MEETING OF THE TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
June 24, 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 of the Members of the Town of Islip Industrial Development Agency on June 4, 2014.

3. To consider the adoption of a Resolution to allow for an increase in sales tax benefits for Heartland Boys II LP/Sheralven, located at 2 Rodeo Drive, Edgewood, New York.

4. To consider the adoption of a Preliminary Inducement Resolution between the Town of Islip Industrial Development Agency and InvaGen II, located at 275 Carleton Avenue, Central Islip, New York.

5. To consider the adoption of a Preliminary Inducement Resolution between the Town of Islip Industrial Development Agency and AlphaMed Bottles, located at 275 Carleton Avenue, Central Islip, New York.

6. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and TekWeld Solutions Inc./45 Rabro Solutions LLC located at 45 Rabro Drive, Hauppauge, New York.

7. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and All System Aerospace, located at 75 Beacon Drive, Holbrook, New York.

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

IDA Board Members

Present
Steven J. Flotteron
John C. Cochrane
Anthony Senft
Trish Bergin Weichbrodt

Absent
Tom Croci, due to military leave

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

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

2. To consider the adoption of a Resolution on behalf of the Town of Islip Industrial Development Agency to approve the minutes from the Special Meeting of the Members of the Town of Islip Industrial Development Agency on May 27, 2014. On a motion by Member Cochrane and seconded by Member Senft, said resolution was approved unanimously.

3. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Agency and ZTA Rentals/The Berlerro Group, located at 111 Rodeo Drive Edgewood, New York. On a motion by Member Senft and seconded by Member Cochrane, said resolution was approved unanimously.

4. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and J & A Coat & Apron Service Corp., located at 56 Penataquit Avenue, Bay Shore, New York. On a motion by Member Flotteron and seconded by Member Bergin Weichbrodt, said motion was approved unanimously.

5. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and Brentwood Steel, LLC/Elm Global Logistics, located at 50 Enjay Blvd, Brentwood, New York. On a motion by Member Flotteron and seconded by Member Senft, said motion to be approved unanimously.

6. The June 4, 2014 meeting of the IDA Board was adjourned on a motion by Member Senft and seconded by Member Flotteron.
RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD AUTHORIZING AN INCREASE OF SALES AND USE TAX BENEFITS FOR HEARTLAND BOYS II, L.P., A LIMITED PARTNERSHIP, AND FOR SHERALVEN ENTERPRISES LTD., A BUSINESS CORPORATION, AND THE EXECUTION OF RELATED DOCUMENTS.

WHEREAS, Title 1 of Article 18-A of the General Municipal Law of the State of New York was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York; and

WHEREAS, the aforesaid act authorizes the creation of industrial development agencies for the Public Purposes of the State; and

WHEREAS, the aforesaid act further authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, renovate, refurbish, equip, lease, sell and dispose of land and any building or other improvement, and all real and personal property, including but not limited to machinery and equipment deemed necessary in connection therewith, whether now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, recreation or industrial facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, pursuant to and in accordance with the provisions of the aforesaid act, as amended, together with Chapter 47 of the Laws of 1974 of the State, as amended (collectively, the “Act”), the Town of Islip Industrial Development Agency (the “Agency”) was created and is empowered under the Act to undertake the providing and leasing of the Facility defined below; and

WHEREAS, the Agency previously assisted Heartland Boys II, L.P., a New York limited partnership (the “Company”) in (a) the acquisition, renovation and equipping of an existing facility consisting of an approximately 148,500 square foot building located on an approximately 9.79 acre parcel of land situated at 2 Rodeo Drive, Edgewood, New York (Tax Map No. 0500-156.00-03.00-001.103) (the “Land”) previously owned by the Agency in connection with the Agency’s Heartland Boys II, L.P./Royal Pet Supplies, Inc. 2003 Facility (the “2003 Facility”), which 2003 Facility was terminated prior to entering into the straight lease transaction, and which renovation and equipping shall include the construction of approximately 15,000 square feet of office space within the existing building (the “Improvements”) and installation of certain equipment not part of the Equipment (as such term is defined in Exhibit A to the Equipment Lease Agreement, dated as of May 1, 2014 (the “Equipment Lease Agreement”), between the Agency and Sheralven Enterprises Ltd., a business corporation duly organized and validly existing under the laws of the State of New York, having an office at 360 Moreland Road,
Commack, New York 11725 (the “Sublessee”) (the “Facility Equipment”; and, together with the Land and the Improvements, the “Company Facility”), all to be leased by the Agency to the Company, for further sublease by the Company to, and used by, the Sublessee; and (b) the acquisition and installation of the Equipment (the “Equipment”), which Equipment is to be leased by the Agency to the Sublessee for its wholesale distribution of fragrances and beauty products (the Company Facility and the Equipment collectively referred to herein as the “Facility”); and

