

Date: March 24, 2016

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 24th day of March, 2016, 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 the authorization of the assignment of interest in a certain industrial development facility more particularly described below (D & F Patchogue A.L., LLC/ Carlisle Patchogue Operator, Inc. Facility) and the continued leasing of the facility to D & F Patchogue A.L., LLC and further subleasing to Carlisle Patchogue Operator, 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 AUTHORIZING  
THE ASSIGNMENT AND ASSUMPTION OF THE COMPANY  
LEASE AGREEMENT CURRENTLY BETWEEN THE  
AGENCY AND D & F PATCHOGUE A.L., LLC 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, the Agency previously provided assistance to D & F Patchogue A.L., LLC, a limited liability company duly organized and validly existing under the laws of the State of New York (the “**Company**”) and Carlisle Patchogue Operator, Inc., a business corporation duly organized and validly existing under the laws of the State of New York (the “**Sublessee**”), with (a) (i) the acquisition of 3 parcels of land totaling approximately 1.33 acres located at 131 East Main Street, 18 Maple Avenue and 22 Maple Avenue, all in the Village of Patchogue, Town of Brookhaven, Suffolk County, New York (also identified as SCTM#’s 0204-09.00-07.00-025.005, 026.007 and 0204-09.00-07.00-016.000) (collectively, the “**Land**”) and the construction and equipping thereon of an approximately 87,000 square foot 5-story building containing approximately 128 units comprised of approximately 146 beds of which approximately 100 will be assisted living beds and approximately 46 shall be memory care beds, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Land (the “**Improvements**”) and the acquisition and installation therein of certain 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 being leased by the Agency to the Company, and (b) the renovation of the Company Facility and the acquisition and installation of certain equipment and personal property (the “**Equipment**”), which Equipment is being leased by the Agency to the Sublessee (the Company Facility and the Equipment are collectively referred to herein as the “**Facility**”), and the Company Facility is being subleased by the Company to, and used by the Sublessee as an affordable senior housing facility with an emphasis on special needs such as frail elderly and those with mobility impairments; and

WHEREAS, the Agency previously acquired a leasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of May 1, 2015 (the “**Company Lease**”) by and between the Company and the Agency; and

WHEREAS, the Agency previously acquired 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 is currently subleasing and leasing the Company Facility to the Company pursuant to a certain Lease Agreement, dated as of May 1, 2015 (the “**Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, pursuant to resolutions dated February 18, 2015 and April 15, 2015, the Agency previously authorized the 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 \$17,300,000 but not to exceed \$19,000,000, in connection with the financing of the acquisition, renovating and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed \$745,200.00, in connection with the purchase or lease of equipment, building materials, services or other personal property, and (iii) abatement of real property taxes, consistent with the policies of the Agency; and

WHEREAS, the Company has now requested additional assistance in the financing of the acquisition, renovating and equipping of the Facility; 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 for one or more mortgages securing an amount presently estimated to be \$20,000,000 but not to exceed \$21,000,000, in connection with the financing of the acquisition, renovating 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; 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 Manufacturers and Traders Trust Company, or such other lender as may be 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, renovation and equipping of the Facility (collectively, the “**Loan Documents**”); and

WHEREAS, to realize potential federal income tax savings, the Company has requested the Agency’s consent to the assignment by the Company of all of its rights, interest and obligations under the Company Lease to, and the assumption thereof by Patchogue 1031 Net Lease Holdings LLC, a New York limited liability company (“**Patchogue 1031**”), pursuant to the execution of a 1031 Exchange Agreement (the “**1031 Exchange**”); and

WHEREAS, the Agency, the Company and Patchogue 1031 will enter into a certain Assignment of Company Lease Agreement, dated as of March 1, 2016, or such other date as may be determined by the Chairman, Chief Executive Officer and counsel to the Agency (the

“Assignment of Company Lease”), by and among the Agency, the Company and Patchogue 1031; 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 transactions contemplated herein and by the continued 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. 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 1031 Exchange 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 1031 Exchange and the Loan Documents are 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 continues to conform 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 Assignment of Company Lease will be an effective instrument whereby the Company assigns its rights, interests and obligations under the Company Lease to Patchogue 1031; and

(g) The Loan Documents to which the Agency is a party will be effective instruments whereby the Agency and the Company agree to secure the loan made to the Company by the Lender.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) lease the Land and the Improvements from the Patchogue 1031 pursuant to the Assignment of Company Lease, (ii) execute, deliver and perform the Assignment of Company Lease, and (iii) execute, deliver and perform the Loan Documents to which the Agency is a party.

