

RESOLUTION OF THE TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY AND TAKING OFFICIAL ACTION AUTHORIZING THE EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENTS AND TAKING OF CERTAIN OTHER ACTION PERTAINING TO THE FACILITY FOR **924 OLD MEDFORD, LLC** AND/OR **T. MINA SUPPLY, INC.** AND/OR ANY OF THE PRINCIPALS OF **924 OLD MEDFORD, LLC** AND/OR **T. MINA SUPPLY, INC.** AND/OR OTHER ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING, INCLUDING APPOINTING **924 OLD MEDFORD, LLC** AND/OR **T. MINA SUPPLY, INC.** AND/OR ANY OF THE FOREGOING PERSONS AND/OR ENTITIES AS AGENT OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, CONSTRUCTION AND EQUIPPING OF A COMMERCIAL FACILITY.

WHEREAS, the Town of Brookhaven Industrial Development Agency (the “Agency”) was created by 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 (collectively, the “Act”), with the authority and power to, among other things, acquire, construct, renovate and equip a project, provide financial assistance, and mortgage, lease, grant options with respect to and dispose of property; and

WHEREAS, **924 OLD MEDFORD, LLC**, a New York limited liability company on behalf of itself and/or the principals of **924 OLD MEDFORD, LLC** and/or an entity formed or to be formed on behalf of any of the foregoing (the “Company”), and **T. MINA SUPPLY, INC.**, a New York business corporation, on behalf of themselves and/or the principals of **T. MINA SUPPLY, INC.** and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Sublessee”), have submitted to the Agency a proposal for the Agency (the “Project”) (a) to assist with (i) the acquisition of an approximately 4.27 acre parcel of land (the “Land”), the construction of a 14,000 square foot building and other improvements thereon (the “Improvements”), and the acquisition and installation therein of certain equipment not part of the Equipment (as defined herein) (the “Facility Equipment”), located or to be located at 924 Old Medford Avenue, Medford, Town of Brookhaven, Suffolk County, New York (and further identified as Tax Map No. 200-697-1-14.1 (formerly, Tax Map. No. 200-697-1-12, 13 and 14)) (collectively, the Land, Improvements and Facility Equipment may be referred to as the “Company Facility”), to be leased to the Agency by the Company, subleased by the Agency to the Company, and further subleased by the Company to the Sublessee, and (ii) the acquisition of certain equipment and personal property (the “Equipment,” together with the Company Facility, the “Facility”) to be leased by the Agency to the Sublessee, and which Facility is to be used by the Sublessee for the distribution of water and sewer piping products and fire hydrants, (b) to grant mortgage liens thereon and security interests therein, and (c) to provide financial assistance within the meaning of the Act, including the following as they relate to the appointment of the Company or the Sublessee as agents of the Agency with respect to the acquisition, construction, and equipping of the Facility, whether or not any materials or supplies described below are

incorporated into or become an integral part of the 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 the Facility; and

WHEREAS, the Act authorizes and empowers the Agency to acquire, renovate, construct, equip, promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general property and economic welfare of the people of the State of New York; 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 (i) exemptions from sales and use taxes on the acquisition, construction, and equipping of the Company Facility, including fixtures, furniture and equipment to be installed in the Company Facility or in connection with the purchase or lease of equipment, building materials, services or other personal property part of or to become part of the Company Facility, and on the acquisition and installation of the Equipment, including building materials, services or other personal property, in an amount not to exceed \$205,000.00, and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof), all consistent with the policies of the Agency; and

WHEREAS, the Agency contemplates it will acquire a leasehold interest in the Land and Improvements under a certain Company Lease Agreement (the "Company Lease Agreement") for a term of approximately thirteen (13) years, by and between the Company and the Agency, and

WHEREAS, the Agency contemplates it will acquire title to the Equipment pursuant to a certain Bill of Sale (the "Bill of Sale"), from the Company/Sublessee to the Agency; and

WHEREAS, the Agency contemplates that it will lease and sublease the Company Facility to the Company under a certain Lease and Project Agreement (the "Lease Agreement") for a term of approximately thirteen (13) years, by and between the Agency and the Company, which Lease Agreement provides or shall provide, inter alia, for the Company's obligations regarding payments in lieu of taxes with respect to the Facility, and assurances of the Company with respect to the recapture of certain benefits, including sales and use tax exemptions, granted under or by virtue of the Lease Agreement, the Equipment Lease Agreement (as defined herein) and other agreements; and

WHEREAS, the Company will sub-sublease the Company Facility to the Sublessee under a certain sublease (the "Sublease"), by and between the Company and the Sublessee; and

WHEREAS, the Agency contemplates the Agency will lease the Equipment to the Sublessee under a certain Equipment Lease and Project Agreement (the “Equipment Lease Agreement”) for a term of approximately three (3) years, by and between the Agency and the Sublessee, which Equipment Lease Agreement provides or shall provide, inter alia, for the Sublessee’s obligations, and assurances of the Sublessee with respect to the recapture of certain benefits, including sales and use tax and mortgage recording tax exemptions, granted under or by virtue of the Lease Agreement, the Equipment Lease Agreement (as defined herein) and other agreements; and

WHEREAS, the Agency contemplates the Agency, the Company, the Sublessee and others will enter into a certain Agency Compliance Agreement (the “Agency Compliance Agreement”) in order to provide assurances to the Agency with respect to the Company’s and the Sublessee’s obligations to the Agency and compliance with environmental laws; and