WHEREAS, by resolutions adopted on January 14, 2014 and on March 4, 2014, the Agency agreed to enter into a transaction with the Company and the Sublessee, and, pursuant to said transaction, the Agency agreed to provide to the Company and the Sublessee certain exemptions from real property taxes, sales and use taxes, and mortgage recording taxes; and

WHEREAS, the Agency previously acquired title to the Land pursuant to a certain Bargain and Sale Deed, dated as of February 27, 2003 (the “Deed”), by and between the Company, as grantor and the Agency, as grantee; and

WHEREAS, the Agency leased the Company Facility to the Company pursuant to the Lease Agreement, dated as of May 1, 2014 (the “Lease Agreement”), by and between the Agency and the Company; and

WHEREAS, the Agency leased the Equipment to the Sublessee, and the Sublessee desires to rent the Equipment from the Agency, upon the terms and conditions set forth in the Equipment Lease Agreement; and

WHEREAS, in order to define the Company’s and the Sublessee’s obligations regarding payments-in-lieu of taxes, the Agency, the Company and the Sublessee entered into a Payment in Lieu of Tax Agreement, dated as of May 1, 2014 (the “PILOT Agreement”), by and among the Agency and the Company, whereby the Company and the Sublessee agreed to make certain payments-in-lieu-of-taxes to the Taxing Authorities (as defined therein); and

WHEREAS, the Company and the Sublessee entered into a Recapture Agreement, dated as of May 1, 2014 (the “Recapture Agreement”), by and among the Agency, the Company and the Sublessee in order to reflect the repayment of obligations of the Company and the Sublessee upon the occurrence of a Recapture Event (as defined therein); and

WHEREAS, in connection with the leasing and subleasing of the Facility and the construction and equipping of such Facility the Agency appointed the Company and the Sublessee as its agents and authorized a maximum of $31,050.00 of sales or use tax exemptions which may be received by the Company and/or the Sublessee on the purchases or lease of equipment, building materials, services or other personal property authorized under the Lease Agreement and the Equipment Lease Agreement; and
WHEREAS, in order to complete the acquisition, construction and equipping of the Facility the Company has now requested that the Agency increase the maximum sales or use tax exemptions on the purchases or lease of equipment, building materials, services or other personal property authorized under the Lease Agreement from $31,050.00 to $141,521.00 (the “Increase”); and

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

WHEREAS, notice of the Hearing was given, and such notice (together with proof of publication) is substantially in the form annexed hereto as Exhibit A; and

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

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

Section 1. The Agency hereby approves the Increase and the aforesaid appointment of the Company and the Sublessee as agents of the Agency to acquire, construct and equip the Facility, and the increase of the amount of sales and use tax exemptions on the purchases or lease of equipment, building materials, services or other personal property authorized under the Lease Agreement exemptions shall be increased from $31,050.00 to the amount of $141,521.00.

Section 2. In consequence of the foregoing, the Agency hereby (i) approves the Increase, (ii) approves the form and substance of an amended Form ST-60 to the Company (the “Amended Form ST-60”), (iii) approves the form and substance of a Form ST-60 to the Sublessee (the “Sublessee Form ST-60”) and (iv) authorizes the execution and delivery of the Amended Form ST-60, the Sublessee Form ST-60 and such other related documents as may be necessary or appropriate to effect the Increase.

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

Section 4. The Chairman, the Executive Director and any member of the Agency are each hereby authorized and directed (i) to distribute copies of this resolution to the Company, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 5. This resolution shall take effect immediately.
STATE OF NEW YORK

: 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 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 June 24, 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 | Voting Nay |

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

IN WITNESS WHEREOF, I have hereunto set my hand as of the 24th day of June, 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 (the “Agency”) on the ___ day of June, 2014, at ______ a.m., local time, at the Islip Town Hall, 655 Main Street, Islip, New York, 11751 in connection with the following matters:

The Agency previously assisted Heartland Boys II, L.P., a New York limited partnership (the “Company”) and Sheralven Enterprises Ltd., a New York business corporation (the “Sublessee”) in (a) the acquisition, renovation and equipping of an existing facility consisting of an approximately 148,500 square foot building located on an approximately 9.79 acre parcel of land situated at 2 Rodeo Drive, Edgewood, New York (Tax Map No. 0500-156.00-03.00-001.103) (the “Land”) previously owned by the Agency in connection with the Agency’s Heartland Boys II, L.P./Royal Pet Supplies, Inc. 2003 Facility (the “2003 Facility”), which 2003 Facility was terminated prior to entering into the straight lease transaction, and which renovation and equipping shall include the construction of approximately 15,000 square feet of office space within the existing building (the “Improvements”) and installation of certain equipment not part of the Equipment (as such term is defined in Exhibit A to the Equipment Lease Agreement, dated as of May 1, 2014 (the “Equipment Lease Agreement”), between the Agency and the Sublessee) (the “Facility Equipment”); and, together with the Land and the Improvements, the “Company Facility”), all to be leased by the Agency to the Company, for further sublease by the Company to, and used by, the Sublessee; and (b) the acquisition and installation of the Equipment (the “Equipment”), which Equipment is to be leased by the Agency to the Sublessee for its wholesale distribution of fragrances and beauty products (the Company Facility and the Equipment collectively referred to herein as the “Facility”). The Company Facility will be initially owned and/or operated by the Company.

The Agency will continue to hold title to the Facility and lease the Company Facility to the Company for further sublease by the Company to the Sublessee and lease the Equipment to the Sublessee. At the end of the lease term, the Company will purchase the Company Facility from the Agency.

The Agency contemplates that it will provide financial assistance to the Company and the Sublessee in the form of an increase in the amount of sales and use tax exemptions consistent with the policies of the Agency.

A representative of the Agency will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to 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
EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON

_________, 2014

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
(Heartland Boys II, L.P./Sheralven Enterprises Ltd. Facility)

________________________

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

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

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

The Agency previously assisted Heartland Boys II, L.P., a New York limited partnership (the “Company”) and Sheralven Enterprises Ltd., a New York business corporation (the “Sublessee”) in (a) the acquisition, renovation and equipping of an existing facility consisting of an approximately 148,500 square foot building located on an approximately 9.79 acre parcel of land situated at 2 Rodeo Drive, Edgewood, New York (Tax Map No. 0500-156.00-03.00-001.103) (the “Land”) previously owned by the Agency in connection with the Agency’s Heartland Boys II, L.P./Royal Pet Supplies, Inc. 2003 Facility (the “2003 Facility”), which 2003 Facility was terminated prior to entering into the straight lease transaction, and which renovation and equipping shall include the construction of approximately 15,000 square feet of office space within the existing building (the “Improvements”) and installation of certain equipment not part of the Equipment (as such term is defined in Exhibit A to the Equipment Lease Agreement, dated as of May 1, 2014 (the “Equipment Lease Agreement”), between the Agency and the Sublessee) (the “Facility Equipment”); and, together with the Land and the Improvements, the “Company Facility”), all to be leased by the Agency to the Company, for further sublease by the Company to, and used by, the Sublessee; and (b) the acquisition and installation of the Equipment (the “Equipment”), which Equipment is to be leased by the Agency to the Sublessee for its wholesale distribution of fragrances and beauty products (the Company Facility and the Equipment collectively referred to herein as the “Facility”). The Company Facility will be initially owned and/or operated by the Company.

The Agency will continue to hold title to the Facility and lease the Company Facility to the Company for further sublease by the Company to the Sublessee and lease the Equipment to the Sublessee. At the end of the lease term, the Company will purchase the Company Facility from the Agency.
The Agency contemplates that it will provide financial assistance to the Company and the Sublessee in the form of an increase in the amount of sales and use tax exemptions consistent with the policies of the Agency.

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

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

__________________________
Secretary
STATE OF NEW YORK  
   : SS.:  
COUNTY OF SUFFOLK  

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

That I have compared the foregoing copy of the minutes of a public hearing held by the Town of Islip Industrial Development Agency (the "Agency") on __________, 2014, at __________ a.m., local time, at Islip Town Hall, 655 Main Street, Islip, New York, with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of the minutes in connection with such matter.

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

__________________________  
Assistant Secretary
PRELIMINARY RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION IN CONNECTION WITH INVAGEN PHARMACEUTICALS INC., A NEW YORK BUSINESS CORPORATION, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF INVAGEN PHARMACEUTICALS INC. AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING.

