

Date: April 16, 2019

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 16th day of April, 2019, the following members of the Agency were:

Present: Chairwoman Angie M. Carpenter
 Councilwoman Trish Bergin Weichbrodt
 Councilman John C. Cochrane Jr.
 Councilwoman Mary Kate Mullen
 Councilman James P. O’Connor

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 a modification and extension of PILOT benefits and the execution of related loan documents in connection with a certain industrial development facility more particularly described below (Briad Lodging Group Central Islip, LLC 2012 Facility) and to consider a proposed mortgage financing and the execution of related loan documents in connection with a certain industrial development facility more particularly described below (Briad Lodging Group CI 2, LLC 2015 Facility) and approving the execution and delivery of related documents.

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

Voting Aye

Chairwoman Angie M. Carpenter
Councilwoman Trish Bergin Weichbrodt
Councilman John C. Cochrane Jr.
Councilwoman Mary Kate Mullen
Councilman James P. O'Connor

Voting Nay

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE MODIFICATION AND EXTENSION OF THE PILOT BENEFITS OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY FOR BRIAD LODGING GROUP CENTRAL ISLIP, LLC 2012 FACILITY AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AMENDMENT AND AN AMENDED AND RESTATED PAYMENT-IN-LIEU OF TAX AGREEMENT AND AUTHORIZING A MORTGAGE FINANCING AND THE EXECUTION AND DELIVERY OF DOCUMENTS IN CONNECTION THEREWITH FOR THE BRIAD LODGING GROUP CI 2, LLC 2015 FACILITY AND APPROVING THE FORM, SUBSTANCE, EXECUTION AND DELIVERY OF SUCH RELATED DOCUMENTS

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

WHEREAS, the Agency has previously assisted Briad Lodging Group Central Islip, LLC, a limited liability company (the “**2012 Company**”), in connection with an industrial development facility consisting of the acquisition of an approximately 3.46 acre parcel of land located at the northeast corner of Carleton Avenue and Courthouse Drive, Central Islip, New York (more specifically identified as tax map number 0500-207.00-01.00-003.056) (the “**Land**”) and the construction and equipping of an approximately 95,205 square foot 4-story, 125 room, all-suite extended stay hotel to be located thereon, including, but not limited to, a fitness center, conference rooms, a business center, a pool and additional parking spaces, together with the acquisition and installation of furniture, fixtures and equipment (the “**Improvements**” and “**Equipment**”), leased by the Agency to the 2012 Company to provide a full range of services to the business and leisure traveler visiting the Town of Islip (the Land, Improvements and Equipment, collectively, the “**2012 Facility**”); and

WHEREAS, the 2012 Company leases the Land and Improvements to the Agency pursuant to a certain Company Lease Agreement, defined as of June 1, 2012 (the “**Original Company Lease**”), a memorandum of which Original Company Lease was to be recorded in the Suffolk County Clerk’s Office; and

WHEREAS, the Agency is currently leasing the Land and the Improvements to the 2012 Company pursuant to a certain Lease Agreement, dated as of June 1, 2012 (the “**Original Lease Agreement**”), a memorandum of which Original Lease Agreement was to be recorded in the Suffolk County Clerk’s Office; and

WHEREAS, in connection with the leasing of the Facility, the Agency and the 2012 Company entered into a Payment-in-Lieu-of-Tax Agreement, dated as of June 1, 2012 (the

“**Original PILOT Agreement**”), which provided for the 2012 Company to make payments in lieu of real property taxes on the 2012 Facility; and

WHEREAS, the Agency and the Company previously entered into a certain Environmental Compliance and Indemnification Agreement dated June 1, 2012 (the “**Original Environmental Compliance Agreement**”); and

WHEREAS, the 2012 Company has now requested the Agency’s assistance in connection with the modification and extension of the abatement of real property taxes on the 2012 Facility for a term of up to four (4) additional years (the “**PILOT Extension**”); and

WHEREAS, the Agency contemplates that it will provide financial assistance to the 2012 Company consistent with the policies of the Agency, in the form of the PILOT Extension; and

