

This PDF includes the following documents:

- Omega Moulding Resolution Authorizing Refinancing (Draft)
- Marriott Resolution Authorizing PILOT Extension (Draft)
- Sayville-Browning Authorizing Resolution (Draft)

Date: November 19, 2014

At a meeting of the Town of Brookhaven Industrial Development Agency (the “Agency”), held at 1 Independence Hill, Farmingville, New York 11738 on the 19th day of November, 2014, the following members of the Agency were:

Present:

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 proposed the authorization of mortgage financing and the execution of related loan documents in connection with a certain industrial development facility more particularly described below (BKP Realty Associates, LLC/Omega Moulding Company, Ltd. Facility) and approving the execution and delivery of related documents.

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

Voting Aye

Voting Nay

RESOLUTION OF THE TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING A
MORTGAGE FINANCING AND THE EXECUTION AND
DELIVERY OF LOAN DOCUMENTS IN CONNECTION
THEREWITH FOR THE BKP REALTY ASSOCIATES, LLC,
OMEGA MOULDING COMPANY, LTD. FACILITY AND
APPROVING THE FORM, SUBSTANCE, EXECUTION AND
DELIVERY OF SUCH 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 the same may be 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 certain industrial development projects as authorized by the Act; and

WHEREAS, the Agency previously assisted in the acquisition of an approximately 10.5 acre parcel of land located at 1 Sawgrass Drive, Bellport, New York (the “**Land**”), and the construction and equipping thereon of an approximately 130,000 square foot building including, without limitation, the furnishing and equipping of corporate office and warehouse space (the “**Improvements and Equipment**”; and, together with the Land, the “**Facility**”), which Facility is being leased by the Agency to BKP Realty Associates, LLC, a limited liability company organized and existing under the laws of the State of New York (the “**Company**”), and subleased by the Company to, and used by, Omega Moulding Company, Ltd., a business corporation organized and existing under the laws of the State of New York and/or its affiliates (collectively, the “**Sublessee**”), for the manufacturing, importing and distribution of stock and custom wood and pre-finished mouldings, frames and picture frame hardware; and

WHEREAS, the Agency currently leases the Facility to the Company pursuant to a certain Lease Agreement, dated as of February 1, 2003 (the “**Original Lease Agreement**”), between the Agency and the Company, a memorandum of which Original Lease Agreement was to be recorded in the Suffolk County Clerk’s office; and

WHEREAS, the Company subleased the Original Facility to the Sublessee pursuant to and in accordance with a certain Sublease Agreement, dated as of February 1, 2003 (the “**Sublease Agreement**”), between the Company and the Sublessee, and a memorandum of which Sublease Agreement was to be recorded in the Suffolk County Clerk’s office; and

WHEREAS, in connection with the leasing and the subleasing of the Original Facility, the Agency, the Company and the Sublessee entered into a Payment-in-Lieu-of-Tax Agreement, dated as of February 1, 2003 (the “**Original PILOT Agreement**”), whereby the Company and the Sublessee agreed to make certain payments-in-lieu-of real property taxes on the Original Facility (as defined therein); and

WHEREAS, in connection with the leasing and the subleasing of the Original Facility, the Agency, the Company and the Sublessee entered into an Environmental

Compliance and Indemnification Agreement, dated as of February 1, 2003 (the “**Environmental Compliance and Indemnification Agreement**”), whereby the Company and the Sublessee agreed to comply with all Environmental Laws (as defined therein) applicable to the Original Facility; and

WHEREAS, the Agency previously consented to a request from the Company to amend the Original Lease Agreement pursuant to the terms of an Amendment of Lease Agreement, dated as of February 1, 2004 (the “**Amendment of Lease**”), to reflect a refinancing by the Company with the First Mortgagee and the Second Mortgagee (as defined therein); and

WHEREAS, the Agency previously consented to a request from the Company and the Sublessee in connection with an extension of the abatement of real property taxes on the Facility for a term of up to five (5) additional years (the “**PILOT Extension**”); and

WHEREAS, the Company has now requested the Agency’s consent to enter into a refinancing with Manufacturers and Traders Trust Company or such other lender as may be determined (the “**Lender**”), with respect to the Facility in the aggregate principal amount presently estimated to be \$5,000,000 (the “**2014 Loan**”); and

WHEREAS, as security for such 2014 Loan being made to the Company by the Lender, the Company has submitted a request to the Agency that it join with the Company in executing and delivering to the 2014 Lender one or more mortgages and such other loan documents, satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably requested by the 2014 Lender (the “**2014 Loan Documents**”); and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company, consistent with the policies of the Agency, in the form of exemptions from mortgage recording taxes securing the principal amount presently estimated to be \$5,000,000 but not to exceed \$6,000,000 in connection with the financing or refinancing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the Facility; 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;

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 transactions contemplated by the financing or refinancing of the Facility and the continued leasing and subleasing of the Facility.

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.
- (b) The Facility continues to constitute a “project”, as such term is defined in the Act.
- (c) The financing or refinancing of the acquisition, construction and equipping of the Facility will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Brookhaven, Suffolk County and the State of New York and improve their standard of living and thereby serve the public purposes of the Act.
- (d) The financing or refinancing of the acquisition, construction and equipping of the Facility as contemplated in this resolution is reasonably necessary to maintain the competitive position of the Company in its industry.
- (e) Based upon representations of the Company and counsel to the Company, the Facility continues to conform with the local zoning laws and planning regulations of the Town of Brookhaven and all regional and local land use plans for the area in which the Facility is located.
- (f) It is desirable and in the public interest for the Agency to assist in the financing or refinancing of the acquisition, construction and equipping of the Facility.
- (g) The 2014 Loan Documents will be effective instruments whereby the Agency and the Company agree to secure the 2014 Loan and assign to the 2014 Lender their respective rights under the Lease Agreement (except the Agency’s Unassigned Rights as defined therein).