WHEREAS, in order to finance a portion of the costs of the Project, the Company and the Sublessee anticipate either or both of them may obtain loans from a lender or lenders to be determined (collectively, the “Bank”), and in order to secure the obligations of the Company and/or the Sublessee and/or others to the Bank, the Agency contemplates that, at the request of the Company and/or the Sublessee, the Agency, the Company and/or the Sublessee and/or others will execute and deliver a mortgage or mortgages or a security agreement or security agreements in favor of the Bank, including replacements, substitutions, extensions and additions to such mortgages), with a limitation of the Agency’s liability thereunder (collectively, the “Mortgage”) for the purpose of subjecting the Company Facility and/or the Equipment to the lien of the Mortgage; and

WHEREAS, a public hearing (the “Hearing”) was held on November 13, 2017, 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 more than ten days prior thereto, such notice (together with proof of publication) having been filed with the records of this Agency; and

WHEREAS, the minutes of the Hearing having been filed with the records of this Agency; 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 proposed transfer of real estate is either an inducement to the Company and the Sublessee to maintain or expand the Facility in the Town of Brookhaven or is necessary to maintain the competitive position of the Company and the Sublessee in their respective industries; 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 “SEQRA”), 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.

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

Section 1. Based upon the Environmental Assessment Form completed by the Company and/or the Sublessee and reviewed by the Agency and the Town of Brookhaven Planning Board (the “Lead Agency”) and other representations and information furnished by the Company and/or the Sublessee regarding the Facility, the Agency determines that action relating to the acquisition, construction, equipping and operation of the Facility is a “Unlisted” action, as that term is defined in the State Environmental Quality Review Act (“SEQRA”) (Article 8 of the Environmental Conservation Law). An environmental review of the Facility pursuant to SEQRA was conducted by the Lead Agency and, on April 17, 2017, a negative declaration for purposes of SEQRA was adopted by the Lead Agency. The Agency concurs with the findings of the Lead Agency, and as of the date of this resolution, determines that the action will not have a “significant effect” on the environment and, therefore, an environmental impact statement will not be required. This determination constitutes a negative declaration for the purposes of SEQRA. Notice of this determination shall be filed to the extent required by the applicable regulations under SEQRA or as may be deemed advisable by the Chairman, Chief Executive Officer 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 as defined in the Act; and

c. The leasing of the Land and Improvements by the Agency from the Company, the acquisition, construction, and equipping of the Company Facility, the leasing and subleasing of the Company Facility to the Company, the sub-subleasing of the Company Facility by the Company to the Sublessee, the acquisition and installation of the Equipment, the leasing of the Equipment to the Sublessee, the providing of financial assistance to the Company and the Sublessee within the meaning of the Act, and the granting of mortgages on, and security interests in, the Facility, 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 acquisition, construction and equipping of the Facility is reasonably necessary to induce the Company and the Sublessee to maintain and expand their respective business operations in the State of New York; and

e. Based upon the representations of the Company and the Sublessee:

i the Facility conforms with the local zoning laws and planning regulations of the Town of Brookhaven and all regional and local use plans for the area in which the Facility is located; and

ii The Facility and the operations conducted therein will not cause or result in the violation of the health, labor or other laws of the United States of America, the State of New York, or the Town of Brookhaven; and

iii The Agency approves the location of the site of the Facility; and

iv The financial assistance of the Agency and the transactions contemplated hereby are reasonably necessary to induce the Company and the Sublessee to maintain and expand their operations within the State of New York, and to preserve the competitive positions of the Company and the Sublessee, and shall not result in the removal of a facility or plant of the Company or the Sublessee 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 Company or the Sublessee located within the State except, as set forth in the Company's and the Sublessee application, for the purpose of discouraging the Company or the Sublessee from removing such other plant or facility to a location outside the State or to preserve the competitive position of the Company and the Sublessee in their respective industries; and

v The Facility shall not be used for retail sales; and

f. It is desirable and in the public interest for the Agency to lease and sublease the Company Facility to the Company and lease the Equipment to the Sublessee.

Section 3. The Agency has assessed all material information included in connection with the Company's and Sublessee's application for financial assistance, as amended, including but not limited to, the cost-benefit analysis prepared by the Agency, and such information has provided the Agency a reasonable basis for its decision to provide the financial assistance described herein to the Company and the Sublessee.

Section 4. The Agency is hereby authorized to, and shall, in furtherance of the purposes of the Act, lease the Land and Improvements from the Company, acquire, construct, equip, repair and maintain the Facility, lease and sublease the Company Facility to the Company, authorize the Company to sublease the Company Facility to the Sublessee, lease the Equipment to the Sublessee, and grant mortgage lien(s) and security interest(s) in the Facility.

Section 5. The Agency hereby authorizes and approves of the following economic benefits to be granted or inure to the benefit of the Company and the Sublessee: (i) exemptions from sales and uses taxes on the acquisition, construction, and equipping of the Company Facility, including fixtures, furniture and equipment to be installed in the Company Facility or in connection with the purchase or lease of equipment, building materials, services or other personal property part of or to become part of the Company Facility, and on the acquisition and installation of the Equipment, including building materials, services or other personal property, in an amount not to exceed \$205,000.00, and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof), consistent with the policies of the Agency.