WHEREAS, the requested PILOT Extension taxes deviates from the Agency’s Uniform Tax Exemption Policy (the “**Policy**”) originally adopted in or around December, 1993, as previously amended, because the PILOT Extension will result in a total term of real property tax abatement of eighteen (18) years. The Project is considered extremely significant and vital to the economic health and well-being of the Town of Islip (the “**Town**”) as the Project is located in a former New York State Empire Zone, therefore deviation from the Policy is appropriate; and

WHEREAS, in connection with the PILOT Extension, the Agency and the 2012 Company will amend and restate the Original Lease, Original PILOT Agreement, and the Original Environmental Compliance Agreement pursuant to a certain Amended and Restated Lease and Project Agreement dated as of April 1, 2019, or such other date as may be determined by the Chairman, Executive Director or counsel to the Agency (the “**Lease and Project Agreement**”), which Lease and Project Agreement shall also provide for the recapture of certain economic benefits; and

WHEREAS, the Agency and the Company will enter into an Amendment of Company Lease dated as of April 1, 2019 or such other date as may be determined by the Chairman, Executive Director or counsel to the Agency (the “**Amended Company Lease**”, and together with the Original Company Lease, the “**2012 Company Lease**”), whereby the term of the Company Lease will be amended and extended up to four (4) additional years; and

WHEREAS, a public hearing (the “**Hearing**”) was held on April 15, 2019, 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 2012 Facility could be heard; and

WHEREAS, notice of the Hearing was given on April 5, 2019, and such notice (together with proof of publication) is substantially in the form annexed hereto as Exhibit A; and

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

WHEREAS, the Agency has also previously assisted Briad Lodging Group CI 2, LLC, a limited liability company duly organized and validly existing under the laws of the State of Nevada and authorized to transact business in the State of New York (the “**2015 Company**”), in the acquisition of an approximately 3.15 acre parcel of land located at 11 Courthouse Drive, Central Islip, New York (more specifically identified as tax map number 0500-207.00-01.00-003.058) (the “**Land**”) and the construction and equipping of an approximately 70,000 square foot 4-story, 125 room select-service hotel to be located thereon, including, but not limited to, an indoor pool, exercise room, conference room, business library, wired and wireless internet, a cafe bistro and additional parking spaces, together with the acquisition and installation of furniture, fixtures and equipment (the “**Improvements**” and “**Equipment**”), all leased by the Agency to the 2015 Company to provide a full range of services to the business and leisure traveler visiting the Town of Islip (the Land, Improvements and Equipment, collectively, the “**2015 Facility**”); and

WHEREAS, the Agency is leasing the 2015 Facility to the 2015 Company pursuant to a certain Lease Agreement, dated as of October 1, 2015 (the “**2015 Lease Agreement**”), by and between the Agency, as lessor and the 2015 Company, as lessee, and a Memorandum of Lease was to be recorded in the Suffolk County Clerk’s office; and

WHEREAS, in connection with the leasing of the 2015 Facility, the Agency and the 2015 Company entered into a Payment-in-Lieu-of-Tax Agreement, dated as of October 1, 2015 (the “**PILOT Agreement**”), which provided for the 2015 Company to make payments in lieu of real property taxes on the 2015 Facility; and

WHEREAS, the Agency and the 2015 Company agreed to enter into a Recapture Agreement, dated as of October 1, 2015 (the “**Recapture Agreement**”), pursuant to which the Agency has the right to recapture certain economic benefits pursuant to which the Agency has the right to recapture certain economic benefits and assistance granted to the 2015 Company upon the terms and conditions set forth in the Recapture Agreement; and