Section 3. The Agency is hereby authorized to do all things necessary or appropriate for the execution, delivery and performance of the Assignment of Company Lease, and all acts heretofore taken by the Agency with respect to such are hereby approved, ratified and confirmed. The Agency is hereby further authorized to execute and deliver the Loan Documents in connection with the financing of the costs of acquiring, renovating and equipping the Facility and any future Loan Documents in connection with any future refinancing or permanent financing of such costs of acquiring, renovating and equipping of the Facility without the need for any further or future approvals of the Agency.

Section 4. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the acquisition, renovation and equipping of the Facility in the form of exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be \$20,000,000 but not to exceed \$21,000,000, in connection with the financing of the acquisition, renovating and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the Facility.

Section 5. The Company and the Sublessee hereby agree to comply with Section 875 of the Act.

Section 6. The form and substance of the Assignment of Company Lease 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 7.

(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 Assignment of Company Lease 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 8. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the

opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 9. 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 10. This resolution shall take effect immediately.

ADOPTED: March 24, 2016

ACCEPTED: \_\_\_\_\_ 2016

**D & F PATCHOGUE A.L., LLC**

By: \_\_\_\_\_  
Name:

**CARLISLE PATCHOGUE  
OPERATOR, INC.**

By: \_\_\_\_\_  
Name:



Date: March 24, 2016

At a meeting of the Town of Brookhaven Industrial Development Agency (the “**Agency**”), held on the 24th day of March, 2016 at 8:00 a.m. local time, the Town of Brookhaven Department of Economic Development, 1 Independence Hill, 3<sup>rd</sup> Floor, Farmingville, New York 11738, 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 certain matters pertaining to the transfer of the ownership of the Sublessee in connection with a certain industrial development facility more particularly described below and the Agency’s \$6,270,000 Town of Brookhaven Industrial Development Agency Industrial Development Revenue Bonds, Series 2006 (Warco, L.L.C./Frank Lowe Rubber & Gasket Co., Inc. 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 CONSENTING TO THE TRANSFER OF OWNERSHIP OF FRANK LOWE RUBBER & GASKET CO., INC. TO A REVOCABLE LIVING TRUST AND TO THE SUBLEASING OF A PORTION OF THE FACILITY, SUBJECT TO THE CONSENT OF THE BONDHOLDERS.

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 may be amended from time to time (collectively, the “**Act**”), the Town of Brookhaven Industrial Development Agency (the “**Issuer**”) 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 Issuer previously provided its assistance to Warco, L.L.C., a New York limited liability company (the “**Company**”) by issuing its Industrial Development Revenue Bonds, Series 2006 (Warco, L.L.C./Frank Lowe Rubber & Gasket Co., Inc. Facility) in the aggregate principal amount of \$6,270,000 (the “**Bonds**”) to finance an industrial development facility consisting of the acquisition of an approximately 6.35 acre parcel of land located on the south side of Ramsay Road, approximately 2,370 feet east of William Floyd Parkway, in Yaphank, Town of Brookhaven, Suffolk County, New York (more specifically known as Parcel “E” and as Suffolk County Tax Parcel Number 200-584-1-4.38), and the construction and equipping of an approximately 61,918 square foot building located thereon and the acquisition of certain machinery and equipment including, but not limited to, a Preco die cutter, an additional laminator, a slitter, a baloney slitter, racking, shelving and material handling equipment and office equipment and furnishing including, but not limited to, computers, furniture and supplies, all to be leased by the Issuer to the Company and subleased by the Company to Frank Lowe Rubber & Gasket Co., Inc. (the “**Sublessee**”), and used by the Sublessee for the manufacturing and warehousing of gaskets, packing and sealing devices and other fabricated rubber products (the “**Facility**”); and

WHEREAS, the Agency previously acquired title to the Facility pursuant to a certain Bargain and Sale Deed (the “**Deed**”) and a certain Bill of Sale (the “**Bill of Sale**”), each dated December 14, 2006, from the Company to the Agency; and

WHEREAS, the Agency is currently leasing the Facility to the Company, pursuant to a certain Lease Agreement, dated as of December 1, 2006 (the “**Lease Agreement**”), between the Agency and the Company; and

WHEREAS, the Company is further subleasing the Facility to the Sublessee pursuant to a certain Sublease Agreement, dated December 14, 2006 (the “**Sublease Agreement**”), by and between the Company and the Sublessee; and

WHEREAS, pursuant to Section 10.1(a)(xi) of the Lease Agreement, any change in ownership of the Company and/or the Sublessee during the period that the Bonds are outstanding constitutes an Event of Default; and

WHEREAS, a portion of the stock in the Sublessee is owned by Mr. Ira Warren (“**Warren**”); and