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) grant a mortgage on and security interest in and to the Facility pursuant to a certain mortgage and security agreement for the benefit of the Lender (the “**2014 Mortgage**”), (ii) execute, deliver and perform the 2014 Mortgage, and (iii) execute, deliver and perform such other related documents, that the Agency is a party, as may be necessary or appropriate to effect the 2014 Loan or any subsequent refinancing of the 2014 Mortgage.

Section 3. Subject to the provisions of this resolution and the Lease Agreement, the Agency is hereby authorized to do all things necessary or appropriate for the execution, delivery and performance of the 2014 Loan Documents and such other related documents as may be necessary or appropriate to effect the 2014 Loan, or any subsequent refinancing of the 2014 Loan, and all acts heretofore taken by the Agency with respect to such financing or refinancing are hereby approved, ratified and confirmed.

Section 4. Subject to the provisions of this resolution and the Lease Agreement, the Agency hereby authorizes and approves the following economic benefits to be granted to

the Company in the form of exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be \$5,000,000 but not to exceed \$6,000,000, in connection with the financing or refinancing 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 of the Facility.

Section 5. Subject to the provisions of this resolution and the Lease Agreement, (a) the Chairman, Chief Executive Officer, and all other members of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the 2014 Loan Documents together with such other related documents as may be, in the judgment of the Chairman and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “**Agency Documents**”). The execution thereof by the Chairman, Chief Executive Officer, or any member of the Agency shall constitute conclusive evidence of such approval; and

(b) the Chairman, Chief Executive Officer, and any member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional authorized representatives of the Agency.

Section 6. Subject to the provisions of this resolution and the Lease Agreement, 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 7. Any expenses incurred by the Agency with respect to the financing or refinancing of the Facility shall be paid by the Company. By acceptance hereof, the Company agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the financing or refinancing of the Facility.

Section 8. This resolution shall take effect immediately.

ADOPTED: November 19, 2014

ACCEPTED: _____ 2014

BKP REALTY ASSOCIATES, LLC

By: _____

Name:

Title:

Date: November 19, 2014

At a meeting of the Town of Brookhaven Industrial Development Agency (the “Agency”), held at 1 Independence Hill, 3rd Floor, Farmingville, New York 11738 on the 19th day of November, 2014 the following members of the Agency were:

Present:

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 pertaining to the modification and extension of certain payment-in-lieu-of tax benefits for a certain industrial development facility more particularly described below (Sayville Browning Properties Inc./Browning Hotel Associates, LLC Facility).

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

Voting Aye

Voting Nay

RESOLUTION OF THE TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE MODIFICATION AND EXTENSION OF THE PILOT BENEFITS OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY FOR SAYVILLE BROWNING PROPERTIES INC. AND BROWNING HOTEL ASSOCIATES, LLC FACILITY, AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND AMENDMENT AND MODIFICATION AGREEMENT AND A SECOND AMENDED AND RESTATED PAYMENT-IN-LIEU OF TAX AGREEMENT AND APPROVING THE FORM, SUBSTANCE AND EXECUTION AND DELIVERY 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 the same may be 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 certain industrial development projects as authorized by the Act; and

WHEREAS, the Agency previously assisted in the acquisition of an approximately 4 acre parcel of land located at 5000 Express Drive South, in Ronkonkoma, Town of Brookhaven, Suffolk County, New York (the “**Land**”), and (i) the construction and equipping of an approximately 111,848 square foot building thereon, and (ii) the construction and equipping of an approximately 2,400 square foot building thereon, to be used as a sewage treatment plant (the “**Improvements**” and “**Equipment**”; and, together with the Land, collectively the “**Original Facility**”), which Facility is being leased by the Agency to Sayville Browning Properties, Inc., business corporation organized and existing under the laws of the State of New York (the “**Company**”), and subleased by the Company to, and used by, Browning Hotel Associates, LLC a business corporation organized and existing under the laws of the State of New York and/or its affiliates (collectively, “**Browning**” and the “**Sublessee**”), used as a 154 unit extended stay all-suite hotel and conference center for business travelers and as a tourism destination (known as Courtyard by Marriott); and

WHEREAS, the Agency has previously acquired title to the Original Facility and leased the Original Facility to Browning upon the terms and conditions set forth in the Lease Agreement, dated as of July 1, 2000 (the “**Original Lease Agreement**”), which Original Lease Agreement was recorded in the Suffolk County Clerk’s Office on July 18, 2000 in Liber 12056, Page 534, by and between the Agency and Browning; and

WHEREAS, in connection with the leasing of the Original Facility, the Agency and Browning entered into a Payment-in-Lieu-of-Tax Agreement, dated July 1, 2000 (the “**Original PILOT Agreement**”), whereby Browning agreed to make certain payments in lieu of real property taxes on the Original Facility; and

WHEREAS, in connection with the leasing of the Original Facility, the Agency and Browning entered into an Environmental Compliance and Indemnification Agreement, dated

July 1, 2000 (the “**Original Environmental Compliance and Indemnification Agreement**”), whereby, among other things, Browning agreed to comply with all Environmental Laws (as defined in the Environmental Compliance and Indemnification Agreement) applicable to the Original Facility; and