WHEREAS, as security for the Loan (as such term is defined in the 2015 Lease Agreement), the Agency and the 2015 Company executed and delivered to Manufacturers and Traders Trust Company (the “**Original Lender**”), (i) a Land Loan Mortgage, dated October 27, 2015 (the “**Land Loan Mortgage**”), in the amount of \$1,780,000.00, which Land Loan Mortgage was to be recorded in the Suffolk County Clerk’s office, (ii) a Building Loan Mortgage, dated October 27, 2015 (the “**Building Loan Mortgage**”), in the amount of \$8,820,000.00, which Building Loan Mortgage was to be recorded in the Suffolk County Clerk’s office, and (iii) a Project Loan Mortgage, dated October 27, 2015 (the “**Project Loan Mortgage**”), in the amount of \$3,940,000.00, which Project Loan Mortgage was to be recorded in the Suffolk County Clerk’s office (the Project Loan Mortgage together with the Land Loan Mortgage and the Building Loan Mortgage, collectively, the “**Original Mortgages**”); and

WHEREAS, further the Agency and the 2015 Company mortgaged their respective rights in the 2015 Facility to the Original Lender, pursuant to a Building Loan Mortgage (Supplemental), dated as of December 1, 2015 (the “**Supplemental Building Loan**”); and

Mortgage”), in the amount of \$2,480,000 which Supplemental Building Loan Mortgage was to be recorded in the Suffolk County Clerk’s office; and

WHEREAS, further the Agency and the 2015 Company mortgaged their respective rights in the 2015 Facility to the Original Lender, pursuant to a Mortgage, Consolidation, Extension and Modification Agreement, dated as of December 1, 2015 (the “**Mortgage, Consolidation, Extension and Modification Agreement**”); and, together with the Supplemental Building Loan Mortgage and the Original Mortgages, the “**2015 Mortgages**”), which Mortgage, Consolidation, Extension and Modification Agreement was to be recorded in the Suffolk County Clerk’s office; and

WHEREAS, on November 20, 2018, the Agency consented to a request from the 2015 Company for a refinancing with US Trust (the “**2018 Lender**”) with respect to the 2015 Facility in the aggregate principal amount presently expected to be \$17,850,000 but not to exceed \$20,000,000 (the “**2018 Financing**”); and

WHEREAS, subsequent to the Agency’s consent, the 2015 Company determined not to move forward with the 2018 Financing and has now submitted a request to the Agency to consent to a refinancing with Manufacturers and Traders Trust Company, or such other lender as may be determined (the “**2019 Lender**”) with respect to the 2015 Facility in the aggregate principal amount presently expected to be \$19,500,000 but not to exceed \$22,500,000 (the “**2019 Financing**”); and

WHEREAS, as security for such 2019 Financing being made to the 2015 Company by the 2019 Lender, the 2015 Company has submitted a request to the Agency that it join with the 2015 Company in executing and delivering to the 2019 Lender one or more mortgages and such other loan documents, satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably requested by the 2019 Lender (the “**2019 Financing Documents**”); and

WHEREAS, the Agency contemplates that it will provide financial assistance to the 2015 Company consistent with the policies of the Agency, in the form of exemptions from mortgage recording taxes, to the extent allowed by law, for one or more mortgages securing the principal amount presently estimated to be \$19,500,000 but not to exceed \$22,500,000 in connection with the financing or refinancing of the acquisition, renovation and equipping of the 2015 Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the 2015 Facility; and

WHEREAS, the Agency has given due consideration to the application of the 2012 Company and to the representations by the 2012 Company that the actions of the Agency as contemplated by this resolution, the Amendment of Lease, the Amended and Restated PILOT Agreement, and the Recapture Agreement are either an inducement to the 2012 Company to maintain and expand the 2012 Facility in the Town of Islip or are necessary to maintain the competitive positions of the 2012 Company in its industry; and

WHEREAS, the Agency has given due consideration to the application of the 2015 Company and to the representations by the 2015 Company that the actions of the Agency as

contemplated by this resolution, the 2019 Financing is either an inducement to the 2015 Company to maintain and expand the 2015 Facility in the Town of Islip or are necessary to maintain the competitive positions of the 2015 Company in its industry; and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the 2012 Facility and the 2015 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 2012 Company and the 2015 Company have agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transactions contemplated by the financing or refinancing of the Facility and the continued leasing of the 2012 Facility and the 2015 Facility respectively.

