MEETING OF THE TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
October 28, 2014
Meeting Minutes

IDA Board Members

Present

Supervisor Croci
Councilman Cochrane
Councilman Senft
Councilwoman Bergin Wetherbrodt
Councilman Senft

Absent

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

2. To consider the adoption of a Resolution on behalf of the Town of Islip Industrial Development Agency to approve the minutes from the meeting on October 14, 2014. On a motion by Member Senft and seconded by Member Cochrane, said motion was unanimously approved.

3. To consider the adoption of 2015 IDA budget. On a motion by Member Senft and seconded by Member Bergin Wetherbrodt, said motion was approved unanimously.

4. To consider the adoption of a Resolution authorizing the appointment of an agent in connection with the renovations and equipping of the Veterans Hwy-Holbrook LLC/Fashioncraft-Excello, Inc. 2014 Facility on a motion by Member Cochrane and seconded by member Senft, said motion was approved unanimously.

5. To consider any other business that may come before the Agency on a motion by Member Bergin Wetherbrodt and seconded by Member Senft, said motion was approved unanimously.
MEETING OF THE TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
November 18, 2014
Agenda

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

2. To consider the adoption of a Resolution on behalf of the Town of Islip Industrial Development Agency to approve the minutes from the meeting on October 28, 2014.

3. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and Ruby Has, LLC, located at 5 Inez Drive, Bay Shore.

4. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and ABH Nature Products, located at 131 Heartland Blvd, Edgewood.

5. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and Design Works Craft, located at 70 Orville Drive, Bohemia.

6. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and Restaurant Depot, located at 1335 Lakeland Ave, Bohemia.

7. To consider the adoption of a Resolution authorizing the mortgage refinancing of the Veterans Hwy-Holbrook LLC/Fashioncraft-Excello, Inc. 2014 Facility, located at 5050 Veterans Memorial Highway, Holbrook.

8. To consider the adoption of a Resolution authorizing the mortgage refinancing of the Pacific Street Flex LLC/Viccaro Equipment Corporation 2004 Facility, located at 1818 Pacific Street, Hauppauge.

9. To consider any other business that may come before the Agency.
RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING ADSCOTT REALTY CO., A NEW YORK GENERAL PARTNERSHIP, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF ADSCOTT REALTY CO. AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF THE FOREGOING AND RUBY HAS LLC, A NEW YORK LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF RUBY HAS 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 AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY.

WHEREAS, Adscott Realty Co., a general partnership organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Adscott Realty Co. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”) and Ruby Has LLC, a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Ruby Has LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Sublessee”), have applied to the Town of Islip Industrial Development Agency (the “Agency”) to enter into a transaction in which the Agency will assist in (a) the acquisition of an approximately 6.3 acre parcel of land located at 5 Inez Drive, Bayshore, New York (the “Land”) and the renovation and equipping thereon of an approximately 75,000 square foot building, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Land (the “Improvements”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “Facility Equipment”; and, together with the Land and the Improvements, the “Company Facility”), which Company Facility will be leased by the Agency to the Company, and (b) the Agency’s assistance with the renovation of the Company Facility and the acquisition and installation of certain equipment and personal property including, but not limited to, a conveyor system, warehouse racking, hi-lo and fork lifts (the “Equipment”), which Equipment is to be leased by the Agency to the Sublessee (the Company Facility and the Equipment are collectively referred to herein as the “Facility”), and which Facility is to be used by the Sublessee in its business as a fulfillment, picking and packaging center for E-commerce companies including such items as watches, accessories, apparel and eyewear, including the following as they relate to the appointment of the Company and the Sublessee as agent(s) of the Agency with respect to the acquisition, renovation and equipping of such Facility, whether or not any materials or supplies described below are incorporated into or become an integral part of such Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, renovation and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, renovation and equipping of the Facility, and (iii) all purchases, leases, rentals and uses of equipment,
machinery and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Facility; and

WHEREAS, the Agency will acquire a leasehold interest in the Company Facility and a fee interest in the Equipment and will lease the Company Facility to the Company for further sublease by the Company to the Sublessee and will lease the Equipment 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 Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company and the Sublessee consistent with the policies of the Agency, in the form of (i) exemptions from sales and use taxes in an amount not to exceed $43,125, in connection with the purchase or lease of equipment, building materials, services or other personal property, and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit C hereof), consistent with the policies of the Agency; 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 transaction is either an inducement to the Company and/or the Sublessee to maintain and expand the Facility in the Town of Islip or is necessary to maintain the competitive position of the Company and the Sublessee in their respective industry; and

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

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

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

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

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

Section 3. Subject to the provisions of this resolution, the Agency shall (i) acquire, renovate and equip the Facility, (ii) lease (with an obligation to purchase) or sell the Company Facility to the Company, and (iii) lease (with an obligation to purchase) the Equipment to the Sublessee.

Section 4. 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: (i) exemptions from sales and use taxes in an amount not to exceed $43,125, in connection with the purchase or lease of equipment, building materials, services or other personal property, and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit C hereof), consistent with the policies of the Agency.

Section 5. 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 the transactions contemplated by this resolution is subject to termination and recapture of benefits pursuant to Section 875 of the Act and a recapture agreement.

Section 6. Counsel to the Agency is authorized and directed to work with Transaction Counsel (Nixon Peabody LLP) to prepare, for submission to the Agency, all documents necessary to affect the transfer of the real estate described in the foregoing resolution.
Section 7. The Chairman, Executive Director, counsel to the Agency and all members of the Agency are hereby authorized and directed (i) to distribute copies of this resolution to the Company and the Sublessee, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 8. Any expenses incurred by the Agency with respect to the Facility shall be paid by the Company and/or the Sublessee. By acceptance hereof, the Company and the Sublessee agree to pay such expenses and further agree to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Facility.

Section 9. This resolution shall take effect immediately.

ADOPTED: November 18, 2014

ACCEPTED: ________ 2014

ADSCOTT REALTY CO.

By: ______________________
Name: ____________________
Title: _____________________

ACCEPTED: ________ 2014

RUBY HAS LLC

By: ______________________
Name: ____________________
Title: _____________________
STATE OF NEW YORK  )
COUNTY OF SUFFOLK  )

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

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

Such resolution was passed at a meeting of the Agency duly convened in public session on November 18, 2014, at Islip Town Hall, 655 Main Street, Islip, New York, at which meeting the following members were:

Present:

Absent:

Also Present:

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

Voting Aye

and, therefore, the resolution was declared duly adopted.

The 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 November 18, 2014.