WHEREAS, the Original Lease Agreement was assigned to the Company by a certain Assignment, Assumption and Release Agreement, dated as of December 1, 2000 (the “**Assignment**”), by and among the Agency, Browning and the Company, and which Assignment was recorded in the Suffolk County Clerk’s Office on August 20, 2002 in Liber 12204, Page 501; and

WHEREAS, the Original Lease Agreement was modified as to certain of the definitions pursuant to a certain Second Lease Modification Agreement, dated as of November 1, 2003 (the “**Second Lease Modification Agreement**”), by and between the Agency and the Company; and

WHEREAS, the Original Lease Agreement was modified as to certain of the definitions pursuant to a certain Third Lease Modification Agreement, dated as of December 1, 2005 (the “**Third Lease Modification Agreement**”); and, together with the Second Lease Modification Agreement, the Assignment, and the Original Lease Agreement, the “**Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, the Company previously acquired a parcel of land adjacent to the Original Facility from the New York State Department of Transportation (the “**NYSDOT Parcel**”) and, in connection therewith, the Agency accepted title to the NYSDOT Parcel and then immediately transfer such title to the Company pursuant to a Quitclaim Deed (the “**Quitclaim Deed**”), which Quitclaim Deed was recorded in the Suffolk County Clerk’s Office on July 18, 2000 in Liber 12056 Page 532; and

WHEREAS, the Agency previously consented to a request by the Company to refinance certain loans through a loan in the amount of Twenty Million and 00/100 Dollars (\$20,000,000) (the “**2005 Loan**”) from LaSalle Bank National Association (the “**2005 Bank**”) and, in connection therewith, consented to enter into (i) a Mortgage, Security Agreement and Fixture Filing, dated December 1, 2005 (the “**2005 Mortgage**”); and (ii) an Assignment of Leases and Rents, dated December 1, 2005 (the “**2005 Assignment of Leases and Rents**”), each from the Agency and the Company to the 2005 Bank; and

WHEREAS, the Agency’s consent to the 2005 Loan was amended to reflect that the 2005 Bank issued two (2) mortgages to total the previously approved amount of \$20,000,000 and include an Amended, Restated and Consolidated Mortgage, Security Agreement and Fixture Filing, dated as of December 1, 2005 (the “**2005 First Mortgage**”), from the Company, the Sublessee and the Agency to the 2005 Bank, securing the principal amount of \$16,000,000; and

WHEREAS, the 2005 Bank also required an Amended, Restated and Consolidated Mortgage, Security Agreement and Fixture Filing, dated as of December 1, 2005 (the “**2005**

Second Mortgage”), from the Company and the Sublessee to the 2005 Bank, covering the NYSDOT Parcel and securing the principal amount of \$4,000,000; and

WHEREAS, to further secure the 2005 First Mortgage made by the 2005 Bank to the Company, the 2005 Bank required an Assignment of Leases and Rents, dated as of December 1, 2005 (the “**2005 First Assignment**”; and together with the 2005 First Mortgage, the “**2005 Agency Loan Documents**”), from the Company, the Sublessee and the Agency to the 2005 Bank; and

WHEREAS, to further secure the 2005 Second Mortgage made by the 2005 Bank to the Company, the 2005 Bank required an Assignment of Leases and Rents, dated as of December 1, 2005 (the “**2005 Second Assignment**”; together with the 2005 First Loan, the 2005 First Assignment, the 2005 Second Loan, the “**Loan Documents**”), from the Company and the Sublessee to the 2005 Bank with respect to the NYSDOT Parcel; and

WHEREAS, the Company previously entered into a certain Agreement of Sublease, December 1, 2005 (the “**Sublease Agreement**”), between the Company and the Sublessee and, in connection therewith, requested that the Agency consent to the Sublease Agreement between the Company and the Sublessee; and

WHEREAS, in connection with such consent the Agency required that the Sublessee enter into an Agency Compliance Agreement, dated as of December 1, 2005 (the “**Agency Compliance Agreement**”), between the Agency and the Sublessee; and

WHEREAS, in connection with such consent the Agency also required that the Company and the Sublessee enter into an Amended and Restated Payment-in-Lieu-of-Tax Agreement, dated as of December 1, 2005 (the “**Amended and Restated PILOT Agreement**”), by and among the Agency, the Company and the Sublessee; and

WHEREAS, in connection with such consent the Agency also required that the Company and the Sublessee enter into an Amended and Restated Environmental Compliance and Indemnification Agreement, dated as of December 1, 2005 (the “**Amended and Restated Environmental Compliance and Indemnification Agreement**”; and, together with the Original Environmental Compliance and Indemnification Agreement, the “**Environmental Compliance and Indemnification Agreement**”), by and among the Agency, the Company and the Sublessee; and

WHEREAS, the Facility is currently used in making retail sales to customers who visit the Original Facility and would be considered a “retail facility” in accordance with the provisions of Section 862(a) of the Act, however, based upon the representations and warranties of the Company in the application for financial assistance filed by the Company with the Agency, dated October 19, 2009 (the “**Application**”), the Original Facility is a “Tourism Destination” as defined in Section 862(2)(a) of the Act and therefore not subject to the prohibitions on retail facilities contained in Section 862(2)(a) of the Act, which was in effect on the Closing Date of the Original Facility; and

