AGENDA ITEM # 1

TYPE OF RESOLUTION: CALL THE IDA MEETING TO ORDER

COMPANY: N/A

PROJECT LOCATION: N/A

JOBS (RETAINED/CREATED): N/A

INVESTMENT: N/A
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 August 25, 2015.

3. To consider the adoption of a Resolution on behalf of the Town of Islip Industrial Development Agency to modify and extend the Payment-in Lieu-of Tax Benefits and refinancing increase for Broadway West, L.P. Located at 75 Springfield Road, Brentwood, New York.

4. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and Lorraine Gregory Corporation. Located at 40 Rabro Drive Hauppauge, New York.

5. To consider any other business that may come before the Agency.
TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR SEPTEMBER 8, 2015.

AGENDA ITEM # 2

TYPE OF RESOLUTION: APPROVE THE MINUTES FROM AUG. 25, 2015

COMPANY: N/A

PROJECT LOCATION: N/A

JOBS (RETAINED/CREATED): N/A

INVESTMENT: N/A
MEETING OF THE TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
August 25, 2015
Meeting Minutes

1. The Special Meeting of the Town of Islip Industrial Development Agency was called to order on a motion by Councilman Anthony Senft and seconded by Councilwoman Bergin Weichbrodt. All members were present.

Motions were presented to approve and adopt the following resolution on the August 25, 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 August 4, 2015. On a motion by Councilman Anthony Senft and seconded by Councilman Steve Flotteron, said resolution was approved unanimously.

3. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and Lorraine Gregory Corporation. Located at 40 Rabro Drive, Hauppauge, New York. On a motion by Councilman John Cochrane and seconded by Councilwoman Trish Bergin Weichbrodt, said resolution was approved unanimously.

4. To consider the adoption for an authorizing resolution for Assignment/Assumption of Engle Burman at Sayville, LLC Facility. Located at 121-147 Lakeland Avenue, Sayville, New York. On a motion by Councilman Anthony Senft and seconded by Councilwoman Bergin Weichbrodt, said resolution was approved unanimously.

5. The August 25, 2015 meeting of the IDA Board was adjourned on a motion by Councilman John Cochrane and seconded by Councilman Steve Flotteron.
TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR SEPTEMBER 8, 2015.

AGENDA ITEM # 3

TYPE OF RESOLUTION: TO CONSIDER THE ADOPTION OF A RESOLUTION TO MODIFY AND EXTEND THE PAYMENT-IN-LIEU OF TAX BENEFITS AND REFINANCING INCREASE FOR BROADWAY WEST, LP

COMPANY: BROADWAY WEST L.P.

PROJECT LOCATION: 75 SPRINGFIELD RD BRENTWOOD, NY

JOBS (RETAINED/CREATED): N/A

INVESTMENT: N/A
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 8th day of September, 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 the refinancing and the modification and extension of payment-in-lieu-of-tax benefits of a certain industrial development facility more particularly described below (Broadway West, L.P. 2002 Facility) and the amendment and restatement of certain documents in connection therewith, and the continued leasing of the facility to Broadway West, L.P. and the execution of related documents.

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

Voting Aye

Voting Nay

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 the same may be amended from time to time (collectively, the “Act”), the Town of Islip Industrial Development Agency (the “Agency”), was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, the Agency previously leased an industrial development facility to Broadway West, L.P., a limited partnership duly organized and validly existing under the laws of the State of New York, having an office at 1520 Royal Palm Square Boulevard, Suite 360, Fort Myers, Florida 33919 (the “Company”), consisting of the acquisition of an approximately 10 acre parcel of land located at Second Avenue, Brentwood, Town of Islip, Suffolk County, New York (the “Land”), and the construction and equipping of four two-story buildings (approximately 75,000 square feet) thereon, consisting of the following: (i) 48 one bedroom/one bathroom, approximately 634 square foot living units, (ii) 24 two bedroom/two bathroom, approximately 888 square foot living units, and (iii) approximately 3,000 square feet of community, storage and activity space, all used for the purposes of providing affordable housing to low and very-low income elderly residents in the Town of Islip and Suffolk County (collectively, the “1999 Facility”); and