______________________________
Assistant Secretary
EXHIBIT A

NOTICE OF PUBLIC HEARING

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

Adscott Realty Co., a general partnership organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Adscott Realty Co. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”) and Ruby Has LLC, a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Ruby Has LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Sublessee”), have applied to the Town of Islip Industrial Development Agency (the “Agency”) to enter into a transaction in which the Agency will assist in (a) the acquisition of an approximately 6.3 acre parcel of land located at 5 Inez Drive, Bayshore, New York (the “Land”) and the renovation and equipping thereon of an approximately 75,000 square foot building, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Land (the “Improvements”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “Facility Equipment”; and, together with the Land and the Improvements, the “Company Facility”), which Company Facility will be leased by the Agency to the Company, and (b) the Agency’s assistance with the renovation of the Company Facility and the acquisition and installation of certain equipment and personal property including, but not limited to, a conveyor system, warehouse racking, hi-lo and fork lifts (the “Equipment”), which Equipment is to be leased by the Agency to the Sublessee (the Company Facility and the Equipment are collectively referred to herein as the “Facility”), and which Facility is to be used by the Sublessee in its business as a fulfillment, picking and packaging center for E-commerce companies including such items as watches, accessories, apparel and eyewear. The Company Facility will be owned by the Company. The Equipment will be owned by the Sublessee.

The Agency will acquire a leasehold interest in the Company Facility and a fee interest on the Equipment and will lease the Company Facility to the Company for further sublease to the Sublessee and will lease the Equipment to the Sublessee. The Agency contemplates that it will provide financial assistance to the Company and the Sublessee in the form of exemptions from sales and use taxes in connection with the renovation and equipping of the Facility, exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing or permanent financing of the Facility and abatement of real property taxes, all consistent with the policies of the Agency.
A representative of the Agency will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company and the Sublessee or the location or nature of the Facility. At the hearing, all persons will have the opportunity to review the application for financial assistance filed by the Company and the Sublessee with the Agency and an analysis of the costs and benefits of the proposed Facility.

Dated: November __, 2014

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

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

MINUTES OF PUBLIC HEARING HELD ON

___________ __, 2014

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
(Adscott Realty Co./Ruby Has LLC 2014 Facility)

________________________________________________________________________

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

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

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

Adscott Realty Co., a general partnership organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Adscott Realty Co. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”) and Ruby Has LLC, a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Ruby Has LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Sublessee”), have applied to the Town of Islip Industrial Development Agency (the “Agency”) to enter into a transaction in which the Agency will assist in (a) the acquisition of an approximately 6.3 acre parcel of land located at 5 Inez Drive, Bayshore, New York (the “Land”) and the renovation and equipping thereon of an approximately 75,000 square foot building, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Land (the “Improvements”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “Facility Equipment”; and, together with the Land and the Improvements, the “Company Facility”), which Company Facility will be leased by the Agency to the Company, and (b) the Agency’s assistance with the renovation of the Company Facility and the acquisition and installation of certain equipment and personal property including, but not limited to, a conveyor system, warehouse racking, hi-lo and fork lifts (the “Equipment”), which Equipment is to be leased by the Agency to the Sublessee (the Company Facility and the Equipment are collectively referred to herein as the “Facility”), and which Facility is to be used by the Sublessee in its business as a fulfillment, picking and packaging center for E-commerce companies including such items as watches, accessories, apparel and eyewear. The Company Facility will be owned by the Company. The Equipment will be owned by the Sublessee.

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

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

5. The hearing officer then asked if there were any further comments, and, there being none, the hearing was closed at _________ a.m./p.m.
STATE OF NEW YORK )

COUNTY OF SUFFOLK )

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

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

IN WITNESS WHEREOF, I have hereunto set my hand as of ____________, 2014.

________________________________________
Assistant Secretary
EXHIBIT C

Form of Proposed PILOT Benefits

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

Definitions

Full Taxable Assessed Value = $710,600

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

Payment Formula

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/2016</td>
<td>100% normal tax on $355,300</td>
</tr>
<tr>
<td>2016/2017</td>
<td>100% normal tax on $390,830</td>
</tr>
<tr>
<td>2017/2018</td>
<td>100% normal tax on $426,360</td>
</tr>
<tr>
<td>2018/2019</td>
<td>100% normal tax on $461,890</td>
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<tr>
<td>2020/2021</td>
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<td>100% normal tax on $604,010</td>
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<td>100% normal tax on $675,070</td>
</tr>
<tr>
<td>2025/2026</td>
<td>100% normal tax on $710,600</td>
</tr>
</tbody>
</table>

and thereafter
RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING ABH NATURE’S PRODUCTS, INC., A NEW YORK BUSINESS CORPORATION, ON BEHALF OF ITSSELF AND/OR THE PRINCIPALS OF ABH NATURE’S PRODUCTS, INC. AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF THE FOREGOING AS AGENT(S) OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, RENOVATING AND EQUIPPING THE FACILITY AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY.

WHEREAS, ABH Nature’s Products, Inc., a New York business corporation on behalf of itself and/or the principals of ABH Nature’s Products, Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”), has applied to the Town of Islip Industrial Development Agency (the “Agency”) to enter into a transaction in which the Agency will assist in the acquisition of an approximately 3.0 acre parcel of land located at 131 Heartland Boulevard, Edgewood, New York 11717 (the “Land”), the renovation of an approximately 35,000 square foot building located thereon (the “Improvements”) and the acquisition and installation therein of certain equipment and personal property including, but not limited to racks, office equipment, mixing machines and packaging equipment (the “Equipment”; and together with the Land and the Improvements, the “Facility”), all of which is to be leased by the Agency to the Company for its primary use as a manufacturer and research laboratory for vitamin supplements, including the following as they relate to the appointment of the Company as an agent of the Agency with respect to the acquisition, renovation and equipping of such Facility, whether or not any materials or supplies described below are incorporated into or become an integral part of such Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, renovation and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, renovation and equipping of the Facility, and (iii) all purchases, leases, rentals and uses of equipment, machinery and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Facility; and

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

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

WHEREAS, 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 the principal amount presently
estimated to be $3,800,000 but not to exceed $4,600,000 in connection with the financing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed $50,000 in connection with the purchase or lease of equipment, building materials, services or other personal property and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit C hereto), consistent with the policies of the Agency; 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 proposed transfer of a leasehold interest or a fee title interest 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 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 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 thereof to the Company, and the provision of financial assistance pursuant to the Act will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the Town of Islip and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act, and the same is, therefore, approved.

Section 3. Subject to the provisions of this resolution, the Agency shall (i) acquire, renovate and equip the Facility, and (ii) lease or sell the Facility to the Company.

Section 4. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the acquisition, renovation and equipping of the Facility in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing the principal amount presently estimated to be $3,800,000 but not to exceed $4,600,000 in connection with the financing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed $50,000 in connection with the purchase or lease of equipment, building materials, services or other personal property, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit C hereof), consistent with the policies of the Agency.

Section 5. 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 the transactions contemplated by this resolution is subject to termination and recapture of benefits pursuant to Section 875 of the Act and a recapture agreement.

Section 6. Counsel to the Agency is authorized and directed to work with Transaction Counsel (Nixon Peabody LLP) to prepare, for submission to the Agency, all documents necessary to affect the transfer of the real estate described in the foregoing resolution.

