

Date: April 23, 2013

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 23rd day of April, 2013 the following members of the Agency were:

Present:

Tom Croci, Chairman
Steven J. Flotteron, Member
Trish Bergin Weichbrodt, Member
John Cochrane, Jr. Member
Anthony Senft, Jr. Member

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 (Aerotech Industrial LLC/Sartorius Stedim North America Inc. Facility) and the continued leasing of the facility to Aerotech Industrial LLC for further sublease to Sartorius Stedim North America Inc.

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

Voting Aye

Voting Nay

Tom Croci, Chairman
Steven J. Flotteron, Member
Trish Bergin Weichbrodt, Member
John Cochrane, Jr. Member
Anthony Senft, Jr. Member

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ACQUISITION, RENOVATION AND EQUIPPING OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY PRESENTLY LEASED TO AEROTECH INDUSTRIAL LLC, A NEW YORK LIMITED LIABILITY COMPANY AND TO BE SUBLEASED TO SARTORIUS STEDIM NORTH AMERICA INC., A DELAWARE CORPORATION AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS.

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

WHEREAS, Aerotech Industrial LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having an office c/o Spiegel Associates, 375 North Broadway, Jericho, New York 11753 (the “**Company**”), has previously entered into a transaction with the Agency in which the Agency assisted in the acquisition, construction and equipping of an approximately 236,000 square foot one-story block and steel building on an approximately 14.0 acre parcel of land located at the Aerotech Business Centre at 545 Johnson Avenue, Bohemia, New York (the “**Original Facility**”), a portion of which was subleased by the Company to 7-Eleven, Inc., a Texas business corporation duly organized validly existing and authorized to transact business in the State of New York (“**7-Eleven**”), consisting of approximately 130,000 rentable square feet, (the “**2007 Subleased Facility**”), which 2007 Subleased Facility was further sub-subleased by 7-Eleven to, and for use by, Constance Food Group Inc., a New York business corporation (collectively, “**Constance Food Group**”; and, together with 7-Eleven, the “**2007 Sublessees**”), for the operation of a commercial commissary and food distribution center; and

WHEREAS, the Company now desires to sublease an approximately 40,077 square foot portion of the Original Facility (the “**2013 Subleased Facility**”) to Sartorius Stedim North America Inc., a business corporation organized and existing under the laws of the State of Delaware, on behalf of itself and/or the principals of Sartorius Stedim North America Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Applicant**” and “**Sublessee**”), to include the renovation and equipping of the 2013 Subleased Facility (the “**Improvements**”) and the acquisition and installation of certain equipment not part of the Equipment (as such term is defined in Exhibit A to the Equipment Lease Agreement, to be dated a date to be determined (the “**Equipment Lease Agreement**”), between the Agency and the Sublessee) (the “**Facility Equipment**”; and, together with the 2013 Subleased Facility, the “**Company Facility**”), which Company Facility is to be leased by the Agency to the Company and (ii) the acquisition and installation of certain equipment including, but not limited to, upstream equipment (bioreactors), autoclave, office furniture,

computers and computer equipment, pallet jacks, drill press, water system (the “**Equipment**”), which Equipment is to be leased by the Agency to, and used by, the Sublessee for its sales, research and development, customer service, training center, corporate offices, warehouse and inventory, as a provider of cutting edge equipment in the bio-pharmaceutical industry (the Company Facility and the Equipment collectively referred to herein as the “**Facility**”), including the following as they relate to the appointment of the Company and the Sublessee as agents of the Agency pursuant to Section 5 hereof with respect to the acquisition, renovation and equipping of such Facility, whether or not any materials or supplies described below are incorporated into or become an integral part of such Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, renovation and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, renovation and equipping of the Facility, and (iii) all purchases, leases, rentals and uses of equipment, machinery and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Facility; and

WHEREAS, the Agency will continue to hold title to the Company Facility and will continue to lease the Company Facility to the Company for further sublease by the Company to the Sublessee all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 47 of the Laws of 1974 of the State of New York, as the same may be amended from time to time (collectively, the “**Act**”); and

WHEREAS, the Company Facility shall be subleased to the Sublessee by the Company pursuant to a Sublease Agreement, dated a date to be determined (the “**Sublease Agreement**”), by and between the Company and the Sublessee; and

WHEREAS, the Equipment will be leased to the Sublessee by the Agency pursuant to the Equipment Lease Agreement; and