WHEREAS, the Agency leased the 1999 Facility to the Company pursuant to a certain Lease Agreement, dated as June 1, 1999 (the “Original Lease Agreement”), between the Company and the Agency, such that such title will remain in the Agency throughout the Lease Term (as such term is described in the Original Lease Agreement); and

WHEREAS, the Agency previously assisted in the construction and equipping of an addition (the “2002 Facility”) to the 1999 Facility, and leased the 1999 Facility and the 2002 Facility (collectively, the “Facility”) to the Company pursuant to the Original Lease Agreement, as amended by a certain Amendment and Modification Agreement, dated as of November 1, 2002 (the “Amendment and Modification Agreement”), by and between the Company and the Agency (the Original Lease Agreement, as amended by the Amendment and Modification Agreement, hereinafter referred to as the “Lease Agreement”); and

WHEREAS, in connection with the acquisition, construction and equipping of the Facility, the Agency and the Company entered into a certain Payment-in-Lieu-of-Tax Agreement dated November 1, 2002 (the “Original PILOT Agreement”), as amended and restated as of
February 1, 2004 (the “First Amended and Restated PILOT Agreement”), pursuant to which the Company agreed to make payments in lieu of taxes on the Facility; and

WHEREAS, in connection with the acquisition, construction, renovation and equipping of the Facility, the Agency and the Company entered into an Environmental Compliance and Indemnification Agreement, dated as of June 1, 1999 (the “Original Environmental Compliance and Indemnification Agreement”), as amended by a certain Amendment and Modification Agreement, dated as of November 1, 2002 (the “Amendment and Modification Agreement”), by and between the Company and the Agency (the Original Environmental Compliance and Indemnification Agreement, as amended by the Amendment and Modification Agreement, hereinafter referred to as the “Environmental Compliance and Indemnification Agreement”), whereby the Company agreed to comply with all Environmental Laws (as defined therein) applicable to the Facility and indemnified and held harmless the Agency for all liability under such Environmental Laws; and

WHEREAS, the Company has submitted a request for the Agency’s consent to an extension of payments-in-lieu-of-taxes benefits presently provided under the PILOT Agreement and in connection therewith, the amendment of the Lease Agreement; and

WHEREAS, the Agency proposes to provide financial assistance to the Company in the form of the modification and extension of current abatements of real property taxes on the Facility, in accordance with a Second Amended and Restated Payment-in-Lieu-of-Tax Agreement, dated as of September 1, 2015 or such other date as may be determined by Executive Director or counsel to the Agency (the “Second Amended and Restated PILOT Agreement”), to be entered into by and between the Company and the Agency, which extension shall be for an additional period of ten (10) years, consistent with the policies of the Agency on the Facility; and

WHEREAS, in accordance with such extension of benefits, the parties intend to enter into (i) a Second Amendment and Modification Agreement, dated as of September 1, 2015 or such other date as may be determined (the “Second Amendment and Modification Agreement”), by and between the Company and the Agency to extend the term of the Lease Agreement and (ii) a Recapture Agreement, dated as of September 1, 2015 or such other date as may be determined (the “Recapture Agreement”), by and between the Company and the Agency; and

WHEREAS, the requested financial assistance with respect to the extension of abatement of real property taxes deviates from the Agency’s Uniform Tax Exemption Policy (the “Policy”) adopted in or around December, 1993, as previously amended, because the Second Amended and Restated PILOT Agreement, by and between the Agency and the Company will be for an additional term of ten (10) years; and

WHEREAS, the extension of the benefits under the Second Amended and Restated PILOT Agreement is necessary to allow the Company to continue to provide affordable senior housing in the Town of Islip and to remain in the Town of Islip; and
WHEREAS, in connection with the amendment, modification and extension of abatement of real property taxes, the Company has requested, as security for a mortgage loan in the principal amount of approximately $2,600,000 but not to exceed $3,500,000 (the “2015 Loan”) being made to the Company by Capital One Bank, N.A. or such other lender as may be determined (the “2015 Lender”), that the Agency join with the Company in executing and delivering to the 2015 Lender a mortgage, to be dated a date to be determined (the “2015 Mortgage”); and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company consistent with the policies of the Agency, in the form of (i) exemptions from mortgage recording taxes for one or more mortgages in an amount presently estimated to be $2,600,000 but not to exceed $3,500,000 for one or more mortgages in connection with the refinancing of the acquisition, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the cost of acquiring, constructing and equipping the Facility, and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit C hereof), consistent with the policies of the Agency; and