Section 6. Subject to, and conditioned upon, the execution and delivery by the Company, Sublessee and such other persons as may be required by the Agency of, and the acceptance by the Agency of, the Company Lease Agreement, Lease Agreement, the Equipment Lease Agreement, the Agency Compliance Agreement, and such other documents as may be required by the Agency, and the closing of the transactions contemplated hereby and thereby, the Company and the Sublessee are hereby appointed the true and lawful agents of the Agency to acquire, construct, and equip the Facility, and are authorized to delegate their status as agents of the Agency to the Company's or the Sublessee's agents, subagents, contractors, subcontractors, suppliers, vendors and other parties as the Company or Sublessee may choose for the purpose of acquiring, constructing, or equipping the Facility. The appointment described above includes the following activities as they relate to the acquiring, constructing, and equipping of the Facility, whether or not the materials, services or supplies described below are incorporated into or become an integral part of the Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with acquiring, constructing, and equipping the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description in connection with acquiring, constructing, and equipping 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 the Facility. This Agency appointment includes the power to make, execute, acknowledge and deliver any contracts, orders receipts writings and instructions, as the stated agents for the Agency, and in general to do all things which may be requisite or proper for completing the Facility, all with the same powers and with the same validity as the Agency could do if acting on its own behalf. The appointment hereunder shall expire upon the earliest of (a) the last day of the calendar month in which the expiration of two years after the commencement of the term of the Lease Agreement occurs, (b) completion of the initial acquisition, construction, and equipping of the Facility, and (c) the date on which the Company and Sublessee, collectively, have realized exemptions from sales and use taxes by reason of the Agency's participation in the Project in an aggregate amount of \$205,000.00 provided however, such appointments may be extended and the amounts of the exemptions may be increased at the sole discretion of the Agency, upon the written request of the Company or the Sublessee, if such activities and improvements are not completed by such time or additional sales and uses tax exemptions are necessary. The Company and 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 or the Sublessee, as agents of the Agency. The aforesaid agency appointments expressly exclude the Company and the Sublessee from purchasing 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.

Section 7. The Chairman, Chief Executive Officer and/or any other member of the Agency are hereby authorized and directed to, on behalf of and in the name of the Agency, execute, deliver and perform a Company Lease Agreement, Lease Agreement, Equipment Lease Agreement, Agency Compliance Agreement, Mortgage (including construction, permanent and refinancing mortgages, and replacements, substitutions, extensions and additions to such mortgages) with a limitation of the Agency's liability thereunder, and other certificates, agreements, instruments and documents, as above contemplated and in such form and containing such terms, conditions and provisions as the person executing same on behalf of the Agency shall deem necessary or desirable, and shall approve, such necessity, desirability, and approval, to be conclusively evidenced by his or her execution and delivery thereof. The Chairman, Chief Executive Officer and/or any other member of the Agency are hereby authorized and directed, on behalf of and in the name of the Agency, to pay all fees, charges and expenses incurred, to cause compliance with the terms, conditions and provisions of agreements binding upon the Agency, and to do all such further acts and things, in furtherance of the foregoing as such person shall deem necessary or desirable, and shall approve.

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 Sublessee as agent of the Agency pursuant to this resolution is subject to termination and recapture of benefits pursuant to Section 875 of the Act, the Lease Agreement and the Equipment Lease Agreement.

Section 9. Weinberg Gross & Pergament LLP are hereby appointed Transaction Counsel to the Agency, and is authorized and directed to work with Counsel to the Company, Sublessee and others, to prepare, for submission to the Agency, all documents necessary to effect the transaction described in these resolutions.

Section 10. Any and all acts, instruments, and other writings heretofore or hereafter performed and/or executed and delivered by any one or more of the Chairman, Chief Executive Officer or any member of the Agency, pursuant to the several foregoing resolutions, for and on behalf of and in the name of the Agency, in connection with the transactions contemplated thereby, be and the same hereby are, in all respects ratified, confirmed and approved.

Section 11. The documents, including the proposed Company Lease Agreement, Lease Agreement, Equipment Lease Agreement, Agency Compliance Agreement and Mortgage, promptly following the execution, and delivery thereof, be identified by any of the Chairman, Chief Executive Officer or any member of the Agency by his or her endorsement thereon and when so identified be filed with the official records of the Agency.

Section 12. Any 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 expenses and further agree to indemnify and hold harmless the Agency, its members, directors, employees and agents from and against all claims, suits, actions, proceedings, obligations, damages, liabilities, judgments, costs and expenses, including legal fees

and expenses, incurred as a result of action or inaction taken by or on behalf of the Agency with respect to the Facility.

Section 13. The Chairman, Chief Executive Officer, Counsel to the Agency or any member of the Agency are hereby authorized and directed (i) to distribute copies of this resolution to the Company and the Sublessee, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 14. This resolution shall take effect immediately, and, unless sooner rescinded or amended, shall be deemed rescinded at the expiration of six (6) months after the date of the adoption of this resolution if the closing contemplated hereunder has not occurred prior to such expiration, subject to extension at the discretion of the Agency upon the written request of the Company or the Sublessee.

Adopted: November 15, 2017

Accepted: November ___, 2017

924 OLD MEDFORD, LLC

By: _____, Member

T. MINA SUPPLY, INC.

By: _____, President

EXHIBIT A

PROPOSED PILOT BENEFITS ARE FOR DISCUSSION PURPOSES ONLY
AND HAVE NOT APPROVED BY THE AGENCY BOARD.