WHEREAS, InvaGen Pharmaceuticals Inc., a New York business corporation, on behalf of itself and/or the principals of InvaGen Pharmaceuticals Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”) has submitted its application, for financial assistance (the “Application”) 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 14.0 acre parcel of land located at 275 Carleton Avenue, Central Islip, New York (the “Land”), and the construction of an approximately 125,000 square foot building thereon (the “Improvements”) and the equipping and furnishing thereof, including, but not limited to, manufacturing, packaging, research and development equipment, office furniture, computers and telephone systems (the “Equipment”; and, together with the Land and the Improvements, the “Facility”), all to be leased by the Agency to, and used by the Company for the manufacturing and distribution of pharmaceutical products, research and development; and

WHEREAS, subject to the Company’s providing the Agency with all necessary information for the Agency to comply with SEQR (defined below) and evidence that the Company has received all necessary site plan approvals, architectural review, zoning approvals, permits, with respect to the Facility, the Agency will consider the inducement of the project; and

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

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, pursuant to the State Environmental Quality Review Act (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, no “Lead Agency” (as such term is defined in the SEQR Act) for the Facility has yet to be named; and

WHEREAS, should the Lead Agency coordinate a review of the Facility, the Agency consents to participate in the coordinated review as an “Involved Agency”; and

WHEREAS, as of the date of this preliminary resolution, no determination for the Facility been made under SEQR;

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

Section 1. At such time as the Company submits to the Agency all necessary information for the Agency to comply with SEQR, the Agency will undertake to review such information. If a “Lead Agency” other than the Agency is declared under SEQR, the Agency shall send written notification to such Lead Agency that the Agency is an “involved agency” with respect to the Lead Agency’s SEQR review. Notice of this determination shall be filed to the extent required by the applicable regulations under that Act or as may be deemed advisable by the Chairman or Executive Director of the Agency or counsel to the Agency.

Section 2. Nothing herein shall be construed as committing the Agency to approve the acquisition, construction, equipping and financing of the Facility until such time as all of the requirements of SEQR have been satisfied and subject further to the Company obtaining all necessary site plan and zoning approvals required in connection with the acquisition, construction and equipping of the Facility. The actions undertaken pursuant to this preliminary resolution shall be limited to contemporaneous environmental, engineering, economic, feasibility and other studies and preliminary planning necessary to formalize the Action as that term is defined under SEQR. No final action may be taken before the Agency has complied with the requirements of SEQR.

Section 3. The Chairman, Executive Director, counsel to the Agency and Transaction Counsel (Nixon Peabody LLP), and all members of the Agency, are hereby authorized and directed (i) to distribute copies of this preliminary 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 in the foregoing preliminary resolution.

Section 4. This preliminary resolution shall take effect immediately.
STATE OF NEW YORK) ss:
COUNTY OF SUFFOLK)

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

I have compared the foregoing copy of the preliminary 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 June 24, 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:

<table>
<thead>
<tr>
<th>Voting Aye</th>
<th>Voting Nay</th>
</tr>
</thead>
</table>

and, therefore, the resolution was declared duly adopted.

The Application is 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 June 24, 2014.

__________________________________

Assistant Secretary
PRELIMINARY RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION IN CONNECTION WITH ALPHAMED BOTTLES INC., A NEW YORK BUSINESS CORPORATION, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF ALPHAMED BOTTLES INC. AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING.

WHEREAS, Alphamed Bottles Inc., a New York business corporation, on behalf of itself and/or the principals of Alphamed Bottles Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”) has submitted its application, for financial assistance (the “Application”) 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 4.0 acre parcel of land located at 275 Carleton Avenue, Central Islip, New York (the “Land”), and the construction of an approximately 75,000 square foot building (the “Improvements”) including, but not limited to, molding and bottle-cap lining equipment, office furniture, computers and telephone system (the “Equipment”; and, together with the Land and the Improvements, the “Facility”), all to be leased by the Agency to, and used by the Company for the manufacturing and distribution of bottling for pharmaceutical products; and

WHEREAS, subject to the Company’s providing the Agency with all necessary information for the Agency to comply with SEQR (defined below) and evidence that the Company has received all necessary site plan approvals, architectural review, zoning approvals, permits, with respect to the Facility, the Agency will consider the inducement of the project; and

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

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, pursuant to the State Environmental Quality Review Act (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, no “Lead Agency” (as such term is defined in the SEQR Act) for the Facility has yet to be named; and
WHEREAS, should the Lead Agency coordinate a review of the Facility, the Agency consents to participate in the coordinated review as an “Involved Agency”; and

WHEREAS, as of the date of this preliminary resolution, no determination for the Facility been made under SEQR;

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

Section 1. At such time as the Company submits to the Agency all necessary information for the Agency to comply with SEQR, the Agency will undertake to review such information. If a “Lead Agency” other than the Agency is declared under SEQR, the Agency shall send written notification to such Lead Agency that the Agency is an “involved agency” with respect to the Lead Agency’s SEQR review. Notice of this determination shall be filed to the extent required by the applicable regulations under that Act or as may be deemed advisable by the Chairman or Executive Director of the Agency or counsel to the Agency.