WHEREAS, a public hearing (the “Hearing”) was held on September 8, 2015 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, could be heard; and

WHEREAS, notice of the Hearing was given on August 27, 2015, and such notice (together with proof of publication), was substantially in the form annexed hereto as Exhibit A; and

WHEREAS, the report of the Hearing is annexed hereto as Exhibit B hereto; and

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

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed financial assistance with respect to the refinancing and the amendment, modification and extension of abatement of real property taxes is either an inducement to the Company to maintain and expand the Facility in the Town of Islip, Suffolk County or is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the proposed extension of abatement of real property taxes to the Facility by the Agency; and

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

Section 1. 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 continued leasing of the Facility to the Company and the provision of financial assistance, consistent with the policies of the Agency, pursuant to the Act, will continue 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 improve their standard of living and thereby serve the public purposes of the Act; and

(d) The proposed financial assistance with respect to the refinancing and the extension of abatement of real property taxes on the Facility is reasonably necessary to induce the Company to maintain its business operations in the State of New York; and

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

(f) It is desirable and in the public interest for the Agency to extend the abatement of real property taxes on the Facility to the Company; and

(g) The Second Amended and Restated PILOT Agreement, the Second Amendment and Modification Agreement and the Recapture Agreement will be effective instruments whereby the Agency and the Company set forth the terms and conditions of their agreement regarding the Company’s payments in lieu of real property taxes and the modification and extension of the PILOT benefits, the continued leasing of the Facility and ratification of the terms of the various documents.

(h) The 2015 Mortgage will be an effective instrument whereby the Issuer and the Company grant to the 2015 Lender a present and continuing security interest in and mortgage lien on all property and rights described therein, to better secure payment of the 2015 Loan.

Section 2. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the continued leasing of the Facility in the form of (i) exemptions from mortgage recording taxes in an amount presently estimated to be $2,600,000 but not to exceed $3,500,000 for one or more mortgages in connection with the refinancing of the acquisition, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, constructing and equipping of the Facility, and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached hereto as Exhibit C), consistent with the policies of the Agency.

Section 3. In consequence of the foregoing, the Agency hereby determines to: (i) execute, deliver and perform the Second Amended and Restated PILOT Agreement, (ii) execute, deliver and perform the Second Amendment and Modification Agreement, (iii) execute, deliver and perform the Recapture Agreement; (iv) execute and deliver the 2015 Mortgage, and
(v) execute and deliver any additional documents to which the Agency is a party, in connection with the extension and modification of the payments in lieu of real property taxes and term.

Section 4. The form and substance of the Second Amended and Restated PILOT Agreement, the Second Amendment and Modification Agreement, the Recapture Agreement and the 2015 Mortgage (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 5.

(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 Second Amended and Restated PILOT Agreement, the Second Amendment and Modification Agreement, the Recapture Agreement and the 2015 Mortgage, 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 Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “Agency Documents”). The execution thereof by the Chairman, 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 6. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 7. The Company hereby agrees to comply with Section 875 of the Act. The Company further agrees that the abatement of real property taxes provided pursuant to the Act and this Authorizing Resolution is subject to termination and recapture of benefits pursuant to Section 875 of the Act and the Recapture Agreement.

Section 8. This resolution shall take effect immediately.
STATE OF NEW YORK       
COUNTY OF SUFFOLK            

: SS.:  

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

That I have compared the annexed extract of the minutes of the meeting of the Town of Islip Industrial Development Agency (the “Agency”), including the resolutions contained therein, held on the 8th day of September, 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 Second Amended and Restated PILOT Agreement, the Second Amendment and Modification Agreement and the Recapture Agreement 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 8th day of September, 2015.