WHEREAS, as part of Warren’s estate planning services, the Sublessee has requested the Agency’s consent to transfer Warren’s stock in the Sublessee into a revocable living trust and issue nonvoting shares for the Sublessee and a waiver of Section 10.1(a)(xi) of the Lease Agreement; and

WHEREAS, subject to the consent of the Bondholder (as such term is defined in the Lease Agreement), the Agency will consent to the transfer of ownership of the Sublessee and waive Section 10.1(a)(xi) of the Lease Agreement; and

WHEREAS, the Company is in negotiations to enter into a certain Lease Agreement, dated a date to be determined (the “**Tenant Lease**”), whereby the Company will agree to sublease a portion of the Facility, consisting of the 2<sup>nd</sup> floor mezzanine offices to Luitpold Pharmaceuticals, Inc. (the “**Tenant**”); and

WHEREAS, pursuant to Section 9.3 of the Lease Agreement, the Facility may not be subleased, in whole or in part, without the prior written consent of the Agency and the Bondholder; and

WHEREAS, the Company has requested that the Agency consent to the subleasing of a portion of the Facility to the Tenant; and

WHEREAS, such consent may be manifested by the execution of this resolution and a certain Tenant Agency Compliance Agreement, dated as of April 1, 2016 or such other date as may be determined by the Chairman, CEO and counsel to the Agency (the “**Tenant Agency Compliance Agreement**”), by and between the Agency and the Tenant; 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 transfer of ownership of the Sublessee 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; and

(b) The Facility continues to constitute a “project”, as such term is defined in the Act; and

(c) The transfer of ownership of the Sublessee and of its subleasehold interest in the Facility to a revocable living trust 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; and

(d) The transfer of ownership of the Sublessee and of its subleasehold interest in the Facility to a revocable living trust is reasonably necessary to induce the Sublessee to maintain and expand its business operations in the State of New York; and

(e) Based upon representations of the Company and the Sublessee and its 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 is located; and

(f) It is desirable and in the public interest for the Agency to consent to the transfer of ownership of the Sublessee and of its subleasehold interest in the Facility to a revocable living trust, subject to the consent of the Bondholder; and

(g) The subleasing of a portion of the Facility to the Tenant 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; and

(h) Based on the certification of the Tenant in the Tenant Agency Compliance Agreement, the occupancy of the Facility by the Tenant shall not result in the removal of a facility or plant of the Tenant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Tenant located within the State; unless: (i) such occupation of the Facility is reasonably necessary to discourage the Tenant from removing such other plant or facility to a location outside the State, or (ii) such occupation of the Facility is reasonably necessary to preserve the competitive position of the Tenant in its industry; and

(i) It is desirable and in the public interest for the Agency to consent to the subleasing of a portion of the Facility, subject to the consent of the Bondholder; and

(j) The Tenant Agency Compliance Agreement will be an effective instrument whereby the Tenant will provide certain assurances to the Agency with respect to the Facility.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) consent to the transfer of ownership of the Sublessee to a revocable living trust, subject to the consent of the Bondholder; (ii) grant a waiver for Section 10.1(a)(xi) of the Lease Agreement, subject to the consent of the Bondholder, (iii) execute, deliver and perform the Tenant Agency Compliance Agreement, and (iv) execute, deliver and perform such related

documents as may be, in the judgment of the Chairman, Vice Chairman, Chief Executive Officer or counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution.

Section 3. Subject to the provisions of this resolution and the Lease Agreement and to the Bondholder's consent, the Agency consents to the transfer of ownership of the Sublessee to a revocable living trust and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such transfer of ownership of the Sublessee to a revocable living trust are hereby approved, ratified and confirmed.

Section 4.

(a) Subject to the provisions of this resolution and the Lease Agreement, 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 Tenant Agency Compliance Agreement and such 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 5. 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 6. Any expenses incurred by the Agency with respect to the transactions contemplated herein shall be paid by the Company and 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 7. This resolution shall take effect immediately.

**ADOPTED:** March 24, 2016

**ACCEPTED:** \_\_\_\_\_, 2016

**WARCO, L.L.C.**

By: \_\_\_\_\_  
Name:  
Title:

**FRANK LOWE RUBBER & GASKET CO., INC.**

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 24th day of March, 2016, 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 24th day of March, 2016.

