maintain and expand the Facility in the Town of Islip or is necessary to maintain the competitive position of the Company in its industry; and

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

WHEREAS, the Agency constitutes an “Involved Agency” (as defined in SEQR); and

WHEREAS, the construction and operation of the Facility is an “Action” under SEQR; and

WHEREAS, pursuant to SEQR, an Environmental Assessment Form (“EAF”) was completed to review the potential environmental impacts for the Action; and

WHEREAS, the Town Board of the Town of Islip (the “Town”), acted as Lead Agency, determined that the Action is a Type 1 Action for SEQR purposes; and

WHEREAS, the Town, as Lead Agency, issued a Positive Declaration for the Action; and
WHEREAS, the Town accepted a Draft Supplemental Generic Environmental Impact Statement ("DSEIS") for the Action on September 28, 2010; and

WHEREAS, a public hearing on the DSEIS was held on October 28, 2010, and written comments were accepted until November 8, 2010; and

WHEREAS, a Final Supplemental Environmental Impact Statement ("FSEIS"), including the responses to all comments, was accepted by the Town on November 16, 2010; and

WHEREAS, the Town issued its Lead Agency findings statement on November 30, 2010; and

WHEREAS, on November 30, 2010, the Town, as Lead Agency, determined that the Action is one that avoids or minimizes adverse environmental impact to the maximum extent practicable and that adverse environmental impacts will be avoided or minimized to the maximum extent practicable by incorporating, as conditions to the decision, those mitigative measures and operational enhancements and mitigation that were identified as practicable during the environmental review process; and

WHEREAS, the Town, as Lead Agency, determined that, based upon its review of the information, the appropriate criteria for determination of significance, and such other and further information which the Lead Agency felt necessary to review, that the potential presence of the Facility does not present either newly discovered information or a change in circumstances resulting in potentially significant adverse impacts to the environment that would require a supplemental environmental impact statement, which determination is binding on the Agency; and

WHEREAS, as an Involved Agency, the Agency must make its own findings under SEQR prior to funding, undertaking, or approving an Action; and

WHEREAS, the Agency has reviewed the DSEIS, the FSEIS and the documents incorporated by reference therein, as well as such other documents as the Agency felt it necessary or appropriate to examine to adequately review the proposed Action; and

WHEREAS, the Agency finds that the Findings Statement attached hereto as Exhibit C accurately and adequately examines environmental issues presented by the Action; and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the transfer of leasehold title to the Facility (as such term is defined in the Lease Agreement); and

NOW, THEREFORE, BE IT RESOLVED by the Agency (a majority of the members thereof affirmatively concurring) as follows:
Section 1.

(a) The Findings Statement attached hereto as Exhibit C is hereby accepted and adopted by the Agency.

(b) In response to issues raised by the public, and based upon the other representations and information furnished regarding the Action, on October 28, 2010, the Town, as Lead Agency, determined that, based upon its review of the information, the appropriate criteria for determination of significance, and such other and further information which the Lead Agency felt necessary to review, that the potential presence of the Facility does not present either newly discovered information or a change in circumstances resulting in potentially significant adverse impacts to the environment that would require a supplemental environmental impact statement, which determination is binding on the Agency.

(c) Having considered the DSEIS and FSEIS, and such other documents as may be necessary or appropriate, the Agency certifies that:

(i) The requirements of 6 NYCRR Part 617 have been met;

(ii) Consistent with the social, economic and other essential considerations, from among the reasonable alternatives thereto, the Action is one which minimizes or avoids adverse environmental effects to the maximum extent practicable, including effects disclosed in the environmental impact statement; and

(iii) Consistent with social, economic, and other essential considerations, to the maximum extent practicable, adverse environmental effects revealed in the environmental impact statement will be minimized or avoided by incorporating as conditions those mitigative measures which were identified as practicable.

Section 2. 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) While the Facility will be a Recreational Facility as defined in 854(9) of the Act and will be used in making sales or providing services to customers who personally visit the Facility and would be considered a facility in accordance with the provisions of Section 862(a) of the Act, based upon the representations and warranties of the Company in the Application, the Facility will provide services not readily available to the residents of the Town of Islip.

(c) The Facility will preserve the public purposes of the Act by increasing the number of private sector jobs in the Town of Islip. The Company and the Sublessee have represented to the Agency that they will provide fifty-two (52) full-time employees within the first year of completion.
(d) The Facility constitutes a “project”, as such term is defined in the Act.

(e) The acquisition, construction and equipping of the Facility by the Agency to the Company and the provision of financial assistance to the Company, consistent with the policies of the Agency, pursuant to the Act, 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.

(f) The acquisition, construction and equipping of the Facility by the Agency is reasonably necessary to induce the Company to maintain and expand its business operations in the State of New York.

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

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

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

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

(k) The Recapture Agreement will be an effective instrument whereby the Agency and the Company agree to provide for the obligations of the Company 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.

(l) The Environmental Compliance and Indemnification Agreement, dated as of December 1, 2013 or such other date as may be determined by the Agency and counsel to the Agency (the “Environmental Compliance and Indemnification Agreement”), by and between the Agency and the Company will be an effective instrument whereby the Company agrees 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.

(m) 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 3. In consequence of the foregoing, the Agency hereby determines to: (i) lease the Facility from the Company pursuant to the Company Lease Agreement; (ii) sublease the Facility to the Company pursuant to the Lease Agreement; (iii) execute, deliver and perform the Lease Agreement; (iv) execute, deliver and perform the PILOT Agreement;
execute and deliver the Recapture Agreement; (vi) execute and deliver the Environmental Compliance and Indemnification Agreement; (vii) grant the mortgage on and security interest and assignment of leases and rents, in and to the Facility pursuant to the Loan Documents; (viii) execute, deliver and perform the Loan Documents to which the Agency is a party; and (ix) execute, deliver and perform any future loan documents, to which the Agency is a party, in connection with any future refinancing or permanent financing of the costs of acquiring, constructing and equipping of the Facility without the need for any further or future approvals of the Agency.