By: ____________________________

Assistant Secretary
EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to 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 September, 2015, at _______ a.m. local time, at Islip Town Hall, 655 Main Street, Islip, New York, in connection with the following matters:

The Agency has previously provided its assistance to Broadway West, L.P., a limited partnership duly organized and validly existing under the laws of the State of New York, having an office at 1520 Royal Palm Square Boulevard, Suite 360, Fort Myers, Florida 33919 (the “Company”), consisting of the acquisition of an approximately 10 acre parcel of land located at Second Avenue, Brentwood, Town of Islip, Suffolk County, New York (the “Land”), and the construction and equipping of four two-story buildings (approximately 75,000 square feet) thereon, consisting of the following: (i) 48 one bedroom/one bathroom, approximately 634 square foot living units, (ii) 24 two bedroom/two bathroom, approximately 888 square foot living units, and (iii) approximately 3,000 square feet of community, storage and activity space, all used for the purposes of providing affordable housing to low and very-low income elderly residents in the Town of Islip and Suffolk County (collectively, the “1999 Facility”).

The Agency previously consented to an addition to the 1999 Facility consisting of the acquisition, construction and equipping of two (2) two-story buildings, consisting of the following: (i) approximately fourteen (14) one bedroom/one bathroom, approximately 634 to approximately 888 square foot living units, and (ii) approximately twenty eight (28) two bedroom/two bathroom, approximately 634 to approximately 888 square foot living units, all to be used for the purposes of providing affordable housing to low and very-low income elderly residents in the Town of Islip, Suffolk County, New York and located on the Land (collectively, the “2002 Facility”; and, together with the 1999 Facility, the “Facility”). The Facility is owned, operated and/or managed by the Company.

The Agency has previously acquired title to the Facility and will continue to lease the Facility to the Company pursuant to a Second Amendment and Modification Agreement. At the end of the extended Lease Term with respect to the Facility, the Company will purchase that Facility from the Agency. The Agency contemplates that it will provide financial assistance to the Company in the form of the modification and extension of current abatements of real property taxes, which extension shall be for an additional period of ten (10) years, consistent with the policies of the Agency.

A representative of the Agency will at the above-stated time and place to hear and accept written comments from all persons with views in favor of or opposed to the proposed financial assistance to the Company or the location nature of the Facility. At the hearing, all persons will have the opportunity to review the application for financial assistance filed by the Company with the Agency and an analysis of the costs and benefits of the proposed Facility.
Dated: August __, 2015

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

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

MINUTES OF PUBLIC HEARING HELD ON
JULY 18, 2015

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
(Broadway West, L.P. 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 extension of PILOT benefits, the other financial assistance proposed by the Agency and the location and nature of the Facility as follows:

The Agency has previously provided its assistance to Broadway West, L.P., a limited partnership duly organized and validly existing under the laws of the State of New York, having an office at 1520 Royal Palm Square Boulevard, Suite 360, Fort Myers, Florida 33919 (the “Company”), consisting of the acquisition of an approximately 10 acre parcel of land located at Second Avenue, Brentwood, Town of Islip, Suffolk County, New York (the “Land”), and the construction and equipping of four two-story buildings (approximately 75,000 square feet) thereon, consisting of the following: (i) 48 one bedroom/one bathroom, approximately 634 square foot living units, (ii) 24 two bedroom/two bathroom, approximately 888 square foot living units, and (iii) approximately 3,000 square feet of community, storage and activity space, all used for the purposes of providing affordable housing to low and very-low income elderly residents in the Town of Islip and Suffolk County (collectively, the “1999 Facility”).

The Agency previously consented to an addition to the 1999 Facility consisting of the acquisition, construction and equipping of two (2) two-story buildings, consisting of the following: (i) approximately fourteen (14) one bedroom/one bathroom, approximately 634 to approximately 888 square foot living units, and (ii) approximately twenty eight (28) two bedroom/two bathroom, approximately 634 to approximately 888 square foot living units, all to be used for the purposes of providing affordable housing to low and very-low income elderly residents in the Town of Islip, Suffolk County, New York and located on the Land (collectively, the “2002 Facility”; and, together with the 1999 Facility, the “Facility”). The Facility is owned, operated and/or managed by the Company.