November ____, 2017

Year	PILOT Amount
1	\$ 2,684
2	\$ 2,737
3	\$ 2,792
4	\$ 2,848
5	\$ 2,905
6	\$ 2,963
7	\$ 3,022
8	\$ 3,083
9	\$ 3,145
10	\$ 3,207
11	\$ 21,909
12	\$ 23,650
13	\$ 34,517

Date: November 15, 2017

At a meeting of the Town of Brookhaven Industrial Development Agency (the “Agency”), held on the 15th day of November, 2017, at 1 Independence Hill, 3rd Floor, Farmingville, New York 11738, the following members of the Agency were:

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

Recused:

Absent: Felix J. Grucci, Jr.
Michael Kelly
Scott Middleton

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

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to acquisition of a leasehold interest in and title to a certain industrial development facility more particularly described below (35 Sawgrass, LLC/Quality King Distributors, Inc. 2017 Facility) and the leasing of the facility to 35 Sawgrass, LLC for further subleasing to Quality King Distributors, Inc.

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

Voting Aye

Braun
Callahan
Pollakusky
Scheidt

Voting Nay

RESOLUTION OF THE TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE APPOINTMENT OF 35 SAWGRASS, LLC, A DELAWARE LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF 35 SAWGRASS, LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AND QUALITY KING DISTRIBUTORS, INC., A NEW YORK BUSINESS CORPORATION, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF QUALITY KING DISTRIBUTORS, INC. 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, RENOVATING AND EQUIPPING THE FACILITY, APPROVING THE ACQUISITION, RENOVATION AND EQUIPPING OF SUCH INDUSTRIAL DEVELOPMENT FACILITY AND 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, 35 Sawgrass, LLC, a limited liability company organized and existing under the laws of the State of Delaware and authorized to do business in the State of New York, on behalf of itself and/or the principals of 35 Sawgrass, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”) and Quality King Distributors, 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 Quality King Distributors, Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Sublessee**”), have applied to the Agency to enter into a transaction in which the Agency will assist in (a) the continued leasing of an approximately 37.0 acre parcel of land located at 35 Sawgrass Drive, in the Brookhaven Industrial Park, hamlet of Bellport, Town of Brookhaven, Suffolk County, New York (the “**Land**”), the renovation of an existing approximately 560,000 square foot building thereon (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property, 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, further subleased by the Company to the Sublessee and further subleased by the Sublessee in part to (i) Perfumania Holdings, Inc., a Florida business corporation (“**Perfumania**”), (ii) Model Reorg Acquisition, LLC, a Delaware limited liability company (“**Model Reorg**”), (iii) Pro’s Choice Beauty Care, Inc., a New Jersey

business corporation (“**Pro’s Choice**”), and (iv) QKHealthcare, Inc., a Delaware business corporation (“**QKHealthcare**”; and together with Perfumania, Model Reorg and Pro’s Choice, the “**Sub-Sublessees**”), and (b) the acquisition and installation of certain equipment and personal property (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 and the Sub-Sublessees for the warehousing, assembly, repackaging and wholesale distribution of health and beauty and fragrance products (the “**Project**”); and

WHEREAS, the Facility is currently owned by the Agency and leased to the Company and subleased by the Company to the Sublessee and in connection with the Project, it is contemplated that the Agency and the Company will terminate the existing lease structure and reconvey fee title to the Facility from the Agency to the Company; and

WHEREAS, the Agency and the Company will terminate the existing Lease Agreement (the “**Original Lease Agreement**”), pursuant to a certain Termination of Lease Agreement, dated the Closing Date (as defined in the hereinafter defined Lease Agreement) (the “**Termination of Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, the Agency will reconvey fee title to the Facility to the Company pursuant to (i) a certain Quitclaim Deed, dated the Closing Date (the “**Quitclaim Deed**”), and (ii) a certain Bill of Sale, dated the Closing Date (the “**Agency Bill of Sale**”), each from the Agency to the Company; and

WHEREAS, the Agency, the Company and the Sublessee will agree upon the terms and conditions of the termination of the other documents in connection with the Original Lease Agreement (the “**Original Transaction Documents**”), pursuant to a certain Termination Agreement, dated the Closing Date (the “**Termination Agreement**”), by and among the Agency, the Company and the Sublessee; 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, 2017 or such other date as the Chairman, the Chief Executive Officer of the Agency and counsel to the Agency shall agree (the “**Company Lease**”), by and between the Company and the Agency; and

WHEREAS, the Agency will acquire title to the Facility Equipment pursuant to a certain Bill of Sale, dated the Closing Date (as defined in the hereinafter defined Lease Agreement) (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 and Project Agreement, dated as of November 1, 2017 or such other date as the Chairman, the Chief Executive Officer of the Agency and counsel to the Agency shall agree (the “**Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, the Agency will acquire title to the Equipment pursuant to a certain Equipment Bill of Sale, dated 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, 2017 or such other date as the Chairman, the Chief Executive Officer of the Agency and counsel to the Agency shall agree (“**Equipment Lease Agreement**”), by and between the Agency and the Sublessee; and

WHEREAS, the Sublessee and the Agency will enter into a certain Agency Compliance Agreement, dated as of November 1, 2017 or such other date as the Chairman, the Chief Executive Officer of the Agency and counsel to the Agency shall agree (the “**Agency Compliance Agreement**”), whereby the Sublessee will make certain assurances to the Agency with respect to the Facility; and

WHEREAS, Perfumania and the Agency will enter into a certain Tenant Agency Compliance Agreement, dated as of November 1, 2017 or such other date as the Chairman, the Chief Executive Officer of the Agency and counsel to the Agency shall agree (the “**Perfumania Tenant Agency Compliance Agreement**”), whereby Perfumania will make certain assurances to the Agency with respect to the Facility; and