Section 2. Nothing herein shall be construed as committing the Agency to approve the acquisition, construction, equipping and financing of the Facility until such time as all of the requirements of SEQR have been satisfied and subject further to the Company obtaining all necessary site plan and zoning approvals required in connection with the acquisition, construction and equipping of the Facility. The actions undertaken pursuant to this preliminary resolution shall be limited to contemporaneous environmental, engineering, economic, feasibility and other studies and preliminary planning necessary to formalize the Action as that term is defined under SEQR. No final action may be taken before the Agency has complied with the requirements of SEQR.

Section 3. The Chairman, Executive Director, counsel to the Agency and Transaction Counsel (Nixon Peabody LLP), and all members of the Agency, are hereby authorized and directed (i) to distribute copies of this preliminary 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 in the foregoing preliminary resolution.

Section 4. This preliminary resolution shall take effect immediately.
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 preliminary 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 June 24, 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

Voting Nay

and, therefore, the resolution was declared duly adopted.

The Application is 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 June 24, 2014.

______________________________
Assistant Secretary
Date: June 24, 2014

At a meeting of the Town of Islip Industrial Development Agency (the “Agency”), held at Islip Town Hall, 655 Main Street, Islip, New York on the 24th day of June, 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 certain matters pertaining to acquisition of title to a certain industrial development facility more particularly described below (45 Rabro Solutions, LLC/Tekweld Solutions, Inc. 2014 Facility) and the leasing of the facility to 45 Rabro Solutions, LLC for further sublease to Tekweld Solutions, Inc.

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

Voting Aye

Voting Nay
RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ACQUISITION, RENOVATION AND EQUIPPING OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY TO BE LEASED TO 45 RABRO SOLUTIONS, LLC, A NEW YORK LIMITED LIABILITY COMPANY AND TO BE SUBLEASED TO TEKWELD SOLUTIONS, INC., A NEW YORK CORPORATION AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS.

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

WHEREAS, 45 Rabro Solutions, LLC, a New York limited liability company on behalf of itself and/or the principals of 45 Rabro Solutions, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”), and Tekweld Solutions, Inc., a New York business corporation, on behalf of itself and/or the principals of Tekweld Solutions, Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Sublessee”), have applied to the Agency to enter into a transaction in which the Agency will assist in (a) the acquisition of an approximately 4.08 acre parcel of land located at 45 Rabro Drive, Hauppauge, New York 11788 (the “Land”), the renovation of an approximately 62,000 square foot building located thereon (the “Improvements”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “Facility Equipment”; and, together with the Land and the Improvements, the “Company Facility”), which Company Facility is to be leased by the Agency to the Company and subleased by the Company to the Sublessee, 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 for its primary use in the warehousing and decorating of health and beauty type promotional products and the distribution thereof (the Company Facility and the Equipment are collectively referred to herein as the “Facility”), including the following as they relate to the appointment of the Company and the Sublessee as agent(s) of the Agency pursuant to Section 6 hereof with respect to the acquisition, renovation and equipping of such Facility, whether or not any materials or supplies described below are incorporated into or become an integral part of such Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, renovation and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, renovation and equipping of the Facility, and (iii) all purchases, leases, rentals and uses of equipment, machinery and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Facility; and
WHEREAS, the Agency will acquire a leasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of June 1, 2014 or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the "Company Lease") by and between the Company and the Agency; and

WHEREAS, the Agency will lease and sublease the Company Facility to the Company pursuant to a certain Lease Agreement, dated as of June 1, 2014 or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the "Lease Agreement"), by and between the Agency and the Company; and

WHEREAS, the Agency will lease the Equipment to the Sublessee pursuant to a certain Equipment Lease Agreement, dated as of June 1, 2014 or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the "Equipment Lease Agreement"), by and between the Agency and the Sublessee; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company and the Sublessee consistent with the policies of the Agency, in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing the principal amount presently estimated to be $3,782,000 but not to exceed $4,000,000 in connection with the financing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the Facility, (ii) exemptions from sales and use taxes in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $89,700 and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof), consistent with the policies of the Agency; and

