

Date: August 21, 2018

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 21st day of August, 2018, 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 acquisition of a leasehold interest to a certain industrial development facility more particularly described below (U.S. Alliance Paper, Inc. 2018 Facility) and the leasing of the facility to U.S. Alliance Paper, Inc.

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 APPROVING THE ACQUISITION OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY AND APPROVING THE APPOINTMENT OF U.S. ALLIANCE PAPER, INC., A NEW YORK BUSINESS CORPORATION, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF U.S. ALLIANCE PAPER, INC. AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS AGENT(S) OF THE AGENCY FOR THE PURPOSE OF ACQUIRING AN INDUSTRIAL DEVELOPMENT FACILITY AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS AND MAKING CERTAIN FINDINGS AND DETERMINATIONS

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, 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, U.S. Alliance Paper, Inc., a New York business corporation on behalf of itself and/or the principals of U.S. Alliance Paper, Inc. 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: acquisition of an approximately 10.55 acre parcel of land located at 101 and 111 Heartland Boulevard, Edgewood, New York 11717 (the “**Land**”), and two approximately 80,000 square foot buildings located thereon (the “**Improvements**”, and together with the Land, the “**Facility**”), and which Facility is to be used by the Company for its business as a manufacturer of paper napkins, towels, and facial and bath tissues (the “**Project**”); and

WHEREAS, the Agency will acquire a subleasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of August 1, 2018 or such other date as the Chairman, Executive Director or Deputy 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 sub-sublease the Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of August 1, 2018 or such other date as the Chairman, Executive Director or Deputy 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, in the form of abatement of real property taxes on the Facility (as set forth in the PILOT Schedule attached as Exhibit C hereof), all consistent with the policies of the Agency; and

WHEREAS, a public hearing (the “**Hearing**”) was held and notice of the Hearing was given and such notice (together with proof of publication) together with the minutes of the Hearing are in substantially in the form annexed hereto as Exhibits A and B respectively; and

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed transfer of a subleasehold interest or a fee title interest is either an inducement to the Company to maintain and expand the Facility in the Town of Islip or is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the “**SEQR Act**” or “**SEQR**”), the Agency constitutes a “State Agency”; and

WHEREAS, to aid the Agency in determining whether the Facility may have a significant effect upon the environment, the Company has prepared and submitted to the Agency an Environmental Assessment Form and related documents (the “**Questionnaire**”) with respect to the Facility, a copy of which is on file at the office of the Agency; and

WHEREAS, the Questionnaire has been reviewed by the Agency; 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; and

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

Section 1. Based upon the Environmental Assessment Form completed by the Company and reviewed by the Agency and other representations and information furnished by the Company regarding the Facility, the Agency determines that the action relating to the acquisition, renovation, equipping, and operation of the Facility is an “unlisted” action, as that term is defined in the SEQR Act. The Agency also determines that the action will not have a “significant effect” on the environment, and, therefore, an environmental impact statement will not be prepared. This determination constitutes a negative declaration for purposes of SEQR. Notice of this determination shall be filed to the extent required by the applicable regulations under SEQR or as may be deemed advisable by the Chairman, Executive Director or Deputy Executive Director of the Agency or counsel to the Agency.

Section 2. 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) The Facility constitutes a “project”, as such term is defined in the Act.

(c) The acquisition of the Facility, and the 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.

(d) The acquisition of the Facility by the Agency is reasonably necessary to induce the Company to maintain and expand its business operations in the State of New York.

(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.

(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 sub-lease the Facility to the Company; and

(h) The Company Lease will be an effective instrument whereby the Agency subleases the Land and the Improvements from the Company; and

(i) The Lease Agreement will be an effective instrument whereby the Agency sub-leases the Facility to the Company, the Agency and the Company set forth the terms and conditions of their agreement regarding payments-in-lieu of taxes, the Company agrees to comply with all Environmental Laws (as defined therein) applicable to the Facility and will describe the circumstances in which the Agency may recapture some or all of the benefits granted to the Company.

Section 3. The Agency has assessed all material information included in connection with the Company’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 Company.

Section 4. In consequence of the foregoing, the Agency hereby determines to: (i) sublease the Land and the Improvements from the Company pursuant to the Company Lease, (ii) execute, deliver and perform the Company Lease, (iii) sub-lease the Facility to

the Company pursuant to the Lease Agreement, and (iv) execute, deliver and perform the Lease Agreement.