By \_\_\_\_\_  
Secretary

Date: March 24, 2016

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 24th day of March, 2016, 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 the consent to the subleasing of the Agency’s FTS Project Owner 2, 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 PERTAINING TO  
THE CONSENT TO THE SUBLEASING OF THE AGENCY'S  
FTS PROJECT OWNER 2, LLC FACILITY AND  
APPROVING THE FORM, SUBSTANCE, 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 the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, the Agency previously provided its assistance to FTS Project Owner 2, LLC, a limited liability company organized and existing under the laws of the State of Delaware (the “**Company**”), in connection with the acquisition of an approximately 59.84 acre parcel of land located at 112 State Route 25A, Shoreham, Town of Brookhaven, New York (the “**Land**”), the construction of an approximately 21.8 acre solar photovoltaic (PV) energy farm thereon (the “**Improvements**”), and the equipping thereof, with a capacity to produce 9.5 MW of alternating current atop racking systems supported by a screw-in foundation design, associated invertors, transformers, interconnect pads, landscaping/grass, gravel driveways, drainage reserve areas and pavement (the “**Equipment**” all in accordance with the Site Plan approval dated as of June 12, 2014 and revised as of December 22, 2014; and together with the Land and the Improvements, the “**Facility**”), which Facility is leased by the Agency to the Company and used by the Company as a solar electric generating facility; and

WHEREAS, Sustainable Property Holdings, LLC (the “**Landlord**”) and the Company previously entered into a certain Land Lease Agreement and Access Easement, dated February 26, 2016 (the “**Ground Lease**”), by and between the Landlord, as ground lessor and the Company, as ground lessee, wherein the Landlord leased the Land to the Company, and a Memorandum of Land Lease Agreement and Access Easement, dated February 26, 2016, was recorded in the Suffolk County Clerk’s office on February 29, 2016 under Liber D00012854 and Page 387; and

WHEREAS, the Company subleased the Facility to the Agency pursuant to a certain Company Lease, dated as of October 1, 2015 (the “**Company Lease**”), by and between the Company, as sublessor, and the Agency, as sublessee, and a Memorandum of Company Lease, dated October 21, 2015, was recorded in the Suffolk County Clerk’s office on February 29, 2016 under Liber D00012854 and Page 444; and

WHEREAS, the Agency currently sub-subleases the Facility to the Company pursuant to a certain Lease Agreement, dated as of October 1, 2015 (the “**Lease Agreement**”), by and between the Agency, as sub-sublessor, and the Company, as sub-sublessee, and a Memorandum of Lease Agreement, dated October 21, 2015, was recorded in

the Suffolk County Clerk's office on February 29, 2016 under Liber D00012854 and Page 447; and; and

WHEREAS, for the purpose of obtaining tax equity financing for the Facility, the Company plans to enter into a lease agreement (the "**Master Lease**" and "**Tenant Sublease**") with its affiliate FTS Master Tenant 2, LLC, a Delaware limited liability company (the "**Tenant**"), for the continued use as a solar electric generating facility; and

WHEREAS, the Company has requested that the Agency consent to the subleasing of the Facility to the Tenant; and

WHEREAS, the Facility may not be subleased, in whole or in part, without the prior written consent of the Agency; and

WHEREAS, such consent may be manifested by the execution and delivery of a Tenant Agency Compliance Agreement, to be dated March 24, 2016, between the Agency and the Tenant (the "**Tenant Agency Compliance Agreement**"); and

WHEREAS, the Company and the Tenant 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 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; and

(b) The subleasing of the Facility to the Tenant 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; and

(c) Based on the certification of the Tenant in the Tenant Agency Compliance Agreement, the occupancy of the Facility by the Tenant shall not result in the removal of a facility or plant of the Tenant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Tenant located within the State; unless: (i) such occupation of the Facility is reasonably necessary to discourage the Tenant from removing such other plant or facility to a location outside the State, or (ii) such occupation of the Facility is reasonably necessary to preserve the competitive position of the Tenant in its industry; and

(d) The Agency consents to the subleasing of the Facility to the Tenant; and

(e) The execution of the Consent to Sublease, dated March 24, 2016 (the “**Consent to Sublease**”), will confirm the Agency’s consent to the Master Lease; and

(f) The execution of the Tenant Agency Compliance Agreement will satisfy the requirement of Section 9.3 of the Lease Agreement that any subleasing of the Facility be consented to in writing by the Agency; and

(g) It is desirable and in the public interest for the Agency to consent to the subleasing of the Facility and to enter into the Tenant Agency Compliance Agreement.

Section 2. In consequence of the foregoing, the Agency hereby determines to enter into the Tenant Agency Compliance Agreement and the Consent to Sublease.

Section 3. The form and substance of the Tenant Agency Compliance Agreement and the Consent to Sublease (in substantially the form presented to the Agency and which, prior to the execution and delivery thereof, may be redated) is hereby approved.

Section 4.

(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 Tenant Agency Compliance Agreement and the Consent to Sublease in the form 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, Chief Executive Officer or any member of the Agency 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 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 5. 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 Tenant Agency Compliance Agreement binding upon the Agency.

Section 6. 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 24th day of March, 2016, 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 24th day of March, 2016.

By \_\_\_\_\_  
Secretary