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

Section 1. The Agency hereby finds and determines:

- (a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act.
- (b) Each of the 2012 Facility and the 2015 Facility continue to constitute a “project”, as such term is defined in the Act.
- (c) The continued leasing of the 2012 Facility and the 2015 Facility by the Agency to the 2012 Company and the 2015 Company respectively, will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Islip and the State of New York and improve their standard of living and thereby serve the public purposes of the Act.
- (d) Based upon representations of the 2012 Company, the 2015 Company and their respective counsel, the 2012 Facility and the 2015 Facility each continue to conform with the local zoning laws and planning regulations of the Town of Islip and all regional and local land use plans for the area in which the 2012 Facility and the 2015 Facility are located.
- (e) Each of the 2012 Facility and the 2015 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.

- (f) The Agency has determined that the proposed PILOT Extension for the 2012 Facility will promote and further the purposes of the Act.
- (g) It is desirable and in the public interest for the Agency consent to the PILOT Extension and to continue to lease the 2012 Facility to the 2012 Company.
- (h) The Amendment of Company Lease will be an effective instrument whereby the Agency and the Company agree to extend the term of the 2012 Company Lease for a term of up to four (4) years and the Agency will continue to lease the 2012 Facility from the 2012 Company.
- (i) The Lease and Project Agreement will be an effective instrument whereby the Agency and the 2012 Company will amend and restate the Original Lease Agreement, the Original PILOT Agreement, and the Original Environmental Compliance Agreement, set forth the terms and conditions of the PILOT Extension, and set forth the terms and conditions pursuant to which the Agency has the right to recapture certain economic benefits and assistance granted to the 2012 Company.
- (j) The 2012 Project is considered extremely significant and vital to the economic health and well-being of the Town and therefor deviation from the Policy is appropriate.
- (k) The 2019 Financing of the 2015 Facility will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Islip, Suffolk County and the State of New York and improve their standard of living and thereby serve the public purposes of the Act.
- (l) The 2019 Financing as contemplated in this resolution is reasonably necessary to maintain the competitive position of the 2015 Company in its industry.
- (m) It is desirable and in the public interest for the Agency to assist in the financing or refinancing of the acquisition, construction and equipping of the 2015 Facility.
- (n) The 2019 Financing Documents will be effective instruments whereby the Agency and the 2015 Company agree to secure the 2019 Financing and assign to the 2019 Lender their respective rights under the 2015 Lease Agreement (except the Agency's Unassigned Rights as defined therein).

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) grant an extension of the 2012 Company Lease Agreement for an additional term of up to four (4) years for the 2012 Facility to the 2012 Company pursuant to the Amendment of Company Lease, (ii) execute, deliver and perform the Amendment of Company Lease, and (iii) amend and restate the Original PILOT Agreement, Original Lease Agreement, and the Original Environmental Compliance Agreement pursuant to the Lease and Project

Agreement to reflect the PILOT Extension, (iv) execute, deliver and perform the Lease and Project Agreement ((i) – (iv) above the “**2012 Amendment Documents**”) (v) grant one or more mortgages on and security interest in and to the 2015 Facility pursuant to a certain mortgage or mortgages for the benefit of the 2019 Lender (collectively, the “**2019 Mortgage**”), (vi) execute, deliver and perform the 2019 Mortgage, (vii) execute, deliver and perform the 2019 Financing Documents to which the Agency is a party, as may be necessary or appropriate to effect the 2019 Loan or any subsequent refinancing of the 2019 Mortgage all related to the 2015 Facility ((v) – (vii) above the “**2019 Loan Documents**”).

Section 3. Subject to the provisions of this resolution, the Original Lease Agreement, and the 2015 Lease Agreement, the Agency is hereby authorized to do all things necessary or appropriate for the execution, delivery and performance of the 2012 Amendment Documents and the 2019 Loan Documents, and such other related documents as may be necessary or appropriate to effect the PILOT Extension for the 2012 Facility and the 2019 Financing for the 2015 Facility, or any subsequent refinancing of the 2019 Financing Documents, and all acts heretofore taken by the Agency with respect to such financing or refinancing are hereby approved, ratified and confirmed.