The Agency has previously acquired title to the Facility and will continue to lease the Facility to the Company pursuant to a Second Amendment and Modification Agreement. At the end of the extended Lease Term with respect to the Facility, the
Company will purchase that Facility from the Agency. The Agency contemplates that it will provide financial assistance to the Company in the form of the modification and extension of current abatements of real property taxes, which extension shall be for an additional period of ten (10) years, consistent with the policies of the Agency.

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

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    
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 September ___, 2015, 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 September ___, 2015.

______________________________
Assistant Secretary
EXHIBIT C
PILOT Schedule

Town of Islip Industrial Development Agency
(Broadway West, L.P. Facility)
Schedule of Annual PILOT Payments per Rental Unit per Tax Year

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<thead>
<tr>
<th>Tax Year</th>
<th>Pilot Payment per Rental Unit</th>
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<tbody>
<tr>
<td>1.</td>
<td>2019/2020</td>
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<td>2.</td>
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<td>2026/2027</td>
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<td>9.</td>
<td>2027/2028</td>
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<td>10.</td>
<td>2028/2029</td>
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AGENDA ITEM # 4

TYPE OF RESOLUTION: TO CONSIDER AN ADOPTION OF AN AUTHORIZING RESOLUTION

COMPANY: LORRAINE GREGORY CORPORATION

PROJECT LOCATION: 40 RABRO DRIVE, HAUPPAUGE

JOBS (RETAINED/CREATED): RETAIN 49, CREATE 17

INVESTMENT: $5,255,000.00
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 8th day of September, 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 (Lorraine Gregory Corporation 2015 Facility) and the leasing of the facility to Lorraine Gregory Corporation.

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 LORRAINE GREGORY CORPORATION, A NEW YORK BUSINESS CORPORATION ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF LORRAINE GREGORY CORPORATION AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF THE FOREGOING, AS AGENT(S) OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, RENOVATING AND EQUIPPING 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, 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, Lorraine Gregory Corporation, a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Lorraine Gregory Corporation and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”), has applied to the Agency to enter into a transaction in which the Agency will assist in the acquisition of an approximately 2.0 acre parcel of land located at 40 Rabro Drive, Hauppauge, New York 11788 (the “Land”), the renovation of an existing approximately 47,090 square foot building located thereon, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Land (the “Improvements”), and the acquisition and installation therein of certain equipment and personal property (the “Equipment”; and, together with the Land and the Improvements, the “Facility”), which Facility will be leased by the Agency to the Company, and used by the Company as its corporate headquarters and production facility in its business as a full service marketing and communications company, including the following as they relate to the appointment of the Company as agent of the Agency with respect to the acquisition, renovation and equipping of such Facility, whether or not any materials or supplies described below are incorporated into or become an integral part of such Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, renovation and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, renovation and equipping of the Facility, and (iii) all purchases, leases, rentals and uses of equipment, machinery and other

- 2 -
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 September 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 acquire title to the Equipment pursuant to a certain Bill of Sale, dated the Closing Date (as defined in the hereinafter defined Lease Agreement) (the “Bill of Sale”), from the Company to the Agency; and

WHEREAS, the Agency will sublease and lease the Facility to the Company pursuant to a certain Lease Agreement, dated as of September 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 contemplates that it will provide financial assistance to the Company consistent with the policies of the Agency, in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be $4,500,000 but not to exceed $5,000,000 in connection with the financing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed $16,500 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 hereto); and

WHEREAS, in order to define the Company’s obligations regarding payments-in-lieu-of taxes with respect to the Facility, the Agency and the Company will enter into a certain Payment-in-Lieu-of-Tax Agreement, dated as of September 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 will make payments-in-lieu-of-taxes on the Facility; and

WHEREAS, in connection with the leasing and the subleasing of the Facility, the Agency and the Company will enter into a certain Recapture Agreement, dated as of September 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”), between the Agency and the Company; and

WHEREAS, the Company and the Agency will enter into a certain Environmental Compliance and Indemnification Agreement, dated as of September 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 between the Agency and the Company, whereby the Company will 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 such laws; 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 has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the leasing of the Facility by the Agency to the Company.

