MEETING OF THE TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
May 5, 2015
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 April 21, 2015.

3. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and Northrock Industries, Inc./BAMM, LLC, located at 31 Crossways East, Bohemia, New York.

4. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and Corfu Property, LLC/Home Tile Center of NY, Inc, located at 165 Oval Drive, Islandia, New York.

5. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and Coline Cabinet NY, Inc, located at 1795 Express Drive North, Hauppauge, New York.

6. To consider the adoption of a Resolution authorizing the transfer of deeds from the Town of Islip IDA back to Pilgrim East, LP in connection with a Suffolk County road improvement project on County Road CR-13 (Crooked Hill Road).

7. To consider the adoption of a resolution to modify the fee schedule of the Town of Islip Industrial Development Agency.

8. To consider the adoption of a resolution between the Town of Islip Industrial Development Agency and SMM Advertising Inc, the firm selected and recommended by the IDA RFP Review Committee for award of the IDA’s RFP for Marketing, Advertising and Website Design.

9. To consider any other business that may come before the Agency.
AGENDA ITEM # 2

TYPE OF RESOLUTION: APPROVAL OF MINUTES

COMPANY: N/A

PROJECT LOCATION: N/A

JOBS (RETAINED/CREATED): N/A

INVESTMENT: N/A
1. The Special Meeting of the Town of Islip Industrial Development Agency was called to order on a motion by Councilwoman Trish Bergin Weichbrodt and seconded by Councilman John Cochrane. All members were present.

Motions were presented to approve and adopt the following resolutions on the April 21, 2015 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 April 7, 2015. On a motion by Councilman John Cochrane and seconded by Councilman Anthony Senft, said resolution was approved unanimously.

3. To consider the adoption of an Inducement Resolution between of the Town of Islip Industrial Development Agency and Corfu Property, LLC and Home Tile Center of NY, Inc. Located at 165 Oval Drive, Islandia, NY. On a motion by Councilman Steve Flotteron and seconded by Councilwoman Trish Bergin Weichbrodt, said resolution was approved unanimously.

4. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and Coline Cabinetry NY, Inc, located at 1795 Express Drive North, Hauppauge, New York. On a motion by Councilman John Cochrane and seconded by Councilwoman Trish Bergin Weichbrodt, said resolution was approved unanimously.

5. To consider the adoption of an amended Authorizing Resolution between the Town of Islip Industrial Development Agency and Ascent Pharmaceuticals, located on South Technology Drive, Central Islip, New York. On a motion by Councilman Anthony Senft and seconded by Councilwoman Trish Bergin Weichbrodt, said resolution was approved unanimously.

6. The April 21, 2015 meeting of the IDA Board was adjourned on a motion by Councilwoman Trish Bergin Weichbrodt and seconded by Councilman John Cochrane.
TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR MAY 5th MEETING

AGENDA ITEM # 3

TYPE OF RESOLUTION: INDUCEMENT RESOLUTION

COMPANY: NORTHROCK INDUSTRIES INC.

