

Date: April 17, 2019

At a meeting of the Town of Brookhaven Industrial Development Agency (the “Agency”), held at 1 Independence Hill, 2nd Floor, Farmingville, New York 11738, on the 17th day of April, 2019, the following members of the Agency were:

Present: Frederick C. Braun, III
Martin Callahan
Felix J. Grucci, Jr.
Gary Pollakusky
Ann-Marie Scheidt

Recused:

Excused: Scott Middleton
Frank C. Trotta

Also Present: Lisa M. G. Mulligan, Chief Executive Officer

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 (SHI-III Coram, LLC 2019 Facility) and the continued leasing of the facility to SHI-III Coram, LLC).

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

Voting Aye

Braun
Callahan
Grucci
Pollakusky
Scheidt

Voting Nay

RESOLUTION OF THE TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD AUTHORIZING THE REALLOCATION TO AN EXISTING PILOT SCHEDULE AND AN INCREASE IN MORTGAGE EXEMPTION FOR SHI-III CORAM, LLC 2019 FACILITY, AND THE 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 358 of the Laws of 1970 of the State of New York, as amended from time to time (collectively, the “**Act**”), the Town of Brookhaven 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, the Agency previously provided assistance to SHI-III Coram, LLC, a limited liability company organized and existing under the laws of the State of Delaware (the “**Company**”) consisting of (A) the acquisition of an approximately 3.65 acre parcel of land located at Middle Country Road, Coram, New York (also known as Tax Map No. 0200-449.00-04.00-025.000) (the “**Land**”), (B) the construction, equipping and furnishing of a 55,000 square foot, two (2) story building, featuring (i) 58 units (112 private bedrooms, comprised of 54 two bedroom suites with a common area, bathroom and kitchenette and 4 studio apartments), (ii) 43 two bedroom suites and 2 studio units for (88 bedrooms), for Assisted Living, and (iii) 11 two bedroom suites and 2 studios (24 private bedrooms) for Memory Care residents, including common areas consisting of dining facilities, recreational areas, common meeting areas, and other amenities and the furnishing thereof including, but not limited to furniture, appliances in the units, kitchen equipment, telephone systems, audio-visual equipment, security equipment and exercise equipment (collectively, the “**Equipment**” and “**Improvements**” and, together with the Land, the Equipment and the Improvements, the “**Facility**”), which Facility is subleased by the Agency to the Company to be known as All American Assisted Living at Coram and used by the Company to provide senior housing, assisted living and/or memory care services (the “**Project**”); and

WHEREAS, the Company leased the Facility to the Agency pursuant to a Company Lease Agreement, dated as of March 1, 2019 (the “**Company Lease**”), between the Company and the Agency; and

WHEREAS, the Agency currently leases the Facility to the Company pursuant to a Lease and Project Agreement, dated as of March 1, 2019 (the “**Lease Agreement**”), between the Agency and the Company; and

WHEREAS, the Agency previously approved financial assistance to the Company consistent with the policies of the Agency, in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount estimated to be \$11,673,000

but not to exceed \$13,000,000, in connection with the financing of the acquisition, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, constructing and equipping the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed \$790,649, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A-1 hereof); and

WHEREAS, the Company has requested the Agency to revise the schedule of abatement of real property taxes (the “**Reallocation**”) in order to increase the starting PILOT payment from \$18,259 to \$150,000 and thereafter increase the PILOT payments the Company will pay by 6.7% throughout the life of the PILOT (as set forth in the revised PILOT Schedule attached as Exhibit A-2 hereof); and

WHEREAS, such Reallocation will create smaller future increases in PILOT payments but will not affect the total PILOT payments previously approved by the Agency, to-wit \$2,993,079; and

WHEREAS, in order to complete the acquisition, construction and equipping of the Facility, the Company has requested that the Agency increase the maximum amount of exemptions from mortgage recording taxes for one or more mortgages from \$13,000,000 to not to exceed \$14,000,000 (the “**Mortgage Increase**”); and

WHEREAS, the Agency contemplates providing financial assistance to the Company consistent with the policies of the Agency, in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount estimated to be \$11,673,000 but not to exceed \$14,000,000, in connection with the financing of the acquisition, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, constructing and equipping the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed \$790,649, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A-2 hereof); and

WHEREAS, to provide for the Reallocation and the Mortgage Increase, the Agency and the Company will enter into a certain Amendment to Lease Agreement, dated as of April 1, 2019, or such other date as may be determined by the Chairman, Chief Executive Officer and counsel to the Agency (the “**Amendment to Lease Agreement**”), by and between the Agency and the Company; 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

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, construction and equipping of the Facility and the continued subleasing and leasing 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 Brookhaven, 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, construction 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) The Amendment to Lease Agreement will be effective instruments whereby the Agency grants the Reallocation and the Mortgage Increase to the Company.

Section 2. In consequence of the foregoing, the Agency hereby (i) approves the Reallocation and the Mortgage Increase, (ii) approves the form and substance of the Amendment to Lease Agreement, and (iii) authorizes the execution and delivery of the Amendment to Lease Agreement and such other related documents as may be necessary or appropriate to effect the Reallocation and the Mortgage 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, the Amendment to Lease Agreement and all documents necessary to effect the Reallocation and the Mortgage Increase described in the foregoing resolution.

Section 4. The Chairman, the Chief Executive Officer, 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)

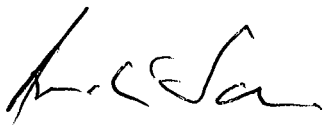
I, the undersigned Secretary of the Town of Brookhaven Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Town of Brookhaven Industrial Development Agency (the “**Agency**”), including the resolutions contained therein, held on the 17th day of April, 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 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 17th day of April, 2019.

By: 

Secretary

EXHIBIT A-1

Current PILOT Benefits

Schedule of payments-in-lieu-of-taxes: Town of Brookhaven, (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), Longwood Central School District, Suffolk County and Appropriate Special Districts

Property Address: 463 Middle Country Road, Coram, New York

Tax Map Number: 0200-449.00-04.00-025.000

<u>Year</u>	<u>Tax Year</u>	<u>Payment</u>
1.	2019/2020	\$18,259
2.	2020/2021	18,624
3.	2021/2022	18,997
4.	2022/2023	47,366
5.	2023/2024	96,626
6.	2024/2025	147,837
7.	2025/2026	201,059
8.	2026/2027	256,350
9.	2027/2028	313,773
10.	2028/2029	373,390
11.	2029/2030	435,266
12.	2030/2031	499,468
13.	2031/2032	566,064
	and thereafter	100% of full taxes and assessments on the Facility

EXHIBIT A-2

Reallocated PILOT Benefits

Schedule of payments-in-lieu-of-taxes: Town of Brookhaven, (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), Longwood Central School District, Suffolk County and Appropriate Special Districts

Property Address: 463 Middle Country Road, Coram, New York

Tax Map Number: 0200-449.00-04.00-025.000

<u>Year</u>	<u>Tax Year</u>	<u>Payment</u>
1.	2019/2020	\$150,000
2.	2020/2021	160,275
3.	2021/2022	171,254
4.	2022/2023	182,985
5.	2023/2024	195,519
6.	2024/2025	208,912
7.	2025/2026	223,223
8.	2026/2027	238,513
9.	2027/2028	254,852
10.	2028/2029	272,309
11.	2029/2030	290,962
12.	2030/2031	310,893
13.	2031/2032	333,382
	and thereafter	100% of full taxes and assessments on the Facility