Section 4. Subject to the provisions of this resolution and the 2012 Lease Agreement, the Agency is hereby authorized to grant the PILOT Extension for the 2012 Facility and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 5. Subject to the provisions of this resolution and the 2015 Lease Agreement, the Agency hereby authorizes and approves the following economic benefits to be granted to the 2015 Company in the form of exemptions from mortgage recording taxes, to the extent allowed by law, for one or more mortgages securing the principal amount presently estimated to be \$19,500,000 but not to exceed \$22,500,000, in connection with the financing or refinancing of the acquisition, renovation and equipping of the 2015 Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping of the 2015 Facility.

Section 6. Subject to the provisions of this resolution, the Original Lease Agreement and the 2015 Lease Agreement;

(a) The Chairman, Executive Director, Deputy Executive Director, or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Amendment of Company Lease and the Lease and Project Agreement in substantially the form thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Chief Executive Officer, 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 “**2012 Agency Documents**”). The execution thereof by the Chairman, Executive Director, Deputy Executive Director, or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Executive Director, Deputy Executive Director and all other members of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the 2019 Mortgage and the 2019 Financing Documents together with such other related documents as may be, in the judgment of the Chairman and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “**2015 Agency Documents**”; and together with the 2012 Agency Documents, the “**Agency Documents**”). The execution thereof by the Chairman, Executive Director, Deputy Executive Director or any member of the Agency shall constitute conclusive evidence of such approval.

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

Section 7. Subject to the provisions of this resolution, the Agency hereby authorizes and approves the following economic benefits to be granted to the 2012 Company in connection with the 2012 Facility in the form of the PILOT Extension (as set forth in the PILOT Schedule attached as Exhibit C hereof), consistent with the policies of the Agency.

Section 8. Subject to the provisions of this resolution and the 2012 Lease Agreement, and the 2015 Lease Agreement respectively, 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 9. Any expenses incurred by the Agency with respect to the 2012 Facility or the 2015 Facility shall be paid by the 2012 Company and the 2015 Company respectively. The 2012 Company and the 2015 Company have each agreed to pay such expenses and further shall 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 financing or refinancing of the 2012 Facility and the 2015 Facility.

Section 10. This resolution shall take effect immediately.

STATE OF NEW YORK)
 : SS.:
COUNTY OF SUFFOLK)

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

That I have compared the annexed extract of the minutes of the meeting of the Town of Islip Industrial Development Agency (the “**Agency**”), including the resolutions contained therein, held on April 16, 2019, 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 Deputy Executive Director Deputy Executive Director of said original insofar as the same related to the subject matters therein referred to.

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

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

IN WITNESS WHEREOF, I have hereunto set my hand as of the 16th day of April, 2019.

By: 
Assistant Secretary

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Title 1 of Article 18-A of the New York State General Municipal Law will be held by the Town of Islip Industrial Development Agency on the 15th day of April, 2019, at _____ a.m., local time, at the Town of Islip, Offices of Economic Development, 40 Nassau Avenue, Islip, New York 11751 in connection with the following matters:

The Town of Islip Industrial Development Agency (the “**Agency**”) has previously assisted Briad Lodging Group Central Islip, LLC, a limited liability company (the “**Company**”), in connection with an industrial development facility consisting of the acquisition of an approximately 3.46 acre parcel of land located at 7 Court House Drive, Central Islip, New York 11722 (the “**Land**”) and the construction and equipping of an approximately 95,205 square foot 4-story, 125 room, all-suite extended stay hotel to be located thereon, including, but not limited to, a fitness center, conference rooms, a business center, a pool and additional parking spaces, together with the acquisition and installation of furniture, fixtures and equipment (the “**Improvements**” and “**Equipment**”), leased by the Agency to the Company to provide a full range of services to the business and leisure traveler (known as Residence Inn Long Island/Courthouse Complex) visiting the Town of Islip (the Land, Improvements and Equipment, collectively, the “**Facility**”). The Agency is currently leasing the Land and the Improvements to the Company pursuant to a certain Lease Agreement, dated as of June 1, 2012 (the “**Lease Agreement**”), between the Agency and the Company. In connection with the leasing of the Facility, the Agency and the Company entered into a Payment-in-Lieu-of-Tax Agreement, dated as of June 1, 2012 (the “**PILOT Agreement**”), which provided for the Company to make payments in lieu of real property taxes on the Facility. The Facility is owned, operated and/or managed by the Company.