PROJECT LOCATION: 31 CROSSWAYS EAST, BOHEMIA

JOBS (RETAINED/CREATED): 17/5

INVESTMENT: $2,990,000
RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING BAMM, LLC, A NEW YORK LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF BAMM, LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF THE FOREGOING AND NORTHRock INDUSTRIES, INC., A NEW YORK BUSINESS CORPORATION, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF NORTHRock INDUSTRIES, 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, BamM, LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of BamM, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”) and Northrock Industries, 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 Northrock Industries, 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 2.00 acre parcel of land located at 31 Crossway East, Bohemia, New York (the “Land”), the renovation of an approximately 30,000 square foot building located thereon (the “Improvements”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “Facility Equipment”); and, together with the Land and the Improvements, the “Company Facility”), which Company Facility is to be leased and subleased by the Agency to the Company and further subleased by the Company to the Sublessee, and (b) the acquisition and installation of certain equipment and personal property (the “Equipment”), which Equipment is to be leased by the Agency to the Sublessee (the Company Facility and the Equipment are collectively referred to herein as the “Facility”), and which Facility is to be used by the Sublessee as manufacturing and office space in its business as a manufacturer of construction equipment including, but not limited to, concrete vibrators, power screeds, ceiling grinders, fish scalers and rebar rockers for the construction industry, 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 title to the Facility Equipment and the Equipment and will lease and sublease 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, while the Company and the Sublessee have represented to the Agency that the approval of the Facility will result in the closure of a plant located at 3688 Horseblock Road, Medford, New York and the Agency would otherwise be prohibited from granting benefits pursuant to the provisions of Section 862 of the Act, based upon the representations of the Company and the Sublessee in the Application for financial assistance filed by the Company and the Sublessee with the Agency (the “Application”), the closure of the plant is reasonably necessary to discourage the Company or Sublessee from removing such plant to a location outside the State and therefore not subject to the prohibitions contained in Section 862 of the Act; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company and the Sublessee consistent with the policies of the Agency, in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing the principal amount presently estimated to be $2,600,000 but not to exceed $3,000,000 in connection with the financing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the Facility. (ii) exemptions from sales and use taxes in an amount not to exceed $30,000, 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 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, Executive Director or Deputy 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 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 mortgage recording taxes for one or more mortgages securing the principal amount presently estimated to be $2,600,000 but not to exceed $3,000,000 in connection with the financing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the Facility, (ii) exemptions from sales and
use taxes in an amount not to exceed $30,000, 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 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, Deputy 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: May 5, 2015
ACCEPTED: 2015

BAMM, LLC

By: ____________________________
Name: ________________________
Title: _________________________

NORTHROCK INDUSTRIES, INC.

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 May 5, 2015, 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 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 May 5, 2015.

______________________________
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 May, 2015, at _____ a.m., local time, at [______________] in connection with the following matters:

Bamm, LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Bamm, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") and Northrock Industries, 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 Northrock Industries, 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 2.00 acre parcel of land located at 31 Crossway East, Bohemia, New York (the "Land"), the renovation of an approximately 30,000 square foot building located thereon (the "Improvements") and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the "Facility Equipment"; and, together with the Land and the Improvements, the "Company Facility"), which Company Facility is to be leased and subleased by the Agency to the Company and further subleased by the Company to the Sublessee, and (b) the acquisition and installation of certain equipment and personal property (the "Equipment"), which Equipment is to be leased by the Agency to the Sublessee (the Company Facility and the Equipment are collectively referred to herein as the "Facility"), and which Facility is to be used by the Sublessee as manufacturing and office space in its business as a manufacturer of construction equipment including, but not limited to, concrete vibrators, power screeds, ceiling grinders, fish scalers and rebar rockers for the construction industry. The Company Facility will be initially owned by the Company. The Equipment will be initially owned by the Sublessee.

The Agency will acquire a leasehold interest in the Company Facility and title to the Equipment and will sublease the Company Facility to the Company for further sub-sublease by the Company to the Sublessee and the Agency 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: May __, 2015

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

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

MINUTES OF PUBLIC HEARING HELD ON
___________ , 2015

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
(BAMM, LLC/NORTHRock INDUSTRIES, INC. 2015 FACILITY)

1. ___________________________________________ of the Town of Islip Industrial Development Agency (the “Agency”) called the hearing to order.

2. ___________________________________________ 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:

Bamm, LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Bamm, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”) and Northrock Industries, 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 Northrock Industries, 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 2.00 acre parcel of land located at 31 Crossway East, Bohemia, New York (the “Land”), the renovation of an approximately 30,000 square foot building located thereon (the “Improvements”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “Facility Equipment”; and, together with the Land and the Improvements, the “Company Facility”), which Company Facility is to be leased and subleased by the Agency to the Company and further subleased by the Company to the Sublessee, and (b) the acquisition and installation of certain equipment and personal property (the “Equipment”), which Equipment is to be leased by the Agency to the Sublessee (the Company Facility and the Equipment are collectively referred to herein as the “Facility”), and which Facility is to be used by the Sublessee as manufacturing and office space in its business as a manufacturer of construction equipment including, but not limited to, concrete vibrators, power screeds, ceiling grinders, fish scalers and rebar rockers for the construction industry. The Company Facility will be initially owned by the Company. The Equipment will be initially owned by the Sublessee.