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

WHEREAS, in order to define the Company and the Sublessee's obligations regarding payments-in-lieu-of taxes with respect to the Facility, the Agency, the Company and the Sublessee will enter into a certain Payment-in-Lieu-of-Tax Agreement, dated as of June 1, 2014, or such date as may be determined by the Agency and counsel to the Agency (the "PILOT Agreement"), pursuant to which the Company and the Sublessee will make payments in lieu of taxes on the Facility; and

WHEREAS, in connection with the leasing and the subleasing of the Facility, the Agency, the Company and the Sublessee will enter into a certain Recapture Agreement, dated as of June 1, 2014 or such date as may be determined by the Agency and counsel to the Agency (the "Recapture Agreement"), among the Agency, the Company and the Sublessee; and

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

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

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

Section 1. The Agency hereby finds and determines:

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

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

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

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

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

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

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

(h) The Company Lease will be an effective instrument whereby the Agency will lease the Land and the Improvements from the Company; and
(i) The Lease Agreement will be an effective instrument whereby the Agency will lease the Company Facility to the Company; and

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

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

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

(m) The Environmental Compliance and Indemnification Agreement, dated as of June 1, 2014 or such other date as may be determined by the Agency and counsel to the Agency (the “Environmental Compliance and Indemnification Agreement”), by and among the Agency, the Company and the Sublessee will be an effective instrument whereby the Company and the Sublessee agree to comply with all Environmental Laws (as defined therein) applicable to the Facility and will indemnify and hold harmless the Agency for all liability under all such Environmental Laws; and

(n) The Agency Compliance Agreement, dated as of June 1, 2014 or such other date as may be determined by the Agency and counsel to the Agency (the “Agency Compliance Agreement”), between the Agency and the Sublessee will be an effective instrument whereby the Sublessee will provide certain assurances to the Agency with respect to the Sublease Agreement; and

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

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

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

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

Section 5. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company and the Sublessee in connection with the acquisition, renovation and equipping of the Facility in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing the principal amount presently estimated to be $3,782,000 but not to exceed $4,000,000 in connection with the financing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the Facility, (ii) exemptions from sales and use taxes in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $89,700, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof), consistent with the policies of the Agency.

Section 6. Subject to the provisions of this resolution, the Company and the Sublessee are herewith and hereby appointed the agents of the Agency to acquire, renovate equip the Facility. The Company and the Sublessee are hereby empowered to delegate their respective status as agent of the Agency to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company and the Sublessee may choose in order to acquire, renovate and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company and the Sublessee as agents of the Agency solely for purposes of making sales or leases of goods, services and supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company and the Sublessee, as agents of the Agency, shall be deemed to be on behalf of the Agency and for the benefit of the Facility. This agency appointment expressly excludes the purchase by the Company and the Sublessee of any motor vehicles, including any cars, trucks, vans or buses which are licensed by the Department of Motor Vehicles for use on public highways or streets. The Company and the Sublessee shall indemnify the Agency with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company and the Sublessee, as agent of the Agency. The aforesaid appointment of the Company and the Sublessee as agents of the Agency to acquire, renovate and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, (b) a date which the Agency designates, or (c) the date on which the Company has received exemptions from sales and use taxes in an amount not to exceed $89,700 in connection with the purchase or
lease of equipment, building materials, services or other personal property; provided however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company and/or the Sublessee if such activities and improvements are not completed by such time. The aforesaid appointment of the Company and the Sublessee is subject to the completion of the transaction and the execution of the documents contemplated by this resolution.

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

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

Section 9.

(a) The Chairman, Vice Chairman, Executive Director or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Company Lease, the Lease Agreement, the Equipment Lease Agreement, the PILOT Agreement, the Recapture Agreement, the Environmental Compliance and Indemnification Agreement, the Agency Compliance Agreement and the Loan Documents to which the Agency is a party, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Executive Director or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “Agency Documents”). The execution thereof by the Chairman, Vice Chairman, Executive Director or any member of the Agency shall constitute conclusive evidence of such approval.

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

Section 10. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes
of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 11. This resolution shall take effect immediately.
STATE OF NEW YORK  )
COUNTY OF SUFFOLK    )

: SS.:

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

That I have compared the annexed extract of the minutes of the meeting of the Town
of Islip Industrial Development Agency (the “Agency”), including the resolutions contained
therein, held on the 24th day of June, 2014, with the original thereof on file in my office, and
that the same is a true and correct copy of the proceedings of the Agency and of such
resolutions set forth therein and of the whole of said original insofar as the same related to
the subject matters therein referred to.

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

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

IN WITNESS WHEREOF, I have hereunto set my hand as of the 24th day of June,
2014.