WHEREAS, the Company and the Sublessee previously requested the Agency to provide its assistance in additional renovations to the Facility including renovations of the

guest rooms, including, but not limited to, wallpaper, carpeting, furniture, life and safety, sprinkler and fire alarms, bathrooms and electronics and renovations to the conference center, meeting rooms and lobby and prefunction corridors (collectively, the “**Additional Renovations**”); and, together with the Original Facility, the “**Facility**”); and

WHEREAS, the Original Lease Agreement was modified as to certain of the definitions pursuant to a certain Amendment and Modification Agreement, dated as of December 1, 2009 (the “**Amendment and Modification Agreement**”), by and among the Agency, the Company and the Sublessee; and,

WHEREAS, the Company and the Sublessee have now requested the Agency’s assistance in connection with an extension of the abatement of real property taxes on the Facility for a term of up to five (5) additional years (the “**PILOT Extension**”); and

WHEREAS, the PILOT Extension will permit the Company and the Sublessee to retain the more than 64 jobs at the Facility and to provide the Company and the Sublessee with much needed economic relief as the expenses and costs of doing business on Long Island increases each year; and

WHEREAS, in consideration for the Agency to approve the PILOT Extension, the Company has agreed to undertake the construction and equipping of a second hotel (the “**2014 Project**”) to be located on the parcel of land adjacent to the Facility, and in connection with the 2014 Project, the Agency has agreed to provide financial assistance to the Company and the Sublessee in the form of a modification and extension of current abatements of real property taxes on the Facility, which extension shall be for an additional period of five (5) years, consistent with the policies of the Agency; and

WHEREAS, the PILOT Extension shall coincide with the terms of the Original Lease Agreement, as amended by the Assignment, as amended by the Second Lease Modification Agreement, as amended by the Third Lease Modification Agreement, as amended by the Amendment and Modification Agreement, as further amended pursuant to a certain Second Amendment and Modification Agreement, dated as of November 1, 2014 or such other date as may be determined by the Chairman, Chief Executive Officer or counsel to the Agency (the “**Second Amendment and Modification Agreement**”); and, together with the Original Lease, the Assignment, the Second Lease Modification Agreement, the Third Lease Modification Agreement, and the Amendment and Modification Agreement, the “**Lease Agreement**”), between the Agency and the Company; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company and the Sublessee consistent with the policies of the Agency, in the form of the PILOT Extension, consistent with the policies of the Agency, all pursuant to a certain Second Amended and Restated PILOT Agreement, dated as of November 1, 2014 or such other date as may be determined by the Chairman, Chief Executive Officer or counsel to the Agency (the “**Second Amended and Restated PILOT**”); and, together with the Original PILOT Agreement, as amended by the Amended and Restated PILOT Agreement, the “**PILOT Agreement**”); 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, prior to the granting of the proposed benefits, a public hearing (the “**Hearing**”) will be held on November 25, 2014, so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency or the location or nature of the Facility could be heard; and

WHEREAS, notice of the Hearing was given on November 15, 2014, 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 will be annexed hereto as Exhibit B; and

WHEREAS, the Agency has given due consideration to the application of the Company and the Sublessee and to the representations by the Company and the Sublessee that the actions of the Agency as contemplated by this resolution, the Second Amendment and Modification Agreement and the Second Amended and Restated PILOT Agreement, are either an inducement to the Company and the Sublessee to maintain and expand the Facility in the Town of Brookhaven or are necessary to maintain the competitive positions of the Company and the Sublessee in their respective industries; 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 PILOT Extension and the continued leasing of the Facility to the Company; 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;

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

(c) The continued leasing of the Facility by the Agency to the Company and further subleasing by the Company to the Sublessee will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Brookhaven and the State of New York and improve their standard of living and thereby serve the public purposes of the Act;

(d) Based upon representations of the Company, the Sublessee and their counsel, the Facility continues to conform with the local zoning laws and planning regulations of the Town of Brookhaven and all regional and local land use plans for the area in which the Facility are located;

(e) The Facility and the operations conducted therein does 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;

(f) The Agency has determined that the proposed PILOT Extension will promote and further the purposes of the Act;

(g) It is desirable and in the public interest for the Agency consent to the PILOT Extension and to continue to lease the Facility to the Company for further subleasing of the Facility by the Company to the Sublessee;

(h) The Second Amendment and Modification Agreement will be an effective instrument whereby the Agency and the Company agree to extend the term of the Original Lease for a term of up to five (5) years and the Agency will continue to lease the Facility to the Company and the Company will sublease the Facility to the Sublessee; and

(i) The Second Amended and Restated Payment-in-Lieu-of-Tax Agreement, will be an effective instrument whereby the Agency, the Company and the Sublessee set forth the terms and conditions of the PILOT Extension regarding the Company's and the Sublessee's payments in lieu of real property taxes in connection with the Facility.

Section 2. Subject to the provisions of this resolution, the Agency hereby determines to: (i) grant an extension of the Original Lease Agreement for an additional term of up to five (5) years Facility to the Company pursuant to the Second Amendment and Modification Agreement, (ii) execute, deliver and perform the Second Amendment and Modification Agreement, and (iii) amend and restate the Original PILOT Agreement, as amended pursuant to the Second Amended and Restated PILOT Agreement to reflect the PILOT Extension, (iv) execute, deliver and perform the Second Amended and Restated PILOT Agreement.

Section 3. Subject to the provisions of this resolution, the Agency is hereby authorized to grant the PILOT Extension 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 form and substance of the Second Amendment and Modification Agreement and the Second Amended and Restated PILOT Agreement to which the Agency is a party (each in substantially the forms presented to or approved by the Agency and which, prior to the execution and delivery thereof, may be redated) are hereby approved.