The Agency will acquire a leasehold interest in the Company Facility and title to the Equipment and will sublease the Company Facility to the Company for further sub-sublease by the Company to the Sublessee and the Agency 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  )
          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 May __, 2015, 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 May __, 2015.

________________________________________

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), Central Islip School District, Suffolk County and Appropriate Special Districts

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

Payment Formula

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TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR MAY 5TH MEETING

AGENDA ITEM # 4

TYPE OF RESOLUTION: AUTHORIZING RESOLUTION

COMPANY: HOME TILE CENTER OF NY

PROJECT LOCATION: 165 OVAL DRIVE, ISLANDIA

JOBS (RETAINED/CREATED): 6/4

INVESTMENT: $1,725,000
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 5th day of May, 2015 the following members of the Agency were:

Present:

Absent:

Also Present:

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to acquisition of title to, or an interest in, a certain industrial development facility more particularly described below (Corfu Property LLC/Home Tile Center of NY, Inc. 2015 Facility) and the leasing of the facility to Corfu Property LLC for further sublease to Home Tile Center of NY, 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 CORFU PROPERTY LLC, A NEW YORK LIMITED LIABILITY COMPANY AND TO BE SUBLICENSED TO HOME TILE CENTER OF NY, INC., A NEW YORK BUSINESS CORPORATION AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS.

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

WHEREAS, Corfu Property LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Corfu Property LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”) and Home Tile Center of NY, 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 Home Tile Center of NY, Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Sublessee”), have applied to enter into a transaction in which the Agency will assist in (a) the acquisition of an approximately 1.40 acre parcel of land located at 165 Oval Drive, Islandia, New York (the “Land”), the renovation of an approximately 28,373 square foot building located thereon (the “Improvements”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “Facility Equipment”; and, together with the Land and the Improvements, the “Company Facility”), which Company Facility is to be leased and subleased by the Agency to the Company and further subleased by the Company to the Sublessee, and (b) the acquisition and installation of certain equipment and personal property (the “Equipment”), which Equipment is to be leased by the Agency to the Sublessee (the Company Facility and the Equipment are collectively referred to herein as the “Facility”), and which Facility is to be used by the Sublessee as office and warehouse space in its business as an importer and distributor of ceramic tile, including the following as they relate to the appointment of the Company and the Sublessee as agent(s) of the Agency with respect to the acquisition, renovation and equipping of such Facility, whether or not any materials or supplies described below are incorporated into or become an integral part of such Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, renovation and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, renovation and equipping of the Facility, and (iii) all purchases, leases, rentals and uses of equipment, machinery and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Facility; and
WHEREAS, the Agency will acquire a leasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of May 1, 2015 or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the “Company Lease”), by and between the Company and the Agency; and

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

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

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company and the Sublessee consistent with the policies of the Agency, in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing the principal amount presently estimated to be $822,500 but not to exceed $900,000 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 $8,193, in connection with the purchase or lease of equipment, building materials, services or other personal property, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof), consistent with the policies of the Agency; and

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

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

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

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

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

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

Section 1. The Agency hereby finds and determines:

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

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

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

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

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

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

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

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

- 4 -
(i) The Lease Agreement will be an effective instrument whereby the Agency leases and subleases the Company Facility to the Company; and