By: ____________________________
Assistant Secretary
EXHIBIT A

Form of Proposed PILOT Benefits

Formula for In-Lieu-of-Taxes Payment: Town of Islip (including any existing incorporated village and any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), Hauppauge School District, Suffolk County and Appropriate Special Districts

Definitions

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

Payment

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

Year 1 - 100% normal tax on the taxable assessed value of $202,560
Year 2 - 100% normal tax on the taxable assessed value of $227,880
Year 3 - 100% normal tax on the taxable assessed value of $253,200
Year 4 - 100% normal tax on the taxable assessed value of $278,520
Year 5 - 100% normal tax on the taxable assessed value of $303,840
Year 6 - 100% normal tax on the taxable assessed value of $329,160
Year 7 - 100% normal tax on the taxable assessed value of $354,480
Year 8 - 100% normal tax on the taxable assessed value of $379,800
Year 9 - 100% normal tax on the taxable assessed value of $405,120
Year 10 - 100% normal tax on the taxable assessed value of $430,440
Year 11 - 100% normal tax on the taxable assessed value of $455,760
Year 12 - 100% normal tax on the taxable assessed value of $481,080
Year 13 - Full Taxation, 100% normal tax on the taxable assessed value of $506,400.
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 24th day of June, 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 certain matters pertaining to acquisition of a leasehold interest in and title to a certain industrial development facility more particularly described below (NASHA Holdings, LLC/All-System Aerospace International, Inc. 2014 Facility) and the leasing of the facility to NASHA Holdings, LLC for further sublease to All-System Aerospace International, Inc.

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

Voting Aye  Voting Nay
RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ACQUISITION, RENOVATION AND EQUIPPING OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY TO BE LEASED TO NASHA HOLDINGS, LLC, A NEW YORK LIMITED LIABILITY COMPANY AND TO BE SUBLEASED TO ALL-SYSTEM AEROSPACE INTERNATIONAL, INC., A NEW YORK CORPORATION AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS.

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

WHEREAS, NASHA Holdings, LLC, a New York limited liability company on behalf of itself and/or the principals of NASHA Holdings, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”), and All-System Aerospace International, Inc., a New York business corporation, on behalf of itself and/or the principals of All-System Aerospace International, Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Sublessee”), have applied to the Agency to enter into a transaction in which the Agency will assist in (a) the acquisition of an approximately 1.94 acre parcel of land located at 75 Beacon Drive, Holbrook, New York 11741 (the “Land”), the renovation of an approximately 20,115 square foot building located thereon (the “Improvements”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “Facility Equipment”; and, together with the Land and the Improvements, the “Company Facility”), which Company Facility is to be leased by the Agency to the Company and subleased by the Company to the Sublessee, 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 for its primary use in the warehousing of helicopter and aircraft parts and the distribution thereof (the Company Facility and the Equipment are collectively referred to herein as the “Facility”), including the following as they relate to the acquisition, renovation and equipping of such Facility, whether or not any materials or supplies described below are incorporated into or become an integral part of such Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, renovation and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, renovation and equipping of the Facility, and (iii) all purchases, leases, rentals and uses of equipment, machinery and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Facility; and

WHEREAS, the Agency will acquire a leasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of June 1, 2014 or
such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the “Company Lease”) by and between the Company and the Agency; and

WHEREAS, the Agency will sublease and lease the Company Facility to the Company pursuant to a certain Lease Agreement, dated as of June 1, 2014 or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the “Lease Agreement”), by and between the Agency and the Company; and

WHEREAS, the Agency will lease the Equipment to the Sublessee pursuant to a certain Equipment Lease Agreement, dated as of June 1, 2014 or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the “Equipment Lease Agreement”), by and between the Agency and the Sublessee; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company and the Sublessee consistent with the policies of the Agency, in the form of (i) exemptions from sales and use taxes in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $64,410.00, and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof), consistent with the policies of the Agency; and

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

WHEREAS, in order to define the Company’s and the Sublessee’s obligations regarding payments-in-lieu-of taxes with respect to the Facility, the Agency, the Company and the Sublessee will enter into a certain Payment-in-Lieu-of-Tax Agreement, dated as of June 1, 2014, or such date as may be determined by the Agency and counsel to the Agency (the “PILOT Agreement”), pursuant to which the Company and the Sublessee will make payments in lieu of taxes on the Facility; and