Section 7. The Chairman, Executive Director, counsel to the Agency and all members of the Agency are hereby authorized and directed (i) to distribute copies of this resolution to the Company, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 8. Any expenses incurred by the Agency with respect to the Facility shall be paid by the Company. By acceptance hereof, the Company agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Facility.

Section 9. This resolution shall take effect immediately.
ADOPTED: November 18, 2014

ACCEPTED: _______ 2014

ABH NATURE’S PRODUCTS, INC.

By:________________________________________
Name: Jahuril Islam
Title: President
STATE OF NEW YORK  
COUNTY OF SUFFOLK 

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

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

Such resolution was passed at a meeting of the Agency duly convened in public session on November 18, 2014, at Islip Town Hall, 655 Main Street, Islip, New York, at which meeting the following members were:

Present:

Absent:

Also Present:

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

Voting Ave

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 November 18, 2014.

________________________
Assistant Secretary
RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING REP A-2022 LLC, A DELAWARE LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF REP A-2022 LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF THE FOREGOING AND DESIGN WORKS CRAFT INC., A NEW YORK BUSINESS CORPORATION, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF DESIGN WORKS CRAFT INC. AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS AGENT(S) OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, RENOVATING AND EQUIPPING THE FACILITY AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY.

WHEREAS, REP A-2022 LLC, a limited liability company organized and existing under the laws of the State of Delaware and authorized to transact business in the State of New York, on behalf of itself and/or the principals of REP A-2022 LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”) and Design Works Craft 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 Design Works Craft Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Sublessee”), have applied to the Town of Islip Industrial Development Agency (the “Agency”) to enter into a transaction in which the Agency will assist in (a) the acquisition of an approximately 3.149 acre parcel of land located at 70 Orville Drive, Bohemia, New York (the “Land”) and the renovation and equipping thereon of an approximately 41,508 square foot building, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Land (the “Improvements”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “Facility Equipment”; and, together with the Land and the Improvements, the “Company Facility”), which Company Facility will be leased by the Agency to the Company, and (b) the Agency’s assistance with the renovation of the Company Facility and the acquisition and installation of certain equipment and personal property (the “Equipment”), which Equipment is to be leased by the Agency to the Sublessee (the Company Facility and the Equipment are collectively referred to herein as the “Facility”), and approximately 25,000 square feet of the Company Facility will be leased by the Company to, and used by, the Sublessee in its business in the manufacture, assembly and distribution of arts & crafts products including the cutting, printing and packaging of fabrics and threads, including the following as they relate to the appointment of the Company and the Sublessee as agent(s) of the Agency with respect to the acquisition, renovation and equipping of such Facility, whether or not any materials or supplies described below are incorporated into or become an integral part of such Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, renovation and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, renovation and equipping of the Facility, and (iii) all purchases, leases, rentals and uses of equipment.
machinery and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Facility; and

WHEREAS, the Agency will acquire a leasehold interest in the Company Facility and title to the Equipment and will lease the Company Facility to the Company for further sublease by the Company to the Sublessee and will lease the Equipment 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 Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company and the Sublessee consistent with the policies of the Agency, in the form of (i) exemptions from sales and use taxes in an amount not to exceed $8,625, in connection with the purchase or lease of equipment, building materials, services or other personal property, and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit C hereof), consistent with the policies of the Agency; 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 transaction is either an inducement to the Company and/or the Sublessee to maintain and expand the Facility in the Town of Islip or is necessary to maintain the competitive position of the Company and the Sublessee in their respective industry; and

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

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

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

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

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

Section 3. Subject to the provisions of this resolution, the Agency shall (i) acquire, renovate and equip the Facility, (ii) lease (with an obligation to purchase) or sell the Company Facility to the Company, and (iii) lease (with an obligation to purchase) the Equipment to the Sublessee.

Section 4. 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: (i) exemptions from sales and use taxes in an amount not to exceed $8,625, in connection with the purchase or lease of equipment, building materials, services or other personal property, and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit C hereto), consistent with the policies of the Agency.

Section 5. 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 the transactions contemplated by this resolution is subject to termination and recapture of benefits pursuant to Section 875 of the Act and a recapture agreement.

Section 6. Counsel to the Agency is authorized and directed to work with Transaction Counsel (Nixon Peabody LLP) to prepare, for submission to the Agency, all documents necessary to affect the transfer of the real estate described in the foregoing resolution.
Section 7. The Chairman, Executive Director, counsel to the Agency and all members of the Agency are hereby authorized and directed (i) to distribute copies of this resolution to the Company and the Sublessee, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 8. Any expenses incurred by the Agency with respect to the Facility shall be paid by the Company and/or the Sublessee. By acceptance hereof, the Company and the Sublessee agree to pay such expenses and further agree to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Facility.

Section 9. This resolution shall take effect immediately.

ADOPTED: November 18, 2014

ACCEPTED: ____ 2014

REP A-2022 LLC

By: ______________________
Name: ____________________
Title: _____________________

ACCEPTED: ____ 2014

DESIGN WORKS CRAFT INC.

By: ______________________
Name: ____________________
Title: _____________________
STATE OF NEW YORK  )
COUNTY OF SUFFOLK   )

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

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

Such resolution was passed at a meeting of the Agency duly convened in public session on November 18, 2014, at Islip Town Hall, 655 Main Street, Islip, New York, at which meeting the following members were:

Present:

Absent:

Also Present:

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

Voting Aye

and, therefore, the resolution was declared duly adopted.

The 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 November 18, 2014.

______________________________
Assistant Secretary
RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING JMDH REAL ESTATE OF BOHEMIA, LLC, A DELAWARE LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF JMDH REAL ESTATE OF BOHEMIA, LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF THE FOREGOING AND RESTAURANT DEPOT ENTERPRISES, LLC, A DELAWARE LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF RESTAURANT DEPOT ENTERPRISES, 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, the Town of Islip Industrial Development Agency (the “Agency”) has previously assisted in the acquisition of an approximately 3.3 acre parcel of land located at 1335 Lakeland Avenue, Bohemia, New York 11716 (the “Original Land”) and the construction and equipping thereon of an approximately 48,129 square foot building, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Original Land (the “Original Improvements”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “Original Facility Equipment”; and, together with the Original Land and the Original Improvements, the “Original Company Facility”), which Original Company Facility was leased by the Agency to JMDH Real Estate of Bohemia, LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware (the “Original Company”), and subleased by the Company to Restaurant Depot Enterprises, LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware (the “Original Sublessee”); and

