

Date: May 12, 2020

At a meeting of the Town of Islip Industrial Development Agency (the “Agency”), held via Live-Stream at <http://islipida.com/business-assistance/ida/ida-documents-2/96-ida-videos/ida-board-meetings/335-ida-board-meeting-5-12-2020.html>, on the 12th day of May, 2020, 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 and take action on certain matters pertaining to a certain industrial development facility more particularly described below (Entourage Commerce, LLC 2020 Facility) and the providing of sales tax exemption benefits.

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

Voting Aye

Voting Nay

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

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD AUTHORIZING SALES AND USE TAX BENEFITS FOR ENTOURAGE COMMERCE, LLC 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 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, Entourage Commerce, LLC, a limited liability company organized and existing under the laws of the State of Delaware, on behalf of itself and/or the principals of Entourage Commerce, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Sublessee**”), has applied to the Agency to enter into a transaction in which the Agency will assist in the acquisition of title to or a leasehold interest in and the installation of certain equipment and personal property, including but not limited to an HVAC system, racking, power equipment and office furniture (the “**2020 Equipment**”), which 2020 Equipment is to be leased by the Agency to the Sublessee, and installed in the Sublessee’s facility located at 80 Wilshire Boulevard, Edgewood, New York 11717 (the “**Company Facility**”); and together with the 2020 Equipment, the “**Facility**”), which Company Facility is sub-subleased from 80 Wilshire Blvd. L.P. (the “**Company**”), to the Sublessee pursuant to the Sublease Agreement (defined below), and which Facility is to be used as a warehouse, distribution and replenishment center in the Sublessee’s business as an E-commerce seller and E-distributor for health and beauty, haircare, fragrance, and makeup products (the “**Project**”); and

WHEREAS, the Agency previously acquired a leasehold interest in the Company Facility pursuant to a Company Lease Agreement, dated as of November 1, 2019 (the “**Company Lease**”), by and between the Company and the Agency; and

WHEREAS, the Agency is subleasing the Company Facility to the Company pursuant to a Lease and Project Agreement, dated as of November 1, 2019 (the “**Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, the Company will sub-sublease the Company Facility to the Sublessee pursuant to a certain sublease agreement, dated a date to be determined (the “**Sublease Agreement**”), by and between the Company and the Sublessee; and

WHEREAS, in connection with the acquisition and installation of the 2020 Equipment in the Company Facility and any repairs and renovations to the Facility necessary to accommodate the installation of the 2020 Equipment in the Facility, the Agency contemplates that it will provide financial assistance to the Sublessee in the form of exemptions from sales and use taxes in an amount not to exceed \$922,875.00, in connection with the purchase or lease of equipment,

building materials, services or other personal property with respect to the 2020 Equipment and the Facility (the “**Sales and Use Tax Benefits**”); and

WHEREAS, the Agency will acquire title to the 2020 Equipment pursuant to a certain Equipment Bill of Sale, dated the Closing Date (as such term is defined in the hereinafter defined Equipment Lease Agreement) (the “**Equipment Bill of Sale**”), from the Sublessee to the Agency; and

WHEREAS, the Agency will lease the 2020 Equipment to the Sublessee pursuant to a certain Equipment Lease and Project Agreement, dated as of June 1, 2020 or such other date as the Chairman, the Executive Director or the Deputy 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, in connection with the sub-subleasing of the Company Facility, the Sublessee and the Agency will enter into a certain Agency Compliance Agreement, dated as of June 1, 2020 or such other date as the Chairman, the Executive Director or the Deputy Executive Director of the Agency and counsel to the Agency shall agree (the “**Agency Compliance Agreement**”), by and between the Agency and the Sublessee; and

WHEREAS, in connection with the sub-subleasing of the Company Facility, the Agency and the Company will amend certain provisions of the Lease Agreement with respect to the subleasing of the Facility to the Sublessee pursuant to a certain Amendment of Lease Agreement, dated as of June 1, 2020 or such other date as the Chairman, the Executive Director or the Deputy Executive Director of the Agency and counsel to the Agency shall agree (the “**Amendment of Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, the Sublessee has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction consisting of the renovation and equipping of the Facility by the Sublessee and the granting and use of the Sales and Use Tax Benefits.