WHEREAS, in connection with the leasing and the subleasing of the Facility, the Agency, the Company and the Sublessee will enter into a certain Recapture Agreement, dated as of June 1, 2014 or such date as may be determined by the Agency and counsel to the Agency (the “Recapture Agreement”), among the Agency, the Company and the Sublessee; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(m) The Environmental Compliance and Indemnification Agreement, dated as of June 1, 2014 or such other date as may be determined by the Agency and counsel to the Agency (the “Environmental Compliance and Indemnification Agreement”), from the Company and the Sublessee to the Agency will be an effective instrument whereby the Company and the Sublessee agree to comply with all Environmental Laws (as defined therein) applicable to the Facility and will indemnify and hold harmless the Agency for all liability under all such Environmental Laws; and

(n) The Agency Compliance Agreement, dated as of June 1, 2014 or such other date as may be determined by the Agency and counsel to the Agency (the “Agency Compliance Agreement”), between the Agency and the Sublessee will be an effective instrument whereby the Sublessee will provide certain assurances to the Agency with respect to the Sublease Agreement.

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

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

Section 4. Reserved.

Section 5. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company and the Sublessee in connection with the acquisition, renovation and equipping of the Facility in the form of (i) exemptions from sales and use taxes in connection with the purchase or lease of equipment, building materials, services or other personal property in an amount not to exceed $64,410.00 and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof), consistent with the policies of the Agency.

Section 6. Subject to the provisions of this resolution, the Company and the Sublessee are herewith and hereby appointed the agents of the Agency to acquire, renovate, equip the Facility. The Company and the Sublessee are hereby empowered to delegate their
respective status as agent of the Agency to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company and the Sublessee may choose in order to acquire, renovate and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company and the Sublessee as agents of the Agency solely for purposes of making sales or leases of goods, services and supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company and the Sublessee, as agents of the Agency, shall be deemed to be on behalf of the Agency and for the benefit of the Facility. This agency appointment expressly excludes the purchase by the Company and the Sublessee of any motor vehicles, including any cars, trucks, vans or buses which are licensed by the Department of Motor Vehicles for use on public highways or streets. The Company and the Sublessee shall indemnify the Agency with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company and the Sublessee, as agent of the Agency. The aforesaid appointment of the Company and the Sublessee as agents of the Agency to acquire, renovate and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, (b) a date which the Agency designates, or (c) the date on which the Company and the Sublessee have received exemptions from sales and use taxes in an amount not to exceed $64,410.00 in connection with the purchase or lease of equipment, building materials, services or other personal property; provided however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company and/or the Sublessee if such activities and improvements are not completed by such time. The aforesaid appointment of the Company and the Sublessee is subject to the completion of the transaction and the execution of the documents contemplated by this resolution.

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

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

Section 9.

(a) The Chairman, Vice Chairman, Executive Director or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Company Lease, the Lease Agreement, the Equipment Lease Agreement, the PILOT Agreement, the Recapture Agreement, the Environmental Compliance and Indemnification Agreement and the Agency Compliance Agreement to which the Agency is a party, all in substantially the
forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Executive Director or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "Agency Documents"). The execution thereof by the Chairman, Vice Chairman, Executive Director or any member of the Agency shall constitute conclusive evidence of such approval.

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

Section 10. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 11. This resolution shall take effect immediately.
STATE OF NEW YORK  
: SS.:
COUNTY OF SUFFOLK  

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

That I have compared the annexed extract of the minutes of the meeting of the Town of Islip Industrial Development Agency (the “Agency”), including the resolutions contained therein, held on the 24th day of June, 2014, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

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

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

IN WITNESS WHEREOF, I have hereunto set my hand as of the 24th day of June, 2014.

By: __________________________
Assistant Secretary
EXHIBIT A

Form of Proposed PILOT Benefits

Formula for In-Lieu-of-Taxes Payment: Town of Islip (including any existing incorporated village and any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), Village of Holbrook, Sachem School District, Suffolk County and Appropriate Special Districts

Definitions

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

Payment

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

Year 1 - 100% normal tax on the taxable assessed value of $102,050
Year 2 - 100% normal tax on the taxable assessed value of $112,255
Year 3 - 100% normal tax on the taxable assessed value of $122,460
Year 4 - 100% normal tax on the taxable assessed value of $132,665
Year 5 - 100% normal tax on the taxable assessed value of $142,870
Year 6 - 100% normal tax on the taxable assessed value of $152,075
Year 7 - 100% normal tax on the taxable assessed value of $163,280
Year 8 - 100% normal tax on the taxable assessed value of $173,485
Year 9 - 100% normal tax on the taxable assessed value of $183,690
Year 10 - 100% normal tax on the taxable assessed value of $193,895
Year 11 - Full Taxation, 100% normal tax on the full assessed value