WHEREAS, Model Reorg and the Agency will enter into a certain Tenant Agency Compliance Agreement, dated as of November 1, 2017 or such other date as the Chairman, the Chief Executive Officer of the Agency and counsel to the Agency shall agree (the “**Model Reorg Tenant Agency Compliance Agreement**”), whereby Model Reorg will make certain assurances to the Agency with respect to the Facility; and

WHEREAS, Pro’s Choice and the Agency will enter into a certain Tenant Agency Compliance Agreement, dated as of November 1, 2017 or such other date as the Chairman, the Chief Executive Officer of the Agency and counsel to the Agency shall agree (the “**Pro’s Choice Tenant Agency Compliance Agreement**”), whereby Pro’s Choice will make certain assurances to the Agency with respect to the Facility; and

WHEREAS, QKHealthcare and the Agency will enter into a certain Tenant Agency Compliance Agreement, dated as of November 1, 2017 or such other date as the Chairman, the Chief Executive Officer of the Agency and counsel to the Agency shall agree (the “**QKHealthcare Tenant Agency Compliance Agreement**”), whereby QKHealthcare will make certain assurances to the Agency with respect to the Facility; and

WHEREAS, as security for a loan or loans, the Agency and the Company will execute and deliver to a lender or lenders not yet determined (collectively, the “**Lender**”), a mortgage or 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, the Agency contemplates that it will provide financial assistance to the Company and the Sublessee in the form of: (i) exemptions from mortgage recording taxes for one or more mortgages securing the principal amount presently estimated to be \$50,000,000 but not to exceed \$55,000,000 in connection with the financing 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 of the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed \$24,150, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit 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 on November 14, 2017 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, the Sublessee and the Sub-Sublessees and to representations by the Company, the Sublessee and the Sub-Sublessee that the proposed Facility is either an inducement to the Company, the Sublessee and the Sub-Sublessees to maintain and expand the Facility in the Town of Brookhaven or is necessary to maintain the competitive positions of the Company, the Sublessee and the Sub-Sublessees in their respective industries; 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 previously prepared and submitted to the Agency with their application for assistance certain materials (the “**Questionnaire**”) with respect to the Facility; and

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

WHEREAS, the Company, the Sublessee and the Sub-Sublessees 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 for further subleasing to the Sublessee and the Sub-Sublessees;

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

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

(c) The acquisition, renovation and equipping of the Facility and the leasing of the Facility to the Company, for further subleasing to the Sublessee and the Sub-Sublessees, 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, renovation and equipping of the Facility is reasonably necessary to induce the Company, the Sublessee and the Sub-Sublessees to maintain and expand their respective business operations in the State of New York; and

(e) Based upon representations of the Company and counsel to the Company, the Facility conforms with the local zoning laws and planning regulations of the Town of Brookhaven, Suffolk County, 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 lease the Company Facility to the Company for further subleasing to the Sublessee and the Sub-Sublessees; and

(g) It is desirable and in the public interest for the Agency to lease the Equipment to the Sublessee; and

(h) The Termination of Lease Agreement will be an effective instrument whereby the Agency and the Company will terminate the Original Lease Agreement; and

(i) The Quitclaim Deed will be an effective instrument whereby the Agency will convey fee title to the Land and the existing improvements to the Company; and

(j) The Agency Bill of Sale will be an effective instrument whereby the Agency will convey fee title to the equipment leased to the Company pursuant to the Original Lease Agreement (the “**Existing Equipment**”), to the Company; and

(k) The Termination Agreement will be an effective instrument whereby the Agency, the Company and the Sublessee terminate the Original Transaction Documents; and

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

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

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

(o) The Agency Compliance Agreement will be an effective instrument whereby the Sublessee will make certain assurances to the Agency with respect to the Facility; and

(p) The Perfumania Tenant Agency Compliance Agreement will be an effective instrument whereby Perfumania will make certain assurances to the Agency with respect to the Facility; and

(q) The Model Reorg Tenant Agency Compliance Agreement will be an effective instrument whereby Model Reorg will make certain assurances to the Agency with respect to the Facility; and

(r) The Pro’s Choice Tenant Agency Compliance Agreement will be an effective instrument whereby Pro’s Choice will make certain assurances to the Agency with respect to the Facility; and

(s) The QKHealthcare Tenant Agency Compliance Agreement will be an effective instrument whereby QKHealthcare will make certain assurances to the Agency with respect to the Facility; and

(t) 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. The Agency has assessed all material information included in connection with the Company’s, the Sublessee’s and the Sub-Sublessees’ application for financial assistance, including but not limited to, the cost-benefit analysis prepared by the Agency and such information has provided the Agency a reasonable basis for its decision to provide the financial assistance described herein to the Company and the Sublessee.