WHEREAS, the Original Company on behalf of itself and/or the principals of the Original Company and/or an entity formed or to be formed on behalf of the foregoing (collectively, the “Company”) and Restaurant Depot, LLC, a limited liability company organized and existing under the laws of the State of Delaware, on behalf of itself and/or the principals of Restaurant Depot, LLC and/or an entity formed or to be formed on behalf of the foregoing (collectively, the “Sublessee”) have requested the Agency’s assistance in (a) the acquisition of a 2.1 acre parcel of land adjacent to the Original Land (the “2014 Land”; and together with the Original Land, the “Land”), the construction of an approximately 22,600 square foot addition to the existing 48,129 square foot building located thereon and an approximately 20,160 square foot canopy for covered parking (the “2014 Improvements”; and together with the Original Improvements, the “Improvements”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “2014 Facility Equipment”; and, together with the Original Facility Equipment,
the "Facility Equipment"; which Facility Equipment, together with the Land and the
Improvements, are the "Company Facility") and (b) the acquisition and installation of certain
equipment and personal property (the "Equipment"), which Equipment is to be leased by the
Agency to the Sublessee (the Company Facility and the Equipment are collectively referred to
herein as the "Facility"), and which Facility is to be used by the Sublessee in its business as a
wholesale distributor of restaurant supplies, including the following as they relate to the
appointment of the Company and the Sublessee as agent(s) of the Agency with respect to the
acquisition, renovation and equipping of such Facility, whether or not any materials or
supplies described below are incorporated into or become an integral part of such Facility: (i)
all purchases, leases, rentals and other uses of tools, machinery and equipment in connection
with the acquisition, renovation and equipping of the Facility, (ii) all purchases, rentals, uses
or consumption of supplies, materials and services of every kind and description used in
connection with the acquisition, renovation and equipping of the Facility, and (iii) all
purchases, leases, rentals and uses of equipment, machinery and other tangible personal
property (including installation costs with respect thereto) installed or placed in, upon or
under such Facility; and

WHEREAS, the Agency will acquire a leasehold interest in the Land and
Improvements and a fee interest in the Facility Equipment and the Equipment and will lease
the Company Facility to the Company for further sublease by the Company to the Sublessee
and will lease the Equipment 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 Act authorizes and empowers the Agency to promote, develop,
encourage and assist projects such as the Facility and to advance the job opportunities, health,
general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the
Company and the Sublessee consistent with the policies of the Agency, in the form of (i)
exemptions from sales and use taxes in an amount not to exceed $464,888, in connection with
the purchase or lease of equipment, building materials, services or other personal property,
and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached as
Exhibit C hereto), consistent with the policies of the Agency; 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 transaction is either an inducement to the Company and/or the Sublessee to maintain and expand the Facility in the Town of Islip or is necessary to maintain the competitive position of the Company and the Sublessee in their respective industry; and

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

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

WHEREAS, the Questionnaire has been reviewed by the Agency.

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

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

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

Section 3. Subject to the provisions of this resolution, the Agency shall (i) acquire, renovate and equip the Facility, (ii) lease or sell the Company Facility to the Company, and (iii) lease the Equipment to the Sublessee.

Section 4. 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: (i) exemptions from sales and use taxes in an amount not to exceed $464,888, in connection with the purchase or lease of equipment, building materials, services or other personal property, and (ii) abatement of real property
taxes (as set forth in the PILOT Schedule attached as Exhibit C hereof), consistent with the policies of the Agency.

Section 5. 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 the transactions contemplated by this resolution is subject to termination and recapture of benefits pursuant to Section 875 of the Act and a recapture agreement.

Section 6. Counsel to the Agency is authorized and directed to work with Transaction Counsel (Nixon Peabody LLP) to prepare, for submission to the Agency, all documents necessary to affect the transfer of the real estate described in the foregoing resolution.

Section 7. The Chairman, Executive Director, counsel to the Agency and all members of the Agency are hereby authorized and directed (i) to distribute copies of this resolution to the Company and the Sublessee, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 8. Any expenses incurred by the Agency with respect to the Facility shall be paid by the Company and/or the Sublessee. By acceptance hereof, the Company and the Sublessee agree to pay such expenses and further agree to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Facility.

Section 9. This resolution shall take effect immediately.

ADOPTED: November 18, 2014

ACCEPTED: _________ 2014

JMDH REAL ESTATE OF BOHEMIA, LLC

By: __________________________
Name: _______________________
Title: ________________________

ACCEPTED: _________ 2014

RESTAURANT DEPOT, LLC

By: __________________________
Name: _______________________
Title: ________________________
STATE OF NEW YORK       )
COUNTY OF SUFFOLK       )

: SS.:  )

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

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

Such resolution was passed at a meeting of the Agency duly convened in public session on November 18, 2014, at Islip Town Hall, 655 Main Street, Islip, New York, at which meeting the following members were:

Present:

Absent:

Also Present:

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

Voting Aye

and, therefore, the resolution was declared duly adopted.

The 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 November 18, 2014.

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

The Town of Islip Industrial Development Agency (the “Agency”) has previously assisted in the acquisition of an approximately 3.3 acre parcel of land located at 1335 Lakeland Avenue, Bohemia, New York 11716 (the “Original Land”) and the construction and equipping thereon of an approximately 48,129 square foot building, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Original Land (the “Original Improvements”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “Original Facility Equipment”; and, together with the Original Land and the Original Improvements, the “Original Company Facility”), which Original Company Facility was leased by the Agency to JMDH Real Estate of Bohemia, LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware (the “Original Company”), and subleased by the Company to Restaurant Depot Enterprises, LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware (the “Original Sublessee”).

The Original Company on behalf of itself and/or the principals of the Original Company and/or an entity formed or to be formed on behalf of the foregoing (collectively, the “Company”) and Restaurant Depot, LLC, a limited liability company organized and existing under the laws of the State of Delaware, on behalf of itself and/or the principals of Restaurant Depot, LLC and/or an entity formed or to be formed on behalf of the foregoing (collectively, the “Sublessee”) have requested the Agency’s assistance in (a) the acquisition of a 2.1 acre parcel of land adjacent to the Original Land (the “2014 Land”; and together with the Original Land, the “Land”), the construction of an approximately 22,600 square foot addition to the existing 48,129 square foot building located thereon and an approximately 20,160 square foot canopy for covered parking (the “2014 Improvements”; and together with the Original Improvements, the “Improvements”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “2014 Facility Equipment”; and, together with the Original Facility Equipment, the “Facility Equipment”; which Facility Equipment, together with the Land and the Improvements, are the “Company Facility”) and (b) the acquisition and installation of certain equipment and personal property (the “Equipment”), which Equipment is to be leased by the Agency to the Sublessee (the Company Facility and the Equipment are collectively referred to herein as the “Facility”), and which Facility is to be used by the Sublessee in its business as a wholesale distributor of restaurant supplies. The Company Facility will be initially owned, operated and/or managed by the Company, and the Equipment will be initially owned, operated and/or managed by the Sublessee.
The Agency will acquire a leasehold interest in the Land and Improvements and a fee interest in the Facility Equipment and the Equipment, lease the Company Facility to the Company for further sublease by the Company to the Sublessee and lease the Equipment to the Sublessee. The Agency contemplates that it will provide financial assistance to the Company and the Sublessee in the form of exemptions from sales and use taxes in connection with the acquisition, renovation and equipping of the Facility and abatement of real property taxes consistent with the policies of the Agency.