Section 5. Subject to the provisions of this resolution,

(a) the Chairman, Vice Chairman, Chief Executive Officer, or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Second Amendment and Modification Agreement and the Amended and Restated PILOT Agreement in substantially the form thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Chief Executive Officer, or any member of the Agency shall approve, and such other related documents as may be, in the

judgment of the Chairman and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “**Agency Documents**”). The execution thereof by the Chairman, Chief Executive Officer, or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Chief Executive Officer, or any member of the Agency is further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency.

Section 6. Subject to the provisions of this resolution, the Agency hereby authorizes and approves the following economic benefits to be granted to the Company and the Sublessee in connection with the Facility in the form of the PILOT Extension (as set forth in the PILOT Schedule attached as Exhibit C hereof), consistent with the policies of the Agency, consistent with the policies of the Agency.

Section 7. The Company and the Sublessee hereby agree to comply with Section 875 of the Act. The Company and the Sublessee further agree that the PILOT Extension pursuant to the Act is subject to termination and recapture of benefits pursuant to Section 875 of the Act.

Section 8. The law firm of Nixon Peabody LLP is hereby appointed Transaction Counsel to the Agency.

Section 9. Counsel to the Agency and Transaction Counsel are hereby authorized to work with counsel to the Company and others to prepare, for submission to the Agency, all documents necessary to effect the described PILOT Extension in the foregoing resolution.

Section 10. 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 11. Any fees, expenses, including without limitation, legal fees and expenses, incurred by the Agency with respect to the Facility shall be paid by the Company and the Sublessee. By acceptance hereof, the Company and the Sublessee agree to pay such fees and expenses and further agrees to defend and indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Facility.

Section 12. This resolution shall take effect immediately.

ADOPTED: November 19, 2014

ACCEPTED: _____ 2014

**SAYVILLE BROWNING
PROPERTIES, INC.**

By: _____
Name:
Title:

**BROWNING HOTEL
ASSOCIATES LLC**

By: _____
Name:
Title:

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 19th day of November, 2014, 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.

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 19th day of November, 2014.

By: _____
Secretary

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York State General Municipal Law, will be held by the Town of Brookhaven Industrial Development Agency on the 25th day of November, 2014 at _____ a.m., local time, at One Independence Hill, 3rd Floor, Farmingville, New York, in connection with the following matters:

The Town of Brookhaven Industrial Development Agency (the “**Agency**”), has previously assisted in the acquisition of an approximately 4 acre parcel of land located at 5000 Express Drive South, in Ronkonkoma, Town of Brookhaven, Suffolk County, New York (the “**Land**”), and (i) the construction and equipping of an approximately 111,848 square foot building thereon, and (ii) the construction and equipping of an approximately 2,400 square foot building thereon, to be used as a sewage treatment plant (the “**Improvements**” and “**Equipment**”; and, together with the Land, collectively the “**Facility**”), which Facility is being leased by the Agency to Sayville Browning Properties, Inc., business corporation organized and existing under the laws of the State of New York (the “**Company**”), and subleased by the Company to, and used by, Browning Hotel Associates, LLC a business corporation organized and existing under the laws of the State of New York and/or its affiliates (collectively, the “**Sublessee**”), used as a 154 unit extended stay all-suite hotel and conference center for business travelers and as a tourism destination (known as Courtyard by Marriott). The Facility is owned by the Company and operated by the Sublessee.

The Company and the Sublessee have requested the Agency’s assistance in connection with an extension of the abatement of real property taxes on the Facility for a term of up to five (5) additional years.

The Agency contemplates that it will provide financial assistance to the Company and the Sublessee in the form of an extension of the abatement of real property taxes for a period of up to five (5) years, 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 the proposed financial assistance to the Company and the Sublessee.

Dated: November 15, 2014

TOWN OF BROOKHAVEN INDUSTRIAL
DEVELOPMENT AGENCY

By: Lisa MG Mulligan
Title: Chief Executive Officer

AFFIDAVIT OF PUBLICATION

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

_____, being duly sworn, says that he is an officer of _____,
the publisher of a newspaper circulated generally throughout the Town of Brookhaven, New
York, and that the notice annexed hereto was published in said paper on the 15th day of
November, 2014.

Officer

Copy of
Legal Notice

Sworn to before me this ____
day of _____, 2014

Notary Public

EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON
NOVEMBER 25, 2014

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
(Sayville Browning Properties Inc./Browning Hotel Associates, LLC Facility)

1. Lisa MG Mulligan, Chief Executive Officer of the Town of Brookhaven Industrial Development Agency (the “**Agency**”) called the hearing to order.

2. The Chief Executive Officer then described the location and nature of the Facility to be financed as follows:

The Town of Brookhaven Industrial Development Agency (the “**Agency**”), has previously assisted in the acquisition of an approximately 4 acre parcel of land located at 5000 Express Drive South, in Ronkonkoma, Town of Brookhaven, Suffolk County, New York (the “**Land**”), and (i) the construction and equipping of an approximately 111,848 square foot building thereon, and (ii) the construction and equipping of an approximately 2,400 square foot building thereon, to be used as a sewage treatment plant (the “**Improvements**” and “**Equipment**”; and, together with the Land, collectively the “**Facility**”), which Facility is being leased by the Agency to Sayville Browning Properties, Inc., business corporation organized and existing under the laws of the State of New York (the “**Company**”), and subleased by the Company to, and used by, Browning Hotel Associates, LLC a business corporation organized and existing under the laws of the State of New York and/or its affiliates (collectively, the “**Sublessee**”), used as a 154 unit extended stay all-suite hotel and conference center for business travelers and as a tourism destination (known as Courtyard by Marriott). The Facility is owned by the Company and operated by the Sublessee.