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

Section 1. The Agency hereby finds and determines:

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

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

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

(e) Based upon representations of the Company and counsel to the Company, the Facility conforms with the local zoning laws and planning regulations of the Town of Islip, 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 sublease the Land and the Improvements and to lease the Equipment to the Company; 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 Facility to the Company; and

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

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

(l) The Environmental Compliance and Indemnification Agreement will be an effective instrument whereby the Company agrees to comply with all Environmental Laws (as defined therein) applicable to the Facility and will indemnify and hold harmless the Agency for all liability under all such Environmental Laws; and

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

Section 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 Facility to the Company pursuant to the Lease Agreement, (iv) execute, deliver and perform the Lease Agreement, (v) execute, deliver and perform the PILOT Agreement, (vi) execute and deliver the Recapture Agreement, (vii) execute and deliver the Environmental Compliance and Indemnification Agreement, (viii) grant a mortgage on and security interests in and to the Facility pursuant to the Loan Documents, and (ix) 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 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 in connection with the acquisition, renovation and equipping of the Facility in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be $4,500,000 but not to exceed $5,000,000 in connection with the financing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed $16,500 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 is herewith and hereby appointed the agent of the Agency to acquire, renovate and equip the Facility. The Company is hereby empowered to delegate its status as agent of the Agency to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company may choose in order to acquire, renovate and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company as agents of the Agency solely for purposes of making sales or leases of goods, services and supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company, as agent of the Agency, shall be deemed to be on behalf of the Agency and for the benefit of the Facility. This agency appointment expressly excludes the purchase by the Company of any motor vehicles, including any cars, trucks, vans or buses which are licensed by the Department of Motor Vehicles for use on public highways or streets. The Company shall indemnify the Agency with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company, as agent of the Agency. The aforesaid appointment of the Company as agent of the Agency to acquire, 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 $16,500.00 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 if such activities and improvements are not completed by such time. The aforesaid appointment of the Company is subject to the completion of the transaction and the execution of the documents contemplated by this resolution.

Section 7. The Company hereby agrees to comply with Section 875 of the Act. The Company further agrees that the exemption of sales and use tax provided pursuant to the Act and the appointment of the Company as agent of the Agency pursuant to this 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 PILOT Agreement, the Recapture Agreement, the Environmental Compliance and Indemnification 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 PILOT Agreement, the Recapture Agreement, the Environmental Compliance and Indemnification 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 8th day of September, 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 8th day of September, 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 would pay without exemption.

Payment Formula

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016/2017</td>
<td>100% Normal Tax Due on the agreed upon assessed value of $238,150</td>
<td></td>
</tr>
<tr>
<td>2017/2018</td>
<td>100% Normal Tax Due on the agreed upon assessed value of $261,965</td>
<td></td>
</tr>
<tr>
<td>2018/2019</td>
<td>100% Normal Tax Due on the agreed upon assessed value of $285,780</td>
<td></td>
</tr>
<tr>
<td>2019/2020</td>
<td>100% Normal Tax Due on the agreed upon assessed value of $309,595</td>
<td></td>
</tr>
<tr>
<td>2020/2021</td>
<td>100% Normal Tax Due on the agreed upon assessed value of $333,410</td>
<td></td>
</tr>
<tr>
<td>2021/2022</td>
<td>100% Normal Tax Due on the agreed upon assessed value of $357,225</td>
<td></td>
</tr>
<tr>
<td>2022/2023</td>
<td>100% Normal Tax Due on the agreed upon assessed value of $381,040</td>
<td></td>
</tr>
<tr>
<td>2023/2024</td>
<td>100% Normal Tax Due on the agreed upon assessed value of $404,855</td>
<td></td>
</tr>
<tr>
<td>2024/2025</td>
<td>100% Normal Tax Due on the agreed upon assessed value of $428,670</td>
<td></td>
</tr>
<tr>
<td>2025/2026</td>
<td>100% Normal Tax Due on the agreed upon assessed value of $452,485</td>
<td></td>
</tr>
<tr>
<td>2026/2027</td>
<td>100% Normal Tax Due on the full assessed value and thereafter</td>
<td></td>
</tr>
</tbody>
</table>