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

Dated: ____________, 2014

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

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

MINUTES OF PUBLIC HEARING HELD ON
__________, 2014

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
(JMDH Real Estate of Bohemia, LLC/Restaurant Depot, LLC 2014 Facility)

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

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

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

The Agency has previously assisted in the acquisition of an approximately 3.3 acre parcel of land located at 1335 Lakeland Avenue, Bohemia, New York 11716 (the “Original Land”) and the construction and equipping thereon of an approximately 48,129 square foot building, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Original Land (the “Original Improvements”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “Original Facility Equipment”; and, together with the Original Land and the Original Improvements, the “Original Company Facility”), which Original Company Facility was leased by the Agency to JMDH Real Estate of Bohemia, LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware (the “Original Company”), and subleased by the Company to Restaurant Depot Enterprises, LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware (the “Original Sublessee”).

The Original Company on behalf of itself and/or the principals of the Original Company and/or an entity formed or to be formed on behalf of the foregoing (collectively, the “Company”) and Restaurant Depot, LLC, a limited liability company organized and existing under the laws of the State of Delaware, on behalf of itself and/or the principals of Restaurant Depot, LLC and/or an entity formed or to be formed on behalf of the foregoing (collectively, the “Sublessee”) have requested the Agency’s assistance in (a) the acquisition of a 2.1 acre parcel of land adjacent to the Original Land (the “2014 Land”; and together with the Original Land, the “Land”), the construction of an approximately 22,600 square foot addition to the existing 48,129 square foot building located thereon and an approximately 20,160 square foot canopy for covered parking (the “2014 Improvements”; and together with the Original Improvements, the “Improvements”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “2014 Facility Equipment”);
and, together with the Original Facility Equipment, the “Facility Equipment”; which Facility Equipment, together with the Land and the Improvements, are the “Company Facility”) and (b) the acquisition and installation of certain equipment and personal property (the “Equipment”), which Equipment is to be leased by the Agency to the Sublessee (the Company Facility and the Equipment are collectively referred to herein as the “Facility”), and which Facility is to be used by the Sublessee in its business as a wholesale distributor of restaurant supplies. The Company Facility will be initially owned, operated and/or managed by the Company, and the Equipment will be initially owned, operated and/or managed by the Sublessee.

The Agency will acquire a leasehold interest in the Land and Improvements and a fee interest in the Facility Equipment and the Equipment, lease the Company Facility to the Company for further sublease by the Company to the Sublessee and lease the Equipment to the Sublessee. The Agency contemplates that it will provide financial assistance to the Company and the Sublessee in the form of exemptions from sales and use taxes in connection with the acquisition, renovation and equipping of the Facility and abatement of real property taxes consistent with the policies of the Agency.

4. The hearing officer then opened the hearing for comments from the floor for or against the proposed transfer of real estate, the other financial assistance proposed by the Agency and the location and nature of the Facility. The following is a listing of the persons heard and a summary of their views:
5. The hearing officer then asked if there were any further comments, and, there being none, the hearing was closed at [______________].
STATE OF NEW YORK  
COUNTY OF SUFFOLK  

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

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

IN WITNESS WHEREOF, I have hereunto set my hand as of November __, 2014.

__________________________________
Assistant Secretary
EXHIBIT C

Form of Proposed PILOT Benefits

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

Definitions

X = assessment equal to the assessor’s valuation for the parcel in effect on November 18, 2014.

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

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

Payment Formula

<table>
<thead>
<tr>
<th>Tax Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/2016</td>
<td>100% normal tax on X and 0% normal tax on Y</td>
</tr>
<tr>
<td>2016/2017</td>
<td>100% normal tax on X and 10% normal tax on Y</td>
</tr>
<tr>
<td>2017/2018</td>
<td>100% normal tax on X and 20% normal tax on Y</td>
</tr>
<tr>
<td>2018/2019</td>
<td>100% normal tax on X and 30% normal tax on Y</td>
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<tr>
<td>2019/2020</td>
<td>100% normal tax on X and 40% normal tax on Y</td>
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<tr>
<td>2020/2021</td>
<td>100% normal tax on X and 50% normal tax on Y</td>
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<tr>
<td>2021/2022</td>
<td>100% normal tax on X and 60% normal tax on Y</td>
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</tr>
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<td>2025/2026</td>
<td>100% normal tax on X and 100% normal tax on Y</td>
</tr>
<tr>
<td>and thereafter</td>
<td></td>
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</tbody>
</table>
RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING MORTGAGE FINANCING AND THE EXECUTION AND DELIVERY OF LOAN DOCUMENTS IN CONNECTION THERewith FOR THE VETERANS HWY-HOLBROOK LLC/FASHIONCRAFT-EXCELLO, INC. 2014 FACILITY AND APPROVING THE FORM, SUBSTANCE, EXECUTION AND DELIVERY OF SUCH RELATED DOCUMENTS

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

WHEREAS, the Agency has previously assisted in (a) the acquisition of an approximately 4.0 acre parcel of land located at 5050 Veteran Memorial Highway, Holbrook, Islip, New York 11741 (the “Land”), the renovation of an approximately 51,540 square foot building located thereon (the “Improvements”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “Facility Equipment”; and, together with the Land and the Improvements, the “Company Facility”), which Company Facility is leased by the Agency to Veterans Hwy-Holbrook LLC, a limited liability company duly organized and validly existing under the laws of the State of New York (the “Company”), and subleased by the Company to Fashioncraft-Excello, Inc., a New York business corporation (the “Sublessee”), and (b) the acquisition and installation of certain equipment and personal property (the “Equipment”), which Equipment is leased by the Agency to the Sublessee (the Company Facility and the Equipment are collectively referred to herein as the “Facility”), which Facility is to be used by the Sublessee in its business as a wholesaler of wedding favors and other event favors; and

WHEREAS, the Company previously leased the Land and the Improvements to the Agency pursuant to the terms of a certain Company Lease Agreement, dated as of October 1, 2014 (the “Company Lease”), by and between the Company and the Agency, and a Memorandum of Company Lease, dated October 23, 2014, was to be recorded in the Suffolk County Clerk’s office; and

WHEREAS, the Agency previously leased the Facility to the Company pursuant to and in accordance with the terms of a certain Lease Agreement, dated as of October 1, 2014 (the “Lease Agreement”), by and between the Agency and the Company, and a Memorandum of Lease Agreement, dated October 23, 2014, was to be recorded in the Suffolk County Clerk’s Office; and

WHEREAS, the Company previously subleased the Facility to the Sublessee pursuant to and in accordance with the terms of a certain Sublease Agreement, dated August 24, 2014, (the “Sublease Agreement”), by and between the Company, as sublessor, and the Sublessee,
as sublessee, and a Memorandum of Sublease Agreement, dated October 23, 2014, was to be recorded in the Suffolk County Clerk’s Office; and