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

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

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

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

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

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

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) lease the Land and the Improvements from the Company pursuant to the Company Lease, (ii) execute, deliver and perform the Company Lease, (iii) lease and sublease the Company Facility to the Company pursuant to the Lease Agreement, (iv) execute, deliver and perform the Lease Agreement, (v) lease the Equipment to the Sublessee pursuant to the Equipment Lease Agreement, (vi) execute, deliver and perform the Equipment Lease Agreement, (vii) execute, deliver and perform the PILOT Agreement, (viii) execute, deliver and perform the Recapture Agreement, (ix) execute and deliver the Environmental Compliance and Indemnification Agreement, (x) execute and deliver the Agency Compliance Agreement, (xi) grant a mortgage on and security interests in and to the Facility pursuant to the Loan Documents, and (xii) execute, deliver and perform the Loan Documents to which the Agency is a party.
Section 3. The Agency is hereby authorized to acquire the real property and personal property described in Exhibit A and Exhibit B, respectively, to the Lease Agreement, the personal property described in Exhibit A to the Equipment Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

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

Section 5. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company and the Sublessee in connection with the acquisition, renovation and equipping of the Facility in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be $822,500 but not to exceed $900,000 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 $8,193 in connection with the purchase or lease of equipment, building materials, services or other personal property, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof), consistent with the policies of the Agency.

Section 6. Subject to the provisions of this resolution, the Company and the Sublessee are herewith and hereby appointed the agents of the Agency to acquire, renovate and equip the Facility. The Company and the Sublessee are hereby empowered to delegate their respective status as agent of the Agency to their respective agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company and the Sublessee may choose in order to acquire, renovate and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company and the Sublessee as agents of the Agency solely for purposes of making sales or leases of goods, services and supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company and the Sublessee, as agents of the Agency, shall be deemed to be on behalf of the Agency and for the benefit of the Facility. This agency appointment expressly excludes the purchase by the Company and the Sublessee of any motor vehicles, including any cars, trucks, vans or buses which are licensed by the Department of Motor Vehicles for use on public highways or streets. The Company and the Sublessee shall indemnify the Agency with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company and the Sublessee, as agent of the Agency. The aforesaid appointment of the Company and the Sublessee as agents of the Agency to acquire, renovate and equip the
Facility shall expire at the earlier of (a) the completion of such activities and improvements, (b) a date which the Agency designates, or (c) the date on which the Company has received exemptions from sales and use taxes in an amount not to exceed $8,193 in connection with the purchase or lease of equipment, building materials, services or other personal property; provided however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company and/or the Sublessee if such activities and improvements are not completed by such time. The aforesaid appointment of the Company and the Sublessee is subject to the execution of the documents contemplated by this resolution.

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

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

Section 9.

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

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

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

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

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

That I have compared the annexed extract of the minutes of the meeting of the Town
of Islip Industrial Development Agency (the “Agency”), including the resolutions contained
therein, held on the 7th day of May, 2015, with the original thereof on file in my office, and
that the same is a true and correct copy of the proceedings of the Agency and of such
resolutions set forth therein and of the whole of said original insofar as the same related to
the subject matters therein referred to.

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

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

IN WITNESS WHEREOF, I have hereunto set my hand as of the 7th day of May,
2015.

By: ________________________________
   Assistant Secretary
EXHIBIT A

Form of Proposed PILOT Benefits

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

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

Payment Formula

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<th>Year</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016/2017</td>
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<td>$ 88,050</td>
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<tr>
<td>2017/2018</td>
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<td>2025/2026</td>
<td>100% Normal Tax due</td>
<td>$167,295</td>
</tr>
<tr>
<td>2026/2027</td>
<td>100% Normal Tax due</td>
<td>$176,100 (Full Taxation)</td>
</tr>
</tbody>
</table>

and thereafter
TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR MAY 5TH MEETING

AGENDA ITEM # 5

TYPE OF RESOLUTION: AUTHORIZING RESOLUTION

COMPANY: COLINE CABINETRY

PROJECT LOCATION: 1795 EXPRESS DRIVE NORTH, HAUPPAUGE

JOBS (RETAINED/CREATED): 9/11

INVESTMENT: $5,960,000
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 5th day of May, 2015 the following members of the Agency were:

Present:

Absent:

Also Present:

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to acquisition of title to a certain industrial development facility more particularly described below (Hauppauge Holding LLC/Coline Cabinetry NY Inc. 2015 Facility) and the leasing of the facility to Hauppauge Holding LLC for further sublease to Coline Cabinetry NY 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 AND APPROVING THE APPOINTMENT OF COLINE CABINETRY NY INC., A NEW YORK BUSINESS CORPORATION ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF COLINE CABINETRY NY INC. AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AND HAUPPAUGE HOLDING LLC, A NEW YORK LIMITED LIABILITY COMPANY ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF HAUPPAUGE HOLDING LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF THE FOREGOING, AS AGENTS OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, RENOVATING AND EQUIPPING AN INDUSTRIAL DEVELOPMENT FACILITY 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, Coline Cabinetry NY Inc., a New York business corporation on behalf of itself and/or the principals of Coline Cabinetry NY Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Applicant” and “Sublessee”) has applied to the Agency to enter into a transaction in which the Agency will assist in (a) the acquisition of an approximately 3.35 acre parcel of land located at 1795 Express Drive North, Hauppauge, New York 11788 (the “Land”), the renovation of an approximately 51,000 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) and personal property including, but not limited to racks, office equipment, computers and files (the “Facility Equipment”; and together with the Land and the Improvements, the “Company Facility”), which Company Facility is to be leased and subleased by the Agency to Hauppauge Holding LLC, a New York limited liability company (the “Company”), and further 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 (the Company Facility and the Equipment are collectively referred to herein as the “Facility”), and which Facility is to be used by the Sublessee for its primary use as office, showroom and warehouse space in its business as an importer and assembler of cabinets for residential and commercial use, including the following as they relate to the appointment of the Company and the Sublessee as agent(s) of the Agency with respect to the acquisition, renovation and equipping of such Facility, whether or not any materials or supplies described below are incorporated into or
become an integral part of such Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, renovation and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, renovation and equipping of the Facility, and (iii) all purchases, leases, rentals and uses of equipment, machinery and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Facility; and

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

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

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

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company and the Sublessee consistent with the policies of the Agency, in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be $3,500,000 but not to exceed $4,200,000 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 $69,200 in connection with the purchase or lease of equipment, building materials, services or other personal property, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof); 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 May 1, 2015, or such date as may be determined by the Chairman or Executive Director of the Agency and counsel to the Agency (the “PILOT Agreement”), pursuant to which the Company and the Sublessee will make payments-in-lieu-of-taxes on the Facility; and
WHEREAS, in connection with the leasing and the subleasing of the Facility, the Agency, the Company and the Sublessee will enter into a certain Recapture Agreement, dated as of May 1, 2015 or such date as may be determined by the Chairman or Executive Director of the Agency and counsel to the Agency (the “Recapture Agreement”), 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 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 leases the Land and the Improvements from the Company; and

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

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

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

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

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

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

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

Section 2. In consequence of the foregoing, the Agency hereby determines to:
(i) lease the Land and the Improvements from the Company pursuant to the Company Lease,
(ii) execute, deliver and perform the Company Lease, (iii) sublease and 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 and deliver the Recapture Agreement, (ix) execute and deliver the Environmental Compliance and Indemnification Agreement, (x) execute and deliver the Agency Compliance Agreement, (xi) grant a mortgage on and security interests in and to the Facility pursuant to the Loan Documents, and (xii) execute 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, the personal property described in Exhibit A to the Equipment Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

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

Section 5. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company and the Sublessee in connection with the acquisition, renovation and equipping of the Facility in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be $3,500,000 but not to exceed $4,200,000 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 $69,200 in connection with the purchase or lease of equipment, building materials, services or other personal property, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof), consistent with the policies of the Agency.

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/or the Sublessee has received exemptions from sales and use taxes in an amount not to exceed $69,200.00 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, the Agency Compliance Agreement and the Loan Documents to which the Agency is a party (each in substantially the forms presented to or approved by the Agency and which, prior to the execution and delivery thereof, may be redated and renamed) are hereby approved.

Section 9.

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

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

Section 11. This resolution shall take effect immediately.
STATE OF NEW YORK  
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 5th day of May, 2015, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

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

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

IN WITNESS WHEREOF, I have hereunto set my hand as of the 5th day of May, 2015.

