

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD AUTHORIZING AN INCREASE OF SALES AND USE TAX BENEFITS FOR ZTA RENTAL PROPERTIES L.P., A LIMITED PARTNERSHIP, AND FOR THE BERLERRO GROUP LLC, A LIMITED LIABILITY COMPANY, AND THE EXECUTION OF RELATED DOCUMENTS.

WHEREAS, Title 1 of Article 18-A of the General Municipal Law of the State of New York was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York; and

WHEREAS, the aforesaid act authorizes the creation of industrial development agencies for the Public Purposes of the State; and

WHEREAS, the aforesaid act further authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, renovate, refurbish, equip, lease, sell and dispose of land and any building or other improvement, and all real and personal property, including but not limited to machinery and equipment deemed necessary in connection therewith, whether now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, recreation or industrial facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, pursuant to and in accordance with the provisions of the aforesaid act, as amended, together with Chapter 47 of the Laws of 1974 of the State, as amended (collectively, the “Act”), the Agency was created and is empowered under the Act to undertake the providing and leasing of the Facility defined below; and

WHEREAS, the Agency previously assisted ZTA Rental Properties L.P., a New York limited partnership (the “**Company**”) in the acquisition of approximately 2.92 acres of land at 111 Rodeo Drive, Edgewood, Town of Islip, Suffolk County, New York (the “**Land**”), and the construction and equipping thereon of an approximately 40,000 square foot building with at least 20.0 foot high ceilings, together with improvements, structures and other related facilities (i) attached to the Land, and (ii) not a part of the Equipment (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, dated as of January 1, 2014 (the “**Equipment Lease**”), between the Agency and The Berlerro Group LLC, a limited liability company organized and existing under the laws of the State of New York (the “**Sublessee**”) (the “**Facility Equipment**”; and, together with the Land and Improvements, the “**Company Facility**”), all to be leased by the Agency to the Company, for further sublease by the Company to, and used by the Sublessee; and (b) the acquisition and installation of the Equipment (the “**Equipment**”), which Equipment is to be leased by the Agency to the Sublessee for recreational use as an

indoor trampoline park (the Company Facility and the Equipment collectively referred to herein as the “**Facility**”); and

WHEREAS, by resolutions adopted on July 16, 2013 and on August 6, 2013, the Agency agreed to enter into a transaction with the Company and the Sublessee, and, pursuant to said transaction, the Agency agreed to provide to the Company and the Sublessee certain exemptions from real property taxes, sales and use taxes, and mortgage recording taxes; and

WHEREAS, in order to provide such benefits to the Company and the Sublessee, the Agency leased the Company’s interest in the Facility from the Company pursuant to a certain Company Lease Agreement, dated as of January 1, 2014 (the “**Company Lease**”), by and between the Company and the Agency; and

WHEREAS, in order to define the Company’s and the Sublessee’s obligations regarding payments-in-lieu of taxes, the Agency, the Company and the Sublessee entered into a Payment in Lieu of Tax Agreement, dated as of January 1, 2014 (the “**PILOT Agreement**”), by and among the Agency and the Company, whereby the Company and the Sublessee agreed to make certain payments-in-lieu-of-taxes to the Taxing Authorities (as defined therein); and

WHEREAS, the Company and the Sublessee entered into a Recapture Agreement, dated as of January 1, 2014 (the “**Recapture Agreement**”), by and among the Agency, the Company and the Sublessee in order to reflect the repayment of obligations of the Company and the Sublessee upon the occurrence of a Recapture Event (as defined therein); and

WHEREAS, the Agency subleased the Facility and leased the Equipment to the Company pursuant to the Lease Agreement, dated as of January 1, 2014 (the “**Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, in connection with the leasing and subleasing of the Facility, the construction and equipping of such Facility and the acquisition and installation of certain equipment therein, the Agency appointed the Company and the Sublessee as its agents and authorized a maximum of \$56,235.00 of sales or use tax exemptions which may be received by the Company and/or the Sublessee on the purchases or lease of equipment, building materials, services or other personal property authorized under the Lease Agreement; and

WHEREAS, in order to complete the acquisition, construction and equipping of the Facility the Company has now requested that the Agency increase the maximum sales or use tax exemptions on the purchases or lease of equipment, building materials, services or other personal property authorized under the Lease Agreement from \$56,235.00 to \$132,404.73 (the “**Increase**”); and

WHEREAS, prior to the Agency granting the Increase, a public hearing (the “**Hearing**”) was held so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency could be heard; and

WHEREAS, notice of the Hearing was given, 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 are or will be annexed hereto as Exhibit B; and

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

Section 1. The Agency hereby approves the Increase and the aforesaid appointment of the Company and the Sublessee as agents of the Agency to acquire, construct and equip the Facility, and the increase of the amount of sales and use tax exemptions on the purchases or lease of equipment, building materials, services or other personal property authorized under the Lease Agreement exemptions shall be increased from \$56,235.00 to the amount of \$132,404.73.

Section 2. In consequence of the foregoing, the Agency hereby (i) approves the Increase, (ii) approves the form and substance of an amended Form ST-60 to the Company (the “**Amended Form ST-60**”) and (iii) authorizes the execution and delivery of the Amended Form ST-60 and such other related documents as may be necessary or appropriate to effect the Increase.

Section 3. 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 Extension described in the foregoing resolution.

Section 4. 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 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 5. 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 foregoing copy of a resolution of the Town of Islip Industrial Development Agency (the “**Agency**”) with the original thereof on file in the office of the Agency, and the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.

Such resolution was passed at a meeting of the Agency duly convened in public session on June 4, 2014, at Islip Town Hall, 655 Main Street, Islip, New York, at which meeting the following members were:

Present: Chairman Eric Hofmeister
 Councilman Steve Flotteron
 Councilman John Cochrane
 Councilman Anthony Senft
 Councilwoman Trish Bergin Weichbrodt

Absent: Tom Croci – absent due to military leave

Also Present:

The question of the adoption of the foregoing resolution was duly put to vote on roll call, which resulted as follows:

Voting Aye

Councilman Steve Flotteron
Councilman John Cochrane
Councilman Anthony Senft
Councilwoman Trish Bergin Weichbrodt

Voting Nay

and, therefore, the resolution was declared duly adopted.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 4th day of June, 2014.


Assistant Secretary