Section 5. 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 6. 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.

Section 7. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the acquisition of the Facility in the form of abatement of real property taxes on the Facility thereon (as set forth in the PILOT Schedule attached as Exhibit C hereof), all consistent with the policies of the Agency.

Section 8. The Company agrees to comply with Section 875 of the Act. The Company further agrees that the abatements provided pursuant to the Act pursuant to this 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 Lease Agreement.

Section 9. The form and substance of the Company Lease and the Lease Agreement (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 10.

(a) The Chairman, Vice 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 Company Lease and the Lease Agreement, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Executive Director, Deputy 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, Deputy Executive Director or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Vice Chairman, Executive Director, Deputy 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 11. 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 12. 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 21st day of August, 2018, 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 in all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 21st day of August, 2018.

By:   
Assistant Secretary

EXHIBIT A

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**NOTICE OF PUBLIC HEARING**

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**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 (“the **Agency**”) on the 21st day of August, 2018, at \_\_\_\_\_ a.m., local time, at 40 Nassau Avenue, Islip, New York 11751 in connection with the following matters:

U.S. Alliance Paper, Inc., a New York business corporation on behalf of itself and/or the principals of U.S. Alliance Paper, Inc. 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: acquisition of an approximately 10.55 acre parcel of land located at 101 and 111 Heartland Boulevard, Edgewood, New York 11717 (the “**Land**”), and two approximately 80,000 square foot buildings located thereon (the “**Improvements**”, and together with the Land, the “**Facility**”), and which Facility is to be used by the Company for its business as a manufacturer of paper napkins, towels, and facial and bath tissues. The Facility will be initially operated and/or managed by the Company.

The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Facility, exemptions from sales and use taxes in connection with the renovation and equipping of the Facility and exemption of real property taxes 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 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 \_\_, 2018

TOWN OF ISLIP INDUSTRIAL  
DEVELOPMENT AGENCY

By: William G. Mannix  
Title: Executive Director



EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON  
AUGUST \_\_, 2018 AT \_\_\_\_ A.M.

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY  
(U.S. ALLIANCE PAPER, INC. 2018 FACILITY)

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1. \_\_\_\_\_, \_\_\_\_\_ of the Town of Islip Industrial Development Agency (the “**Agency**”) called the hearing to order.

2. The \_\_\_\_\_ then appointed \_\_\_\_\_, the \_\_\_\_\_ of the Agency, 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:

U.S. Alliance Paper, Inc., a New York business corporation on behalf of itself and/or the principals of U.S. Alliance Paper, Inc. 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: acquisition of an approximately 10.55 acre parcel of land located at 101 and 111 Heartland Boulevard, Edgewood, New York 11717 (the “**Land**”), and two approximately 80,000 square foot buildings located thereon (the “**Improvements**”, and together with the Land, the “**Facility**”), and which Facility is to be used by the Company for its business as a manufacturer of paper napkins, towels, and facial and bath tissues. The Facility will be initially operated and/or managed by the Company.

The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Facility, exemptions from sales and use taxes in connection with the renovation and equipping of the Facility and exemption of real property taxes 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 \_\_\_\_\_.



EXHIBIT C

Proposed PILOT Benefits

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), Brentwood Union Free School District, Suffolk County which are or may be imposed for special improvements or special district improvements, that the Company would pay without exemption

Formula: 10-year abatement starting at 50% of assessed value decreasing 5% annually

Property Address: 101 and 111 Heartland Blvd, Edgewood, New York

Tax Map No.: 0500-134.00-05.00-003.001

Year

2019/2020	100% Normal Tax Due on 50% of the taxable assessed value
2020/2021	100% Normal Tax Due on 55% of the taxable assessed value
2021/2022	100% Normal Tax Due on 60% of the taxable assessed value
2022/2023	100% Normal Tax Due on 65% of the taxable assessed value
2023/2024	100% Normal Tax Due on 70% of the taxable assessed value
2024/2025	100% Normal Tax Due on 75% of the taxable assessed value
2025/2026	100% Normal Tax Due on 80% of the taxable assessed value
2026/2027	100% Normal Tax Due on 85% of the taxable assessed value
2027/2028	100% Normal Tax Due on 90% of the taxable assessed value
2028/2029	100% Normal Tax Due on 95% of the taxable assessed value
2029/2030	and beyond 100% Normal Tax on the full assessed value