By: ____________________________
    Assistant Secretary
EXHIBIT A

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), 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 Sublessee would pay without exemption.

Payment Formula

<table>
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<tr>
<th>Tax Year</th>
<th>Normal Tax Due</th>
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<tbody>
<tr>
<td>2016/2017</td>
<td>$185,000</td>
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<tr>
<td>2026/2027</td>
<td>$370,000 (Full Assessment)</td>
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and thereafter
AGENDA ITEM # 6

TYPE OF RESOLUTION: TRANSFER OF DEEDS FROM THE IDA BACK TO PILGRIM EAST, LP IN CONNECTION WITH A ROAD IMPROVEMENT PROJECT

COMPANY: N/A

PROJECT LOCATION: N/A

JOBS (RETAINED/CREATED): N/A

INVESTMENT: N/A
May 5, 2015

Whereas, the County of Suffolk is undertaking a project to widen County Road CR-13 (Crooked Hill Road) and construct various other highway improvements in the vicinity of Heartland Business Center, Brentwood; and

WHEREAS, in order to complete this project the County needs to acquire two parcels of land in which the Town of Islip Industrial Development Agency holds fee title and Pilgrim East, LP is the beneficial owner; and

WHEREAS, in order for the conveyance to be made to the County of Suffolk, the IDA must convey title to these two parcels designated as parts of Suffolk County Tax Map Parcels District 0500 Section 071.00 Block 01.00 Lots 010.008 and 013.006 back to Pilgrim East, LP so that Pilgrim East, LP can convey title to the County; and

WHEREAS, this project will dramatically improve County Road CR-13 and benefit both travelers and residents in the area of CR-13, it is recommended by the Planning Commissioner of the Town of Islip Department of Planning and Development that the described property transfer be made by the Town of Islip IDA to Pilgrim East, LP;

Now, on motion of , seconded by ,
be it

RESOLVED that the Executive Director of the Town of Islip Industrial Development Agency, William G. Mannix, be and be hereby is authorized to execute deeds on behalf of the IDA transferring back to Pilgrim East, LP parts of the heretofore described Tax Lots in anticipation of said partnership conveying said property to the County of Suffolk in connection with its road improvement project of County Road CR-13 (Crooked Hill Road).

Upon a vote being taken, the result was:
AGENDA ITEM # 7

TYPE OF RESOLUTION: MODIFICATION OF THE IDA FEE SCHEDULE

COMPANY: N/A

PROJECT LOCATION: N/A

JOBS (RETAINED/CREATED): N/A

INVESTMENT: N/A
WHEREAS, the Town of Islip Industrial Development Agency regularly charges fees for various services that it performs for economic development projects assisted by the Agency; and

WHEREAS, it is essential to update those fees on a regular basis; and

WHEREAS, it is in the interest of the Agency that our fees keep pace with other Industrial Development Agencies within our economic region.

NOW, THEREFORE, on a motion of ______________________, seconded by ______________________, be it

RESOLVED, that the Town of Islip Industrial Development Agency is hereby authorized to modify the existing fee schedule, effective immediately.

Upon a vote being taken, the result was:
TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

Fee Structure

1. Application Fee—$1,000
   An application for IDA assistance must be accompanied by a non-refundable fee of $1,000 plus a $500 fee for the Town of Islip review of an Environmental Assessment Form as required by the State Environmental Quality Review Act (SEQRA). (The $500 fee will be waived if the applicant’s project has already undergone a SEQRA review during a previous process, i.e. site plan, building permit, change of zone, etc.)

2. Agency Fee—.006 (for low cost projects, there will be a minimum fee of $5,000)
   Upon closing of any IDA project, the Agency will assess a fee of 6/10 of one per cent (06 basis points) against the size of the project. For IDB projects, the .006 will be measured against the final bond amount. For straight-lease transactions, the .006 will be measured against the projected total costs.