WHEREAS, in connection with the leasing and subleasing of the Facility, the Agency and the Sublessee entered into an Agency Compliance Agreement, dated as of October 1, 2014 (the “Agency Compliance Agreement”), whereby the Sublessee made certain representations, warranties and agreements in connection with its use and operation of the Facility; and

WHEREAS, in connection with the leasing and the subleasing of the Facility, the Agency, the Company and the Sublessee entered into a Payment-in-Lieu-of-Tax Agreement, dated as of October 1, 2014 (the “PILOT Agreement”), which provided for the Company and the Sublessee to make payments in lieu of real property taxes on the Facility; and

WHEREAS, in connection with the leasing and the subleasing of the Facility, the Agency, the Company and the Sublessee entered into a Recapture Agreement, dated as of October 1, 2014 (the “Recapture Agreement”), by and among the Agency, the Company and the Sublessee, to provide for the circumstances in which the Agency may recapture some or all of the benefits granted to the Company and the Sublessee; and

WHEREAS, in connection with the leasing and the subleasing of the Facility, the Agency, the Company and the Sublessee entered into an Environmental Compliance and Indemnification Agreement, dated as of October 1, 2014 (the “Environmental Compliance and Indemnification Agreement”), whereby the Company and the Sublessee agreed to comply with all Environmental Laws (as defined therein) applicable to the Facility; and

WHEREAS, the Company has now requested the Agency’s consent to enter into a refinancing with BankUnited, N.A. or such other lender as may be determined (the “Lender”) with respect to the Facility in the aggregate principal amount presently expected to be $4,050,000 (the “2014 Loan”); and

WHEREAS, as security for such 2014 Loan being made to the Company by the Lender, the Company has submitted a request to the Agency that it join with the Company in executing and delivering to the 2014 Lender one or more mortgages and such other loan documents, satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably requested by the 2014 Lender (the “2014 Loan Documents”); and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company consistent with the policies of the Agency, in the form of exemptions from mortgage recording taxes securing the principal amount presently estimated to be $4,050,000 but not to exceed $5,000,000 in connection with the financing or refinancing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the Facility; and

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

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

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

Section 1.  The Agency hereby finds and determines:

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

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

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

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

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

(f)  It is desirable and in the public interest for the Agency to assist in the financing or refinancing of the acquisition, renovation and equipping of the Facility.
(g) The 2014 Loan Documents will be effective instruments whereby the Agency and the Company agree to secure the 2014 Loan and assign to the Lender their respective rights under the Lease Agreement (except the Agency’s Unassigned Rights as defined therein).

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) grant a mortgage on and security interest in and to the Facility pursuant to a certain mortgage and security agreement for the benefit of the Lender (the “2014 Mortgage”), (ii) execute, deliver and perform the 2014 Mortgage, and (iii) execute, deliver and perform such other related documents, that the Agency is a party, as may be necessary or appropriate to effect the 2014 Loan or any subsequent refinancing of the 2014 Mortgage.

Section 3. Subject to the provisions of this resolution and the Lease Agreement, the Agency is hereby authorized to do all things necessary or appropriate for the execution, delivery and performance of the 2014 Loan Documents and such other related documents as may be necessary or appropriate to effect the 2014 Loan, or any subsequent refinancing of the 2014 Loan, and all acts heretofore taken by the Agency with respect to such financing or refinancing are hereby approved, ratified and confirmed.

Section 4. Subject to the provisions of this resolution and the Lease Agreement, the Agency hereby authorizes and approves the following economic benefits to be granted to the Company in the form of exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be $4,050,000 but not to exceed $5,000,000, in connection with the financing or refinancing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping of the Facility.

Section 5. The Company agrees that the exemption from mortgage recording taxes provided pursuant to the Act and this resolution is subject to termination and recapture of benefits pursuant to the Recapture Agreement.

Section 6. Subject to the provisions of this resolution and the Lease Agreement, (a) the Chairman, Executive Director, and all other members of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the 2014 Loan Documents together with such other related documents as may be, in the judgment of the Chairman and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “Agency Documents”). The execution thereof by the Chairman, Executive Director, or any member of the Agency shall constitute conclusive evidence of such approval; and

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

Section 7. Subject to the provisions of this resolution and the Lease Agreement, the officers, employees and agents of the Agency are hereby authorized and directed to and in the name and on behalf of the Agency to do all acts and things required or provided for by
the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 8. Any expenses incurred by the Agency with respect to the financing or refinancing of the Facility shall be paid by the Company. By acceptance hereof, the Company agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the financing or refinancing of the Facility.

Section 9. This resolution shall take effect immediately.

ADOPTED: November 18, 2014

ACCEPTED: _______ 2014

VETERANS HWY-HOLBROOK LLC

By: __________________________
Name: Gary P. Krupnick
Title: Managing Member
STATE OF NEW YORK
COUNTY OF SUFFOLK

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

That I have compared the annexed extract of the minutes of the meeting of the Town of Islip Industrial Development Agency (the "Agency"), including the resolutions contained therein, held on November 18, 2014, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

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

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

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

By:______________________________
Assistant Secretary
EXHIBIT A

NOTICE OF PUBLIC HEARING

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

The Agency has previously assisted Veterans Hwy–Holbrook LLC, a New York limited liability company (the “Company”), and Fashioncraft-Excello, Inc., a New York business corporation (the “Sublessee”), in (a) the acquisition of an approximately 4.0 acre parcel of land located at 5050 Veterans Memorial Highway, Holbrook, New York 11741 (the “Land”) and the construction and equipping thereon of an approximately 51,540 square foot building, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Land (the “Improvements”) and the acquisition and installation therein of certain equipment (the “Facility Equipment”; and, together with the Land and the Improvements, the “Company Facility”), and (b) the renovation of the Company Facility and the acquisition and installation of certain equipment and personal property including, but not limited to, warehouse racking, reach trucks, and order pickers (the “Equipment”) (the Company Facility and the Equipment are collectively referred to herein as the “Facility”), and which Facility is used by the Sublessee in its business as a wholesaler of wedding favors and other event favors. The Company Facility is owned by the Company and the Equipment is owned and operated by the Sublessee.

The Agency acquired a leasehold interest in the Company Facility and presently subleases the Company Facility to the Company for further sub-sublease by the Company to the Sublessee and the Agency acquired title to the Equipment and presently leases the Equipment to the Sublessee. The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing or permanent financing of the Facility, consistent with the policies of the Agency.