The Company and the Sublessee have requested the Agency’s assistance in connection with an extension of the abatement of real property taxes on the Facility for a term of up to five (5) additional years.

The Agency contemplates that it will provide financial assistance to the Company and the Sublessee in the form of an extension of the abatement of real property taxes for a period of up to five (5) years, consistent with the policies of the Agency

3. The hearing officer then opened up the hearing for comments from the floor for or against the location and nature of the Facility. The following is a listing of the persons heard and a summary of their views:

4. The _____ then asked if there were any further comments and, there being none, the hearing was closed at _____ .m.

Chief Executive Officer

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 foregoing copy of the minutes of a public hearing held by the Town of Brookhaven Industrial Development Agency (the “**Agency**”) on November 25, 2014, at 10:00 a.m. local time, at the Town of Brookhaven Department of Economic Development, 1 Independence Hill, 3rd Floor, Farmingville, New York 11738, with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of the minutes in connection with such matter.

IN WITNESS WHEREOF, I have hereunto set my hand as of November 25, 2014.

Chief Executive Officer

EXHIBIT C

Form of Proposed PILOT Benefits

PILOT Payments: 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), Suffolk County, Sachem Central School District and Appropriate Special Districts

Pilot Payment

Tax Year

1	2013/2014	20%	X	\$280,000 =	\$56,000
2	2014/2015	20%	X	\$280,000 =	\$112,000
3	2015/2016	40%	X	\$280,000 =	\$168,000
4	2016/2017	60%	X	\$280,000 =	\$224,000
5	2017/2018	80%	X	\$280,000 =	\$280,000
6	2018/2019	and thereafter Full Assessment			

Date: November 19, 2014

At a meeting of the Town of Brookhaven Industrial Development Agency (the “Agency”), held at 1 Independence Hill, 3rd Floor, Farmingville, New York 11738, on the 19th day of November, 2014, the following members of the Agency were:

Present:

Recused:

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 in and title to a certain industrial development facility more particularly described below (Sayville Browning Properties, Inc./Browning Extended Stay, LLC 2014 Facility) and the leasing of the facility to Sayville Browning Properties, Inc.

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

Voting Aye

Voting Nay

RESOLUTION OF THE TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE APPOINTMENT OF SAYVILLE BROWNING PROPERTIES, INC., A NEW YORK BUSINESS CORPORATION, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF SAYVILLE BROWNING PROPERTIES, INC. AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AND BROWNING EXTENDED STAY, LLC, A NEW YORK LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF BROWNING EXTENDED STAY, LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS AGENTS OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND EQUIPPING THE FACILITY, APPROVING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF SUCH INDUSTRIAL DEVELOPMENT FACILITY MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY 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 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, Sayville Browning Properties, Inc., a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Sayville Browning Properties, Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”) and Browning Extended Stay, LLC, a New York limited liability company, on behalf of itself and/or the principals of Browning Extended Stay, LLC, and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Sublessee**”) have requested the Agency’s assistance with (a) the construction of an approximately 102,225 square foot building together with additional parking and various site related improvements (the “**Improvements**”), on the Company’s approximately 2.45 acre parcel of land located at 65 Union Avenue, Ronkonkoma, Town of Brookhaven, Suffolk County, New York (more particularly known as S.C. Tax Map: District 0200, Section 800, Block 02, Lot 024) (the “**Land**”), and the acquisition and installation therein of certain equipment including but not limited to hotel related furniture, fixtures and equipment not part of the Equipment (as such term is defined herein) (the “**Facility Equipment**”; and, together with the Land and the Improvements, the “**Company Facility**”), which Company Facility is to be leased by the Agency to the Company and subleased by the Company to the Sublessee and (b) the acquisition and installation of certain equipment and personal property including, but not limited to hotel related furniture, fixtures and equipment

(the “**Equipment**”; and together with the Company Facility, the “**Facility**”), which Equipment is to be leased by the Agency to the Sublessee and which Facility is to be used by the Sublessee as an approximately 122 room hotel to provide a full range of services to the business and leisure traveler visiting the Town of Brookhaven, including the following as they relate to the acquisition, construction 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, construction 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, construction 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 acquire a leasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of November 1, 2014, or such other date as may be determined by the Chairman, Chief Executive Officer and counsel to the Agency (the “**Company Lease**”) by and between the Company and the Agency; and

WHEREAS, the Agency will acquire title to the Facility Equipment pursuant to a certain Bill of Sale, dated the Closing Date (the “**Bill of Sale**”) from the Company to the Agency; and

WHEREAS, the Agency will sublease and lease the Company Facility to the Company pursuant to a certain Lease Agreement, dated as of November 1, 2014, or such other date as may be determined by the Chairman, Chief Executive Officer and counsel to the Agency (the “**Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, the Agency will acquire title to the Equipment pursuant to a certain Equipment Bill of Sale, date the Closing Date (the “**Equipment Bill of Sale**”) from the Sublessee to the Agency; and

WHEREAS, the Agency will lease the Equipment to the Sublessee pursuant to a certain Equipment Lease Agreement, dated as of November 1, 2014, or such other date as may be determined by the Chairman, Chief Executive Officer and counsel to the Agency (the “**Equipment Lease Agreement**”), by and between the Agency and the Sublessee; and