3. Agency Counsel—$250 per hour
   The Town of Islip Town Attorney’s Office acts as counsel to the Town of Islip IDA and must be reimbursed for time spent on IDA-related transactions. The Agency counsel bills all time spent on IDA matters at $250 per hour. For IDA closings up to $5 million, the Agency counsel bills a minimum of $3,500. For projects greater than $5 million, the Agency counsel bills a minimum of $5,000. For all other activities, i.e. terminations, simple consents and waivers, transfer of assets, etc., the Agency counsel will bill at the aforementioned $250 per hour.

4. Processing Fee—$500
   During the course of IDA ownership/involvement, the Agency may occasionally be required, by the company, to consent to a variety of items, i.e. pre-payment of bonds, second mortgages, additional secured financing, etc. The Agency will charge a $500 processing fee for each of these requests.

5. Assignments & Assumptions—$1,500
   Occasionally, the IDA is asked to transfer benefits that were assigned to the original company, i.e. PILOT or mortgage recording tax benefits, to a different company, typically upon a sale of the IDA property. The new company often wishes to continue IDA involvement with the property in order to retain the IDA incentives. The Agency will charge a $1,500 fee for each of these transactions.

6. PILOT Extensions/Modifications — .006
   Occasionally, the Agency is asked to extend or modify an existing Payment In Lieu of Taxes Agreement (PILOT). The .006 will be measured against the projected increase of the PILOT benefit.

7. Annual Administrative Fee — $1,000
   An Annual Administrative Fee of $1,000 will be charged to all projects to cover the cost of all reporting and monitoring of the transaction. This fee is subject to periodic review and may be adjusted at the discretion of the Agency.

8. Bond/Transaction Counsel—fee negotiated separately
   While the Town of Islip IDA is represented locally by the Town of Islip Town Attorney’s Office, a separate Bond/Transaction Counsel is also necessary on any IDA project. Bond/Transaction counsels render “third party” opinions that the bond or straight lease transaction is authorized under all federal, state and local statutes. Bond/Transaction counsel also prepares all documents related to IDA transactions and coordinates all activities leading up to closing. The Town of Islip IDA has designated the firm of Nixon Peabody, LLP as its Bond/Transaction counsel and all fees are separately negotiated with them.
TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR MAY 5TH MEETING

AGENDA ITEM # 8

TYPE OF RESOLUTION: AWARD OF RFP FOR MARKETING, ADVERTISING AND WEBSITE DESIGN

COMPANY: N/A

PROJECT LOCATION: N/A

JOBS (RETAINED/CREATED): N/A

INVESTMENT: N/A
WHEREAS, the Town of Islip Industrial Development Agency (the "Agency") was created to develop, encourage and assist in the acquisition, construction, improvement, maintenance, equipping and furnishing of certain industrial, manufacturing, warehousing, commercial, research, and recreation facilities, in order to promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Islip and the State of New York; and

WHEREAS, the Agency is launching a new, coordinated, multi-faceted marketing and advertising campaign to help re-invent the Agency's image that will include promotion of the Long Island MacArthur Airport and the Foreign Trade Zone; and

WHEREAS, a Request for Proposals ("RFP") was advertised by the Agency for Marketing, Advertising and Website Design services; and

WHEREAS, the RFP was advertised once and opened on January 30, 2015; and

WHEREAS, there were six responses at the time of opening, which have been reviewed by an RFP Review Committee; and

WHEREAS, following a comprehensive review, the RFP Review Committee hereby recommends that the Agency enter into a contract with SMM Advertising, 811 West Jericho Turnpike #109E, Smithtown, New York 11787, who has been determined to be a responsible proposer, to provide Marketing, Advertising and Website Design services for the Agency; and

NOW, THEREFORE, on a motion of seconded by

be it

RESOLVED, that the Chairman is hereby authorized to execute a contract with SMM Advertising, 811 West Jericho Turnpike #109E, Smithtown, New York 11787, in accordance with the terms set forth in the proposal and subject to final approval by the Islip Town Attorney.

Upon a vote being taken, the result was:
### IDA RFP RESULTS AND RANKINGS

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</tr>
<tr>
<td>6</td>
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</tr>
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</table>

*Failed to satisfy IT Requirements