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

Dated: ____________, 2014

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

By: William G. Mannix
Title: Executive Director

15197434.1
EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON
NOVEMBER ___, 2014

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
(Veterans Hwy-Holbrook LLC/Fashioncraft-Excello, Inc. 2014 Facility)

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

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

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

The Agency has previously assisted Veterans Hwy-Holbrook LLC, a New York limited liability company (the “Company”), and Fashioncraft-Excello, Inc., a New York business corporation (the “Sublessee”), in (a) the acquisition of an approximately 4.0 acre parcel of land located at 5050 Veterans Memorial Highway, Holbrook, New York 11741 (the “Land”) and the construction and equipping thereon of an approximately 51,540 square foot building, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Land (the “Improvements”) and the acquisition and installation therein of certain equipment (the “Facility Equipment”; and, together with the Land and the Improvements, the “Company Facility”), and (b) the renovation of the Company Facility and the acquisition and installation of certain equipment and personal property including, but not limited to, warehouse racking, reach trucks, and order pickers (the “Equipment”) (the Company Facility and the Equipment are collectively referred to herein as the “Facility”), and which Facility is used by the Sublessee in its business as a wholesaler of wedding favors and other event favors. The Company Facility is owned by the Company and the Equipment is owned and operated by the Sublessee.

The Agency acquired a leasehold interest in the Company Facility and presently subleases the Company Facility to the Company for further sub-sublease by the Company to the Sublessee and the Agency acquired title to the Equipment and presently leases the Equipment to the Sublessee. The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing or permanent financing of the Facility, consistent with the policies of the Agency.
4. The hearing officer then opened the hearing for comments from the floor for or against the proposed financial assistance proposed by the Agency of the Facility. The following is a listing of the persons heard and a summary of their views:

5. The hearing officer then asked if there were any further comments, and, there being none, the hearing was closed at ___________a.m./p.m.
STATE OF NEW YORK

: SS.

COUNTY OF SUFFOLK

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

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

IN WITNESS WHEREOF, I have hereunto set my hand as of November __, 2014.

________________________________________
Assistant Secretary
At a meeting of the Town of Islip Industrial Development Agency (the “Agency”), held at Islip Town Hall, 655 Main Street, Islip, New York, on the 18th day of October, 2014, the following members of the Agency were:

Present:

Absent:

Also Present:

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on a proposed mortgage financing and the execution of related loan documents in connection with a certain industrial development facility more particularly described below (Veterans Hwy-Holbrook LLC/Fashioncraft-Excello, Inc. 2014 Facility) and approving the execution and delivery of related documents.

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

Voting Aye

Voting Nay
RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING MORTGAGE FINANCING AND THE EXECUTION AND DELIVERY OF LOAN DOCUMENTS IN CONNECTION THERewith FOR THE PACIFIC STREET FLEX LLC/VICCARO EQUIPMENT CORPORATION 2004 FACILITY AND APPROVING THE FORM, SUBSTANCE, EXECUTION AND DELIVERY OF SUCH RELATED DOCUMENTS

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

WHEREAS, the Agency has previously assisted in (a) the acquisition of an approximately 4.3 acre parcel of land located at 1818 Pacific Street, Hauppauge, Town of Islip, Suffolk County, New York (the “Land”) and the construction and equipping thereon of an approximately 60,000 square foot building, with improvements, structures, and related facilities attached to the Land (collectively, the “Improvements”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “Facility Equipment”; and, together with the Land and the Improvements, the “Company Facility”), which Company Facility is leased by the Agency to Pacific Street Flex LLC, a limited liability company organized and existing under the laws of the State of New York (the “Company”), and a portion of the Company Facility is subleased by the Company to Viccaro Equipment Corporation (“Viccaro”) and the remaining portion of the Company Facility is subleased by the Company to other sublessees (the “Other Sublessees”; and, together with Viccaro collectively, the “Sublessees”); and (b) the acquisition and installation of certain equipment and personal property (the “Viccaro Equipment”), which Viccaro Equipment is leased by the Agency to Viccaro (the Company Facility and the Viccaro Equipment are collectively referred to herein as the “Facility”), a portion of which Facility is used by Viccaro for the sale, service, lease and repair of forklift trucks, the sale and installation of loading equipment, the installation of warehouse storage racks, and for safety training seminars for use of forklift equipment in accordance with OSHA regulations and a portion of the Facility is used in part as space for subleasing to the Other Sublessees; and

WHEREAS, the Agency is currently leasing the Land and the Improvements to the Company pursuant to a certain Lease Agreement, dated as of January 1, 2004 (the “Lease Agreement”), a memorandum of which Lease Agreement was recorded in the Suffolk County Clerk’s Office on July 20, 2004 in Liber 12331 of Deeds, Page 869; and

WHEREAS, the Agency is currently leasing the Viccaro Equipment to Viccaro pursuant to the terms of the Viccaro Equipment Lease Agreement, and the Company is currently subleasing the Company Facility to Viccaro pursuant to a certain Agreement of Lease, dated as of March 4, 2003 (the “Sublease Agreement”), a memorandum of which
Sublease Agreement was recorded in the Suffolk County Clerk’s Office on July 20, 2004 in Liber 12331 of Deeds, Page 870; and

WHEREAS, in connection with the leasing and subleasing of the Facility, the Agency and Viccaro entered into an Agency Compliance Agreement, dated as of January 1, 2004 (the “Agency Compliance Agreement”), whereby Viccaro made certain representations, warranties and agreements in connection with its use and operation of the Facility; and

WHEREAS, in connection with the leasing and the subleasing of the Facility, the Agency, the Company and Viccaro entered into a Payment-in-Lieu-of-Tax Agreement, dated as of January 1, 2004 (the “PILOT Agreement”), which provided for the Company and Viccaro to make payments in lieu of real property taxes on the Facility; and

WHEREAS, in connection with the leasing and the subleasing of the Facility, the Agency, the Company and Viccaro entered into an Environmental Compliance and Indemnification Agreement, dated as of January 1, 2004 (the “Environmental Compliance and Indemnification Agreement”), whereby the Company and Viccaro agreed to comply with all Environmental Laws (as defined therein) applicable to the Facility; and

WHEREAS, the Company has now requested the Agency’s consent to enter into a refinancing with BankUnited, N.A. or such other lender as may be determined (the “Lender”) with respect to the Facility in the aggregate principal amount presently expected to be $5,800,000 (the “2014 Loan”); and

WHEREAS, as security for such 2014 Loan being made to the Company by the Lender, the Company has submitted a request to the Agency that it join with the Company in executing and delivering to the 2014 Lender one or more mortgages and such other loan documents, satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably requested by the 2014 Lender (the “2014 Loan Documents”); and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company consistent with the policies of the Agency, in the form of exemptions from mortgage recording taxes securing the principal amount presently estimated to be $5,800,000 but not to exceed $6,500,000 in connection with the financing or refinancing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the Facility; and

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

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

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

Section 1. The Agency hereby finds and determines:

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

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

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

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

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

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

(g) The 2014 Loan Documents will be effective instruments whereby the Agency and the Company agree to secure the 2014 Loan and assign to the Lender their respective rights under the Lease Agreement (except the Agency’s Unassigned Rights as defined therein).