Section 4. In consequence of the foregoing, the Agency hereby determines to: (i) terminate the Original Lease Agreement pursuant to the Termination of Lease Agreement; (ii) execute and deliver the Termination of Lease Agreement; (iii) reconvey fee title to the Land and the existing improvements to the Company pursuant to the Quitclaim Deed; (iv) execute and deliver the Quitclaim Deed; (v) reconvey fee title to the Existing Equipment to the Company pursuant to the Agency Bill of Sale; (vi) execute and deliver the Agency Bill of Sale; (vii) terminate the Original Transaction Documents pursuant to the Termination Agreement; (viii) execute and deliver the Termination Agreement; (ix) lease the Land and the Improvements from the Company pursuant to the Company Lease, (x) execute, deliver and perform the Company Lease, (xi) lease and sublease the Company Facility to the Company pursuant to the Lease Agreement, (xii) execute, deliver and perform the Lease Agreement, (xiii) lease the Equipment to the Sublessee pursuant to the Equipment Lease Agreement; (xiv) execute, deliver and perform the Equipment Lease Agreement; (xv) execute and deliver the Agency Compliance Agreement; (xvi) execute and deliver the Perfumania Tenant Agency Compliance Agreement; (xvii) execute and deliver the Model Reorg Tenant Agency Compliance Agreement; (xviii) execute and deliver the Pro's Choice Tenant Agency Compliance Agreement; (xix) execute and deliver the QKHealthcare Tenant Agency Compliance Agreement; (xx) grant a mortgage on and security interest in and to the Facility pursuant to the Loan Documents, and (xxi) execute, deliver and perform the Loan Documents to which the Agency is a party.

Section 5. The Agency is hereby authorized to acquire the real property and personal property described in Exhibit A and Exhibit B, respectively, to the Lease Agreement, and the real property described in Exhibit A to the Equipment Lease Agreement, and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 6. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company and the Sublessee in connection with the acquisition, renovation and equipping of the Facility in the form of: (i) exemptions from mortgage recording taxes for one or more mortgages securing the principal amount presently estimated to be \$50,000,000 but not to exceed \$55,000,000 in connection with the financing 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 of the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed \$24,150, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit 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, renovate and equip the Facility. The Company and the Sublessee are hereby empowered to delegate their respective status as agents of the Agency to their respective agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company and Sublessee may choose in order to acquire, renovate 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/or the Sublessee, as agent 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/or the Sublessee, as agent of the Agency. The aforesaid appointment of the Company and the Sublessee as agents of the Agency to acquire, renovate 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 \$24,150 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 tax exemptions and abatements provided pursuant to the Act and the appointment of the Company and the Sublessee as agent of the Agency pursuant to this Authorizing Resolution are subject to termination and recapture of benefits pursuant to Sections 859-a and 875 of the Act and the recapture provisions of the Lease Agreement and the Agency Compliance Agreement.

Section 9. The form and substance of the Termination of Lease Agreement, the Quitclaim Deed, the Agency Bill of Sale, the Termination Agreement, the Company Lease, the Lease Agreement, the Equipment Lease Agreement, the Agency Compliance Agreement, the Perfumania Tenant Agency Compliance Agreement, the Model Reorg Tenant Agency Compliance Agreement, the Pro's Choice Tenant Agency Compliance Agreement, the QKHealthcare Tenant 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, the Chief Executive Officer of the Agency or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Termination of Lease Agreement, the Quitclaim Deed, the Agency Bill of Sale, the Termination Agreement, the Company Lease, the Lease Agreement, the Equipment Lease Agreement, the Agency Compliance Agreement, the Perfumania Tenant Agency Compliance Agreement, the Model Reorg Tenant Agency Compliance Agreement, the Pro's Choice

Tenant Agency Compliance Agreement, the QKHealthcare Tenant 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, the Chief Executive Officer of the Agency 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, the Chief Executive Officer of the Agency or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, the Chief Executive Officer of the Agency 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, the Sublessee and the Sub-Sublessees. By acceptance hereof, the Company, the Sublessee and the Sub-Sublessees 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 15, 2017

ACCEPTED: _____, 2017

35 SAWGRASS, LLC

By: _____
Name:
Title:

**PRO'S CHOICE BEAUTY CARE,
INC.**

By: _____
Name:
Title:

QUALITY KING DISTRIBUTORS, INC.

By: _____
Name:
Title:

QKHEALTHCARE, INC.

By: _____
Name:
Title:

PERFUMANIA HOLDINGS, INC.

By: _____
Name:
Title:

MODEL REORG ACQUISITION, LLC

By: _____
Name:
Title:

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 14th day of November, 2017 at 10:30 a.m., local time, at One Independence Hill, 2nd Floor, Farmingville, New York, in connection with the following matters:

35 Sawgrass, LLC, a limited liability company organized and existing under the laws of the State of Delaware and authorized to do business in the State of New York, on behalf of itself and/or the principals of 35 Sawgrass, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”) and Quality King Distributors, 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 Quality King Distributors, Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Sublessee**”), have applied to the Town of Brookhaven Industrial Development Agency (the “**Agency**”), to enter into a transaction in which the Agency will assist in (a) the continued leasing of an approximately 37.0 acre parcel of land located at 35 Sawgrass Drive, in the Brookhaven Industrial Park, hamlet of Bellport, Town of Brookhaven, Suffolk County, New York (the “**Land**”), the renovation of an existing approximately 560,000 square foot building thereon (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property, 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, further subleased by the Company to the Sublessee and further sub-subleased by the Sublessee in part to (i) Perfumania Holdings, Inc., a Florida business corporation (“**Perfumania**”), (ii) Model Reorg Acquisition, LLC, a Delaware limited liability company (“**Model Reorg**”), (iii) Pro’s Choice Beauty Care, Inc., a New Jersey business corporation (“**Pro’s Choice**”), and (iv) QKHealthcare, Inc., a Delaware business corporation (“**QKHealthcare**”; and together with Perfumania, Model Reorg and Pro’s Choice, the “**Sub-Sublessees**”), and (b) the acquisition and installation of certain equipment and personal property (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 and the Sub-Sublessees for the warehousing, assembly, repackaging and wholesale distribution of health and beauty and fragrance products (the “**Project**”). The Facility is currently owned by the Agency and leased to the Company and subleased by the Company to the Sublessee. It is contemplated that the Agency and the Company will terminate the existing lease structure and reconvey fee title to the Facility from the Agency to the Company. The Agency and the Company will then enter into a new Company Lease Agreement whereby the Company will lease the project to the Agency and the Agency will lease the Facility back to the Company pursuant to the terms of a Lease and Project Agreement. The Company will sublease the Facility to the Sublessee and the Sublessee will sub-sublease the Facility to the Sub-Sublessees. The Facility will be

initially owned, operated and/or managed by the Company. The Equipment will be initially owned, operated and/or managed by the Sublessee.