WHEREAS, the Company and the Sublessee have requested the Agency provide for a fifteen (15) year payment in lieu of tax agreement on the property taxes due on the Facility, consistent with the policies of the Agency pursuant to a PILOT Agreement (defined below); and

WHEREAS, the requested financial assistance deviates from the Agency’s Uniform Tax Exemption Policy (the “**Policy**”), adopted on or around December, 1993, as previously amended, because the proposed term of the PILOT Agreement will contain provisions for a fifteen (15) year extension of property tax payments due on the Facility; and

Whereas, the Agency proposes to deviate from the Policy because the Facility and the requested additional financial assistance will encourage the Sublessee to remain in the Town of Islip and to provide additional jobs for the residents of the Town of Islip and the project would not be economically viable without the proposed PILOT Agreement; and

WHEREAS, the Agency by Inducement Resolution, dated March 5, 2013, decided to proceed under the provisions of the Act to acquire, renovate, equip and lease the Company

Facility and enter into the Lease Agreement, and to acquire and lease the Equipment and enter into the Equipment Lease Agreement; and

WHEREAS, in order to define the Company and the Sublessee's obligations regarding payments-in-lieu-of taxes with respect to the Facility, the Agency, the Company and the Sublessee will enter into a certain Payment-in-Lieu-of-Tax Agreement, dated as of April 1, 2013, or such date as may be determined by the Agency and counsel to the Agency (the "**PILOT Agreement**"), pursuant to which the Company and the Sublessee will make payments in lieu of taxes on the Facility; and

WHEREAS, in connection with the leasing and the subleasing of the Facility, the Agency, the Company and the Sublessee will enter into a certain Recapture Agreement, dated as of April 1, 2013 or such date as may be determined by the Agency and counsel to the Agency (the "**Recapture Agreement**"), among the Agency, the Company and the Sublessee; and

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

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

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

Section 1. The Agency hereby finds and determines:

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

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

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

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

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

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

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

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

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

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

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

(l) The Environmental Compliance and Indemnification Agreement, dated as of April 1, 2013 or such other date as may be determined by the Agency and counsel to the Agency (the "**Environmental Compliance and Indemnification Agreement**"), by and among the Agency, the Company and the Sublessee will be an effective instrument whereby the Company and the Sublessee agree to comply with all Environmental Laws (as defined therein) applicable to the Facility and will indemnify and hold harmless the Agency for all liability under all such Environmental Laws; and

(m) The Agency Compliance Agreement, dated as of April 1, 2013 or such other date as may be determined by the Agency and counsel to the Agency (the "**Agency Compliance Agreement**"), between the Agency and the Sublessee will be an effective instrument whereby the Sublessee will provide certain assurances to the Agency with respect to the Sublease Agreement; and

(n) 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 Company Facility to the Company pursuant to the Lease Agreement, (ii) lease the Equipment to the Sublessee pursuant to the Equipment Lease Agreement, (iii) execute, deliver and perform the Lease Agreement, (iv) execute, deliver and perform the Equipment Lease Agreement, (v) execute, deliver and perform the PILOT Agreement, (vi) execute, deliver and perform the Recapture Agreement, (vii) execute and deliver the Environmental Compliance and Indemnification Agreement, (viii) execute and deliver the Agency Compliance Agreement, (ix) grant a mortgage on and security interests in and to the Facility pursuant to the Loan Documents, and (x) execute, deliver and perform the Loan Documents to which the Agency is a party.

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

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

Section 5. The Company and the Sublessee hereby agree to comply with Section 875 of the Act. The Company and the Sublessee further agree that the exemption of sales and use tax provided pursuant to the Act and the appointment of the Company and the Sublessee as agents of the Agency pursuant to the Inducement resolution, dated March 5, 2013, is subject to termination and recapture of benefits pursuant to Section 875 of the Act and the Recapture Agreement.

Section 6. The form and substance of the Lease Agreement, the Equipment Lease Agreement, the PILOT Agreement, the Recapture Agreement, the Environmental Compliance and Indemnification Agreement, the Agency Compliance Agreement, and the Loan Documents to which the Agency is a party (each in substantially the forms presented to the Agency and which, prior to the execution and delivery thereof, may be redated) are hereby approved.

Section 7.

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

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

Section 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. 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 23rd day of April, 2013, 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 23rd day of April, 2013.

By: 
Secretary