Section 2. In consequence of the foregoing, the Agency hereby determines to:

(i) grant a mortgage on and security interest in and to the Facility pursuant to a certain
mortgage and security agreement for the benefit of the Lender (the “2014 Mortgage”), (ii) execute, deliver and perform the 2014 Mortgage, and (iii) execute, deliver and perform such other related documents, that the Agency is a party, as may be necessary or appropriate to effect the 2014 Loan or any subsequent refinancing of the 2014 Mortgage.

Section 3. Subject to the provisions of this resolution and the Lease Agreement, the Agency is hereby authorized to do all things necessary or appropriate for the execution, delivery and performance of the 2014 Loan Documents and such other related documents as may be necessary or appropriate to effect the 2014 Loan, or any subsequent refinancing of the 2014 Loan, and all acts heretofore taken by the Agency with respect to such financing or refinancing are hereby approved, ratified and confirmed.

Section 4. Subject to the provisions of this resolution and the Lease Agreement, the Agency hereby authorizes and approves the following economic benefits to be granted to the Company in the form of exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be $5,800,000 but not to exceed $6,500,000, in connection with the financing or refinancing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping of the Facility.

Section 5. Subject to the provisions of this resolution and the Lease Agreement, (a) the Chairman, Executive Director, and all other members of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the 2014 Loan Documents together with such other related documents as may be, in the judgment of the Chairman and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “Agency Documents”). The execution thereof by the Chairman, Executive Director, or any member of the Agency shall constitute conclusive evidence of such approval; and

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

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

Section 7. Any expenses incurred by the Agency with respect to the financing or refinancing of the Facility shall be paid by the Company. By acceptance hereof, the Company agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless
against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the financing or refinancing of the Facility.

Section 8. This resolution shall take effect immediately.

ADOPTED: November 18, 2014

ACCEPTED: __________ 2014

PACIFIC STREET FLEX LLC

By: ____________________________
Name: Gary P. Krupnick
Title: Managing Member
STATE OF NEW YORK  )
COUNTY OF SUFFOLK  )

: SS.: 

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

That I have compared the annexed extract of the minutes of the meeting of the Town of Islip Industrial Development Agency (the "Agency"), including the resolutions contained therein, held on November 18, 2014, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

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

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

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

By: __________________________
Assistant Secretary
EXHIBIT A

NOTICE OF PUBLIC HEARING

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

The Agency has previously assisted Pacific Street Flex LLC, a limited liability company organized and existing under the laws of the State of New York (the “Company”), and Viccaro Equipment Corporation (“Viccaro”), in (a) the acquisition of an approximately 4.3 acre parcel of land located at 1818 Pacific Street, Hauppauge, Town of Islip, Suffolk County, New York (the “Land”) and the construction and equipping thereon of an approximately 60,000 square foot building, with improvements, structures, and related facilities attached to the Land (collectively, the “Improvements”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “Facility Equipment”; and, together with the Land and the Improvements, the “Company Facility”), and (b) the acquisition and installation of certain equipment and personal property (the “Viccaro Equipment”), which Viccaro Equipment is leased by the Agency to Viccaro (the Company Facility and the Viccaro Equipment are collectively referred to herein as the “Facility”), a portion of which Facility is used by Viccaro for the sale, service, lease and repair of forklift trucks, the sale and installation of loading equipment, the installation of warehouse storage racks, and for safety training seminars for use of forklift equipment in accordance with OSHA regulations and a portion of the Facility will be used in part as space for subleasing to the other sublessees. The Company Facility is owned by the Company and the Viccaro Equipment is owned and operated by Viccaro.

The Agency acquired a fee interest in the Company Facility and presently leases the Company Facility to the Company and a portion of the Company Facility is subleased by the Company to Viccaro and the remaining portion of the Company Facility is subleased by the Company to other sublessees and the Agency acquired title to the Viccaro Equipment and presently leases the Viccaro Equipment to Viccaro. The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing or permanent financing of the Facility, consistent with the policies of the Agency.

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

Dated: ___________, 2014

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

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

MINUTES OF PUBLIC HEARING HELD ON
NOVEMBER __, 2014

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
(Pacific Street Flex LLC/Viccaro Equipment Corporation 2004 Facility)

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

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

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

The Agency has previously assisted Pacific Street Flex LLC, a limited liability company organized and existing under the laws of the State of New York (the “Company”), and Viccaro Equipment Corporation (“Viccaro”), in (a) the acquisition of an approximately 4.3 acre parcel of land located at 1818 Pacific Street, Hauppauge, Town of Islip, Suffolk County, New York (the “Land”) and the construction and equipping thereon of an approximately 60,000 square foot building, with improvements, structures, and related facilities attached to the Land (collectively, the “Improvements”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “Facility Equipment”; and, together with the Land and the Improvements, the “Company Facility”), and (b) the acquisition and installation of certain equipment and personal property (the “Viccaro Equipment”), which Viccaro Equipment is leased by the Agency to Viccaro (the Company Facility and the Viccaro Equipment are collectively referred to herein as the “Facility”), a portion of which Facility is used by Viccaro for the sale, service, lease and repair of forklift trucks, the sale and installation of loading equipment, the installation of warehouse storage racks, and for safety training seminars for use of forklift equipment in accordance with OSHA regulations and a portion of the Facility will be used in part as space for subleasing to the other subslessees. The Company Facility is owned by the Company and the Viccaro Equipment is owned and operated by Viccaro.

The Agency acquired a fee interest in the Company Facility and presently leases the Company Facility to the Company and a portion of the Company Facility is subleased by the Company to Viccaro and the remaining portion of the Company Facility is subleased by the Company to other subslessees and the Agency acquired title to the Viccaro Equipment and presently leases the Viccaro Equipment to Viccaro. The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from mortgage recording taxes in connection with the financing.
or any subsequent refinancing or permanent financing of the Facility, consistent with the policies of the Agency

4. The hearing officer then opened the hearing for comments from the floor for or against the proposed financial assistance proposed by the Agency of the Facility. The following is a listing of the persons heard and a summary of their views:

5. The hearing officer then asked if there were any further comments, and, there being none, the hearing was closed at _____________ a.m./p.m.
STATE OF NEW YORK  

: SS.:  
COUNTY OF SUFFOLK  

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

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

IN WITNESS WHEREOF, I have hereunto set my hand as of November __, 2014.

________________________________________
Assistant Secretary

15205779.1
At a meeting of the Town of Islip Industrial Development Agency (the "Agency"), held at Islip Town Hall, 655 Main Street, Islip, New York, on the 18th day of October, 2014, the following members of the Agency were:

Present:

Absent:

Also Present:

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on a proposed mortgage financing and the execution of related loan documents in connection with a certain industrial development facility more particularly described below (Pacific Street Flex LLC/Viccaro Equipment Corporation 2004 Facility) and approving the execution and delivery of related documents.

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

Voting Aye          Voting Nay