The Agency contemplates that it will provide financial assistance to the Company, the Sublessee and the Sub-Sublessees in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Facility, exemptions from sales and use taxes and abatement of real property taxes, consistent with the policies of the Agency.

A representative of the Agency will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company, the Sublessee and the Sub-Sublessees 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, the Sublessee and the Sub-Sublessees with the Agency and an analysis of the costs and benefits of the proposed Facility.

Dated: November 4, 2017

TOWN OF BROOKHAVEN INDUSTRIAL
DEVELOPMENT AGENCY

By: Lisa MG Mulligan
Title: Chief Executive Officer

EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON
NOVEMBER 14, 2017

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
(35 SAWGRASS, LLC/QUALITY KING DISTRIBUTORS, INC. 2017 FACILITY)

Section 14. Lisa MG Mulligan, Chief Executive Officer of the Town of Brookhaven Industrial Development Agency (the “**Agency**”) called the hearing to order.

Section 15. Lisa MG Mulligan then appointed herself the hearing officer of the Agency, to record the minutes of the hearing.

Section 16. The hearing officer then described the proposed transfer of the real estate, the other financial assistance proposed by the Agency and the location and nature of the Facility as follows:

35 Sawgrass, LLC, a limited liability company organized and existing under the laws of the State of Delaware and authorized to do business in the State of New York, on behalf of itself and/or the principals of 35 Sawgrass, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”) and Quality King Distributors, 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 Quality King Distributors, Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Sublessee**”), have applied to the Town of Brookhaven Industrial Development Agency (the “**Agency**”), to enter into a transaction in which the Agency will assist in (a) the continued leasing of an approximately 37.0 acre parcel of land located at 35 Sawgrass Drive, in the Brookhaven Industrial Park, hamlet of Bellport, Town of Brookhaven, Suffolk County, New York (the “**Land**”), the renovation of an existing approximately 560,000 square foot building thereon (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property, 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, further subleased by the Company to the Sublessee and further sub-subleased by the Sublessee in part to (i) Perfumania Holdings, Inc., a Florida business corporation (“**Perfumania**”), (ii) Model Reorg Acquisition, LLC, a Delaware limited liability company (“**Model Reorg**”), (iii) Pro’s Choice Beauty Care, Inc., a New Jersey business corporation (“**Pro’s Choice**”), and (iv) QKHealthcare, Inc., a

Delaware business corporation (“**QKHealthcare**”; and together with Perfumania, Model Reorg and Pro’s Choice, the “**Sub-Sublessees**”), and (b) the acquisition and installation of certain equipment and personal property (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 and the Sub-Sublessees for the warehousing, assembly, repackaging and wholesale distribution of health and beauty and fragrance products (the “**Project**”). The Facility is currently owned by the Agency and leased to the Company and subleased by the Company to the Sublessee. It is contemplated that the Agency and the Company will terminate the existing lease structure and reconvey fee title to the Facility from the Agency to the Company. The Agency and the Company will then enter into a new Company Lease Agreement whereby the Company will lease the project to the Agency and the Agency will lease the Facility back to the Company pursuant to the terms of a Lease and Project Agreement. The Company will sublease the Facility to the Sublessee and the Sublessee will sub-sublease the Facility to the Sub-Sublessees. The Facility will be initially owned, operated and/or managed by the Company. The Equipment will be initially owned, operated and/or managed by the Sublessee.

The Agency contemplates that it will provide financial assistance to the Company, the Sublessee and the Sub-Sublessees in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Facility, exemptions from sales and use taxes and abatement of real property taxes, consistent with the policies of the Agency.

Section 17. The hearing officer then opened the hearing for comments from the floor for or against the proposed transfer of real estate, the other financial assistance proposed by the Agency and the location and nature of the Facility. The following is a listing of the persons heard and a summary of their views:

Dr. Sam Gergis, South Country Central School District

1. Concern of any tax impact on school district. Revenue stream: same, increase, decrease.
2. Any economic opportunities, be it: internships, employment, etc.

Section 18. The hearing officer then asked if there were any further comments, and, there being none, the hearing was closed at 11:00 a.m.

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

I, the undersigned Assistant 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 14, 2017, at 10:30 a.m., local time, at One Independence Hill, 2nd Floor, Farmingville, New York, 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 14, 2017.