WHEREAS, the Agency contemplates that it will provide 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 presently estimated to be \$13,000,000 but not to exceed \$15,600,000, in connection with the financing of the acquisition, constructing 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 \$601,266, in connection with the purchase or lease of equipment, building materials, services or other personal

property, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit C hereof), consistent with the policies of the Agency; 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, 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 the Sublessee and to representations by the Company and the Sublessee that the proposed Facility is either an inducement to the Company and the Sublessee to maintain and expand the Facility in the Town of Brookhaven or is necessary to maintain the competitive position of the Company and the Sublessee in their industry; and

WHEREAS, in order to define the Company’s 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 November 1, 2014, or such other date as may be determined by the Chairman, Chief Executive Officer and counsel to the Agency (the “**PILOT Agreement**”), pursuant to which the Company and Sublessee will make payments in lieu of taxes on the Facility; and

WHEREAS, in connection with the leasing of the Facility, the Agency, the Company and the Sublessee will enter into a certain Recapture Agreement, dated as of November 1, 2014, or such other date as may be determined by the Chairman, Chief Executive Officer 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**”), one or more 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, construction and equipping of the Facility (collectively, the “**Loan Documents**”); 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 and the Sublessee have 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 Agency constitutes an “Involved Agency” (as defined in SEQR);

WHEREAS, the Agency required the Company and the Sublessee to provide to the Agency a feasibility report (the “**Feasibility Study**”), together with letters or reports, if any, from interested parties and governmental agencies or officials (the “**Letters of Support**”) (the Feasibility Study and the Letters of Support are collectively, the “**Requisite Materials**”) to enable the Board of the Agency to make findings and determinations that the Facility qualifies as a “project” under the Act and that the Facility satisfies all other requirements of the Act; and

WHEREAS, the Company and the Sublessee have submitted the Requisite Materials to the Agency in connection with the Facility; and

WHEREAS, based on the Agency’s review of the Requisite Materials, the Agency has determined that the Facility will be a “Tourism Destination” as such is defined in Section 862(2)(a) of the Act and therefore the Facility is not subject to the prohibitions on providing financial assistance to retail facilities contained in Section 862(2)(a) of the Act; 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 leasing of the Facility by the Agency to the Company;

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 the Sublessee 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 or 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; and

(b) The Facility constitutes a “project”, as such term is defined in the Act and the Facility constitutes a Tourism Destination as defined in the Act and therefore is not subject to the prohibitions on providing financial assistance to retail facilities contained in Section 862 of the Act; and

(c) The acquisition, construction and equipping of the Company Facility, the leasing of the Company Facility to the Company, the subleasing of the Company Facility by the Company to the Sublessee, the acquisition of the Equipment by the Agency and the leasing thereof to the Sublessee 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 and the Sublessee to maintain and expand their 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 Brookhaven, 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 Company Lease will be an effective instrument whereby the Agency leases the Land and the Improvements from the Company; and

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

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

(k) 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

(l) 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

(m) The Environmental Compliance and Indemnification Agreement, dated as of November 1, 2014 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

(n) The Agency Compliance Agreement, dated as of November 1, 2014 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

(o) 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 3. In consequence of the foregoing, the Agency hereby determines to: (i) lease the Land and the Improvements from the Company pursuant to the Company Lease, (ii) execute, deliver and perform the Company Lease, (iii) lease the Company Facility to the Company pursuant to the Lease Agreement, (iv) execute, deliver and perform the Lease Agreement, (v) lease the Equipment to the Sublessee pursuant to the Equipment Lease Agreement, (vi) execute, deliver and perform the Equipment Lease Agreement, (vii) execute, deliver and perform the PILOT Agreement, (viii) execute, deliver and perform the Recapture Agreement, (ix) execute and deliver the Environmental Compliance and Indemnification Agreement, (x) execute and deliver the Agency Compliance Agreement, and (xi) execute, deliver and perform the Loan Documents to which the Agency is a party.

Section 4. 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 5. 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, constructing and equipping the Facility and any future Loan Documents in connection with any future refinancing or permanent financing of such costs of acquiring, constructing and equipping of the Facility without the need for any further or future approvals of the Agency.

Section 6. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company and the Sublessee in connection with the acquisition, construction and equipping of the Facility in the form of (i) exemptions from mortgage

recording taxes for one or more mortgages securing an amount presently estimated to be \$13,000,000 but not to exceed \$15,600,000, in connection with the financing of the acquisition, constructing 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 \$601,266, in connection with the purchase or lease of equipment, building materials, services or other personal property, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit C hereof), consistent with the policies of the Agency.

Section 7. Subject to the provisions of this resolution, the Company and the Sublessee are herewith and hereby appointed the agents of the Agency to acquire, construct equip the Facility. The Company and the Sublessee are hereby empowered to delegate their respective status as agent of the Agency to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company and the Sublessee may choose in order to acquire, construct and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company and 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 Company 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 Company and 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 Company and 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 Company and the Sublessee, as agent of the Agency. The aforesaid appointment of the Company and the Sublessee as agents of the Agency to acquire, construct 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 Company and the Sublessee have received exemptions from sales and use taxes in an amount not to exceed \$601,266 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 Company and/or the Sublessee if such activities and improvements are not completed by such time. The aforesaid appointment of the Company and the Sublessee is subject to the completion of the transaction and the execution of the documents contemplated by this resolution.

Section 8. 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 this Authorizing Resolution is subject to termination and recapture of benefits pursuant to Section 875 of the Act and the Recapture Agreement.