The Agency contemplates that it will provide additional financial assistance to the Company in the form of extended abatement of real property taxes on the Facility, 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 or the location or nature of the Facility. At the hearing, all persons will have the opportunity to review the extension of benefits of the proposed Facility.

Dated: April 5, 2019

TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY

By: William G. Mannix
Title: Executive Director

EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON
April 15, 2019

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
(BRIAD DEVELOPMENT EAST, LLC 2012 FACILITY)

1. _____, _____ of the Town of Islip Industrial Development Agency (the “**Agency**”) called the hearing to order.
2. _____ then appointed _____ the hearing officer of the Agency, to record the minutes of the hearing.
3. The hearing officer then described the proposed transfer of the real estate, the other financial assistance proposed by the Agency and the location and nature of the Facility as follows:

The Town of Islip Industrial Development Agency (the “**Agency**”) has previously assisted Briad Lodging Group Central Islip, LLC, a limited liability company (the “**Company**”), in connection with an industrial development facility consisting of the acquisition of an approximately 3.46 acre parcel of land located at 7 Court House Drive, Central Islip, New York 11722 (the “**Land**”) and the construction and equipping of an approximately 95,205 square foot 4-story, 125 room, all-suite extended stay hotel to be located thereon, including, but not limited to, a fitness center, conference rooms, a business center, a pool and additional parking spaces, together with the acquisition and installation of furniture, fixtures and equipment (the “**Improvements**” and “**Equipment**”), leased by the Agency to the Company to provide a full range of services to the business and leisure traveler (known as Residence Inn Long Island/Courthouse Complex) visiting the Town of Islip (the Land, Improvements and Equipment, collectively, the “**Facility**”). The Agency is currently leasing the Land and the Improvements to the Company pursuant to a certain Lease Agreement, dated as of June 1, 2012 (the “**Lease Agreement**”), between the Agency and the Company. In connection with the leasing of the Facility, the Agency and the Company entered into a Payment-in-Lieu-of-Tax Agreement, dated as of June 1, 2012 (the “**PILOT Agreement**”), which provided for the Company to make payments in lieu of real property taxes on the Facility. The Facility is owned, operated and/or managed by the Company.

The Agency contemplates that it will provide additional financial assistance to the Company in the form of extended abatement of real property taxes on the Facility, 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 ____:____.

Assistant Secretary

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 April 15, 2018, 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 April 15, 2019.

Assistant Secretary

EXHIBIT C

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

Property Address 7 Court House Drive, Central Islip, New York 11722 (also known as Residence Inn Long Island/Courthouse Complex)

Tax Map No. 0500-207.00-01.00-052.769

Definitions

X = assessment \$173,000.

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

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

<u>Year</u>	<u>Formula</u>
2019/20	100% Normal Tax Due on X and 0% Normal Tax Due on Y
2020/21	100% Normal Tax Due on X and 0% Normal Tax Due on Y
2021/22	100% Normal Tax Due on X and 0% Normal Tax Due on Y
2022/23	100% Normal Tax Due on X and 10% Normal Tax Due on Y
2023/24	100% Normal Tax Due on X and 20% Normal Tax Due on Y
2024/25	100% Normal Tax Due on X and 30% Normal Tax Due on Y
2025/26	100% Normal Tax Due on X and 40% Normal Tax Due on Y
2026/27	100% Normal Tax Due on X and 50% Normal Tax Due on Y
2027/28	100% Normal Tax Due on X and 60% Normal Tax Due on Y
2028/29	100% Normal Tax Due on X and 70% Normal Tax Due on Y
2029/30	100% Normal Tax Due on X and 80% Normal Tax Due on Y
2030/31	100% Normal Tax Due on X and 90% Normal Tax Due on Y
2031/32 and thereafter	100% Normal Tax Due on X and 100% Normal Tax Due on Y