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

Section 5. The Company is hereby appointed the true and lawful agent of the Agency to acquire, construct, and equip the Facility on behalf of the Agency, with the authority to delegate their respective status as agents of the Agency to their respective agents, subagents, contractors, subcontractors, suppliers, vendors and other such parties as the Company may choose. The terms and conditions for the appointment of the Company as agent of the Agency for the purposes described in this Section 5 are set forth in the form of the attached letter addressed to the Company, marked as Exhibit D to this resolution, which is incorporated herein by reference. The appointment described above includes the following activities as they relate to the acquisition, construction and equipping of the Facility, whether or not the materials, services or supplies described below are incorporated into or become an integral part of the Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, construction and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description in connection with the acquisition, construction 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 the Facility. This agency appointment includes the power to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agents for the Agency, and in general to do all things which may be requisite or proper for completing the Facility, all with the same powers and with the same validity as would the Agency if acting on its own behalf. This agency appointment expressly excludes the Company from purchasing 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 aforesaid appointment of the Company as agent of the Agency to acquire, construct and equip the Facility shall expire at the earlier of (A) the completion of such activities and improvements, or (B) a date which the Agency designates, or (C) the date on which the Company receive exemptions from sales and use taxes in an amount not to exceed $1,745,700 in connection with the purchase or lease of equipment, building materials, services or other personal property authorized under the Lease Agreement; provided however, such appointment may be extended at the discretion of the Executive Director or the Chairman of the Agency for up to six (6) additional months, in each case or by the
Agency Board for any period beyond such six (6) months, upon the written request of the Company if such activities and improvements are not completed by such time.

Section 6. 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 7. The form and substance of the Company Lease Agreement, the Lease Agreement, the PILOT Agreement, the Recapture Agreement, the Environmental Compliance and Indemnification Agreement and the Loan Documents (each in substantially the forms presented to or approved by the Agency and which, prior to the execution and delivery thereof, may be redated) are hereby approved.

Section 8. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company 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 an amount presently estimated to be $53,000,000 but not to exceed $58,000,000 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 of the Facility, (ii) exemptions from sales and use taxes in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $1,745,700 (as set forth in the Form of Sales Tax Letter set forth as Exhibit D hereof) and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit E hereof), consistent with the policies of the Agency.

Section 9. The Company hereby agrees to comply with Section 875 of the Act. The Company further agrees that the exemption of sales and use tax provided pursuant to the Act and the appointment of the Company as agent 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 10.

(a) The Chairman and the Executive Director are hereby authorized, on behalf of the Agency, to execute and deliver the Company Lease Agreement, the Lease Agreement, the PILOT Agreement, the Recapture Agreement, the Environmental Compliance and Indemnification Agreement and the Loan Documents, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman or the Executive Director shall approve, and such other related documents as may be, in the judgment of the Chairman, Executive Director 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 or the Executive Director 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 11. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 12. This resolution shall take effect immediately.
STATE OF NEW YORK    )
   : SS.:  
COUNTY OF SUFFOLK    )

I, the undersigned 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 10th day of December, 2013, 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 10th day of December, 2013.

By: ____________________________

Secretary
At a meeting of the Town of Islip Industrial Development Agency (the “Agency”), held at Islip Town Hall, 655 Main Street, Islip, New York on the 10th day of December, 2013, the following members of the Agency were:

Present:  Chairman Eric Hofmeister
          Councilman Steve Flotteron
          Councilwoman Trish Bergin Weichbrodt
          Councilman John Cochrane
          Councilman Anthony Senft

Absent:  Tom Croci, due to Military leave

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 (UGS Realty, LLC Facility) and the leasing of the facility to UGS Realty, LLC.

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

<table>
<thead>
<tr>
<th>Voting Aye</th>
<th>Voting Nay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Councilman Steve Flotteron</td>
<td></td>
</tr>
<tr>
<td>Councilwoman Trish Bergin Weichbrodt</td>
<td></td>
</tr>
<tr>
<td>Councilman John Cochrane</td>
<td></td>
</tr>
<tr>
<td>Councilman Anthony Senft</td>
<td></td>
</tr>
</tbody>
</table>
AGREEMENT BETWEEN TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
AND Mike Siniski

THIS AGREEMENT, entered into the 10th day of December, 2013, by and between the TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY ("the AGENCY"), a duly authorized agency of the Town of Islip, established under 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 the State of New York, as amended, and having its principal place of business at 40 Nassau Ave., Islip, New York, and Mike Siniski, 19 Zavra St., Bohemia, NY 11716.

WHEREAS, by a resolution duly adopted on December 10, 2013 (attached hereto), the Chairman of the AGENCY is authorized to enter into this Agreement with Mike Siniski;

WHEREAS, the term of this Agreement shall be for the period of December 10, 2013 until completion;

WHEREAS, Mike Siniski agrees to perform the following tasks during the term of the Agreement;

(1) Provide computer programming services for the development of an IDA assessment roll and pilot billing system;

WHEREAS, the AGENCY agrees to compensate Mike Siniski in the amount of $50 per hour, not to exceed $5,000.00 for the term of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and consideration set forth above, the parties hereto agree as set forth;

IN WITNESS WHEREOF, the AGENCY and Mike Siniski have executed this Agreement as of the date of the year first written.

Mike Siniski

By: Mike Siniski

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

By: Eric Hofmeister
Chairman