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 Sales and Use Tax Benefits 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; and

(d) The Sales and Use Tax Benefits are reasonably necessary to induce the Sublessee to maintain and expand its business operations in the Town of Islip and the State of New York; and

(e) Based upon representations of the Sublessee and counsel to the Sublessee, 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) The Equipment Lease Agreement will be an effective instrument wherein the Agency leases the 2020 Equipment to the Sublessee and appoints the Sublessee as its agent in connection with the acquisition, equipping and installation of the 2020 Equipment in the Facility; and

(g) The Agency Compliance Agreement will be an effective instrument whereby the Sublessee will provide certain assurances to the Agency with respect to the Facility; and

(h) The Amendment of Lease Agreement will be an effective instrument whereby the Company and the Agency amend the Lease Agreement; and

(i) The Equipment Bill of Sale will be an effective instrument whereby the Sublessee conveys the 2020 Equipment to the Agency.

Section 2. The Agency has assessed all material information included in connection with the Sublessee's application for financial assistance, including but not limited to, the cost-benefit analysis prepared by the Agency and such information has provided the Agency a reasonable basis for its decision to provide the financial assistance described herein to the Sublessee.

Section 3. The Agency hereby approves the following economic benefits to be granted to the Sublessee in the form of exemptions from sales and use taxes in an amount not to exceed \$922,875.00, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility.

Section 4. In consequence of the foregoing, the Agency hereby: (i) approves the Sales and Use Tax Benefits; (ii) will execute, deliver and perform the Equipment Lease Agreement; (iii) execute and deliver the Agency Compliance Agreement; (iv) execute, deliver and perform the Amendment of Lease Agreement; and (v) authorizes the execution and delivery of such other related documents as may be necessary and/or appropriate to effect the provisions of this Resolution.

Section 5.

(a) The Chairman, Executive Director, Deputy Executive Director and all members of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Equipment Lease Agreement, the Agency Compliance Agreement, and the Amendment of Lease Agreement in the form the Chairman, Executive Director, Deputy executive Director or any member of the Agency shall approve, and such other related documents respectively, 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 including the Equipment Lease Agreement, the Agency Compliance Agreement, and the Amendment of Lease Agreement (hereinafter collectively called 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.

(b) The Chairman, Executive Director, Deputy Executive Director and all members 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 Equipment Lease Agreement).

Section 6. Subject to the provisions of this resolution, the Sublessee is herewith and hereby appointed the agent of the Agency to acquire, renovate and equip the Facility. The Sublessee 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 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 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 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 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 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 Sublessee, as agent of the Agency. The aforesaid appointment of the Sublessee 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 Sublessee has received exemptions from sales and use taxes in an amount not to exceed \$922,875.00 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 Sublessee if such activities and improvements are not completed by such time. The aforesaid appointment of the Sublessee is subject to the execution of the documents contemplated by this resolution

Section 7. The Sublessee hereby agrees to comply with Section 875 of the Act. The Sublessee further agrees that the tax exemptions and abatements provided pursuant to the Act and the appointment of the Sublessee as agent of the Agency pursuant to this Authorizing Resolution are subject to termination and recapture of benefits pursuant to Sections 859-a and 875 of the Act and the recapture provisions of the Agency Compliance Agreement.

Section 8. 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. Counsel to the Agency and Nixon Peabody LLP, Transaction Counsel to the Agency are hereby authorized and directed to prepare, for submission to the Agency, and all documents necessary to effect the consent to the Sales and Use Tax Benefits described in the foregoing resolution.

Section 10. The Chairman, the Executive Director and any member of the Agency are each hereby authorized and directed (i) to distribute copies of this resolution to the Sublessee and the Company, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 11. This resolution shall take effect immediately.

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

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

That I have compared the annexed extract of the minutes of the meeting of the Town of Islip Industrial Development Agency (the “Agency”), including the resolutions contained therein, held on the 12th day of May, 2020, 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, due to the Novel Coronavirus (COVID-19) Emergency State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo’s Executive Order 202.1 issued on March 12, 2020, as amended by Executive Order 202.14, issued on April 7, 2020, suspending the Open Meetings Law, and Executive Order 202.15 issued on April 9, 2020 permitting local governments to hold public hearings by telephone and video conference and/or similar device, the Agency’s Board Meeting on May 12, 2020 (the “Board Meeting”), was held electronically via Live-Stream instead of a public meeting open for the public to attend in person. Members of the public were advised, via the Agency’s website, to listen to the Board Meeting by going to <http://islipida.com/business-assistance/ida/ida-documents-2/96-ida-videos/ida-board-meetings/335-ida-board-meeting-5-12-2020.html>, and were further advised that the Minutes of the Board Meeting would be transcribed and posted on the Agency’s website, and that all members of said Agency had due notice of said meeting and that the meeting was in all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 12th day of May, 2020.

By: 
Assistant Secretary