Section 9. The form and substance of the Company Lease, 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 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, Chief Executive Officer or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Company Lease, 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, Chief Executive Officer 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, Chief Executive Officer or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Chief Executive Officer 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. Any expenses incurred by the Agency with respect to the Facility shall be paid by the Company and/or the Sublessee. By acceptance hereof, the Company and the Sublessee agree to pay such expenses and further agree to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Facility.

Section 13. This resolution shall take effect immediately.

ADOPTED: November 19, 2014

ACCEPTED: November 19, 2014

SAYVILLE BROWNING PROPERTIES, INC.

By: _____
Name: Lee Browning, Sr.
Title: President

BROWNING EXTENDED STAY, LLC

By: _____
Name: Lee Browning, Sr.
Title: Managing Member

DRAFT

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the “**Code**”), and Article 18-A of the New York State General Municipal Law will be held by the Town of Brookhaven Industrial Development Agency (the “**Agency**”) on the 29th day of September 2014, at 10:00 a.m. local time, at the Town of Brookhaven Division of Economic Development, 2nd Floor, One Independence Hill, Farmingville, New York 11738, in connection with the following matters:

Sayville Browning Properties, Inc., a New York business corporation, on behalf of itself and/or the principals of Sayville Browning Properties, 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 the construction of an approximately 102,225 square foot building, on an approximately 2.45 acre parcel of land located at 65 Union Avenue, Ronkonkoma, Town of Brookhaven, Suffolk County, New York, (more particularly known as S.C. Tax Map: District 0200, Section 800, Block 02, Lot 024), together with additional parking and various related site improvements and the acquisition of hotel related furniture, fixtures and equipment to be used as an approximately 122 room hotel to provide a full range of services to the business and leisure traveler visiting the Town of Brookhaven (the “**Facility**”). The Facility will be initially owned, operated and/or managed by the Company.

The Agency will acquire, construct and equip the Facility and lease or sell the Facility to the Company. At the end of the lease term, the Company will purchase the Facility from the Agency. The Agency contemplates that it will provide financial assistance to the Company in the form of abatement of real property taxes on the increased assessment, resulting from improvements to the Facility, consistent with the policies of the Agency, sales tax exemptions, and exemptions from the mortgage recording tax if a mortgage is required now or in the future.

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 and the Sublessee 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 and the Sublessee with the Agency and an analysis of the costs and benefits of the proposed Facility.

Dated: September 17, 2014

**TOWN OF BROOKHAVEN INDUSTRIAL
DEVELOPMENT AGENCY**

By: Lisa MG Mulligan
Title: Chief Executive Office

EXHIBIT B

FORM OF MINUTES OF PUBLIC HEARING HELD ON
September 29 2014

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
(Sayville Browning Properties, Inc./Browning Extended Stay, LLC 2014 Facility)

1. Lisa MG Mulligan, Chief Executive Officer of the Town of Brookhaven Industrial Development Agency (the “**Agency**”) called the hearing to order.

2. The Chief Executive Officer then described the location and nature of the Facility to be financed as follows:

Sayville Browning Properties, Inc., a New York business corporation, on behalf of itself and/or the principals of Sayville Browning Properties, 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 the construction of an approximately 102,225 square foot building, on an approximately 2.45 acre parcel of land located at 65 Union Avenue, Ronkonkoma, Town of Brookhaven, Suffolk County, New York, (more particularly known as S.C. Tax Map: District 0200, Section 800, Block 02, Lot 024), together with additional parking and various related site improvements and the acquisition of hotel related furniture, fixtures and equipment to be used as an approximately 122 room hotel to provide a full range of services to the business and leisure traveler visiting the Town of Brookhaven (the “**Facility**”). The Facility will be initially owned, operated and/or managed by the Company.

3. The Agency contemplates that it will provide financial assistance to the Company in the form of abatement of real property taxes on the increased assessment, resulting from improvements to the Facility, consistent with the policies of the Agency, sales tax exemptions, and exemptions from the mortgage recording tax if a mortgage is required now or in the future.

4. The hearing officer then opened up the hearing for comments from the floor for or against the location and nature of the Facility. The following is a listing of the persons heard and a summary of their views:

5. The Chief Executive Officer then asked if there were any further comments and, there being none, the hearing was closed at 10:30 a.m.

Chief Executive Officer

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

I, the undersigned Chief Executive Officer of the Town of Brookhaven Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the foregoing copy of the minutes of a public hearing held by the Town of Brookhaven Industrial Development Agency (the “Agency”) on September 29, 2014, at 10:00 a.m. local time, at the Town of Brookhaven Division of Economic Development, 1 Independence Hill, 2nd Floor, Farmingville, New York 11738, with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of the minutes in connection with such matter.

IN WITNESS WHEREOF, I have hereunto set my hand as of September 29, 2014.

Chief Executive Officer

EXHIBIT C

Proposed PILOT Schedule

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), Sachem School District, Suffolk County and Appropriate Special Districts

<u>Tax Year</u>	<u>PILOT Amount</u>
2016/2017	\$8,810.00
2017/2018	\$8,990.00
2018/2019	\$9,170.00
2019/2020	\$9,350.00
2020/2021	\$9,540.00
2021/2022	\$9,730.00
2022/2023	\$9,930.00
2023/2024	\$10,130.00
2024/2025	\$10,330.00
2025/2026	\$10,530.00
2026/2027 and thereafter	100% Normal Tax on fully assessed value

Definitions

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 Brookhaven (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) which are or may be imposed for special improvements or special district improvements, that the Company and/or Sublessee would pay without exemption.