Assistant Secretary

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), South Country Central School District, Suffolk County and Appropriate Special Districts

<u>Tax Year</u>	<u>PILOT Payment Amount</u>
2017/2018	\$61,722.00
2018/2019	\$62,956.00
2019/2020	\$64,215.00
2020/2021	\$91,302.00
2021/2022	\$186,255.00
2022/2023	\$284,970.00
2023/2024	\$387,560.00
2024/2025	\$494,139.00
2025/2026	\$604,826.00
2026/2027	\$719,742.00
2027/2028	\$839,014.00
2028/2029	\$962,768.00
2029/2030	\$1,091,137.00

Date: November 15, 2017

At a meeting of the Town of Brookhaven Industrial Development Agency (the “Agency”), held on the 15th day of November 2017, at 1 Independence Hill, 3rd Floor, Farmingville, New York 11738, the following members of the Agency were:

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

Recused:

Absent: Felix J. Grucci, Jr.
Michael Kelly
Scott Middleton

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

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to acquisition of a leasehold interest in and title to a certain industrial development facility more particularly described below (Rose-Breslin Associates, LLC 2017 Facility) and the leasing of the facility to Rose-Breslin Associates, LLC

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

Voting Aye

Voting Nay

Braun
Callahan
Pollakusky
Scheidt

RESOLUTION OF THE TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE
APPOINTMENT OF ROSE-BRESLIN ASSOCIATES, LLC, A
NEW YORK LIMITED LIABILITY COMPANY, ON BEHALF
OF ITSELF AND/OR THE PRINCIPALS OF ROSE-BRESLIN
ASSOCIATES, LLC AND/OR AN ENTITY FORMED OR TO
BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS
AGENT OF THE AGENCY FOR THE PURPOSE OF
ACQUIRING, CONSTRUCTING AND EQUIPPING THE
FACILITY, APPROVING THE ACQUISITION,
CONSTRUCTION AND EQUIPPING OF SUCH INDUSTRIAL
DEVELOPMENT FACILITY AND 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, Rose-Breslin Associates LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, on behalf of itself and/or the principals of Rose-Breslin Associates LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”) has requested the Agency’s assistance with the acquisition, construction and equipping of Phase 1b of the Meadows at Yaphank which is a multi-phase development (Phase 1b is a mixed-use industrial development facility comprised of two (2) components) consisting of (a) the acquisition of an approximately 35.54 acres of land located on the southeast and northeast corners of The Boulevard and Yaphank Woods Boulevard Ext., also known as Tax Map No. 0200-584.00-02.00-001.004 (collectively, the “**Land**”), (b) the construction and equipping of a 295 unit apartment complex consisting of 192 units in four 4-story buildings, 77 units in 2-story townhouse buildings, and 26 units in 2-story carriage house units, consisting of collectively, 80 one-bedroom units, 199 two-bedroom units and 16 three-bedroom units of which 29 are affordable units (including 18 one-bedroom units, 10 two-bedroom units and 1 three-bedroom unit), all totaling approximately 482,480 square feet located on an approximately 32.84 acre portion of the Land, including, but not limited to, equipment and furnishings , along with a 6,800 square foot clubhouse for use by the residents of the units (collectively, the “**Phase 1b Apartments**”), to provide much needed rental housing on Long Island, and (c) the construction and equipping of a 146 suite 4-story hotel with kitchenettes, conference rooms and meeting spaces totaling approximately 96,780 square feet located on an approximately 2.7 acre parcel of the Land and to be known as a Hilton Home 2 Suite Hotel, or such other hotel as may be determined, including, but not limited to, building materials, landscaping, furniture, office equipment, kitchen equipment, pool equipment and gym equipment (collectively, the “**Phase 1b Hotel**”), to serve the needs of business travelers.

The Phase 1b Hotel together with the Phase 1b Apartments, are referred to as the “**Facility**”. Each component of the Facility will be leased by the Agency to the Company for further sublease by the Company to various sublessees formed or to be formed by the Company and/or the principals thereof and not yet determined (the “**Sublessees**”), and the Agency contemplates that it will enter into one or more Equipment Lease Agreements with the Sublessees, in connection with the equipping and furnishing of each component of the Facility, 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, in addition, in connection with the Facility, certain public improvements, including utilities, sewers, roadways, sidewalks, curbs, and parking lots may need to be constructed, renovated, or improved on or across land, lots, and roadways which may be owned or controlled by the Company, the Town of Brookhaven or Suffolk County adjacent to or in the vicinity of the Facility and the Facility will be initially owned, operated and/or managed by the Company; and

WHEREAS, the Agency will acquire a leasehold interest in the Facility pursuant to a certain Company Lease Agreement, dated as of November 1, 2017 or such other date as the Chairman, the Chief Executive Officer of the Agency and counsel to the Agency shall agree (the “**Company Lease**”), by and between the Company and the Agency; and

WHEREAS, the Agency will acquire title to the Equipment (as defined in the hereinafter defined Lease Agreement) pursuant to a certain Bill of Sale, dated the Closing Date (as defined in the hereinafter defined Lease Agreement) (the “**Bill of Sale**”), from the Company to the Agency; and

WHEREAS, the Agency will sublease and lease the Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of November 1, 2017 or such other date as the Chairman, the Chief Executive Officer of the Agency and counsel to the Agency shall agree (the “**Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, the Agency will acquire title to the Phase 1b Apartments Equipment (as defined in the hereinafter defined Phase 1b Apartments Equipment Lease) pursuant to a certain Equipment Bill of Sale, dated the Closing Date (collectively, the “**Phase 1b Apartments Equipment Bill of Sale**”), from the Phase 1b Apartments Sublessee not yet determined (the “**Phase 1b Apartments Sublessee**”), to the Agency; and

WHEREAS, the Agency will lease the Phase 1b Apartments Equipment to the Phase 1b Apartments Sublessee pursuant to a certain Equipment Lease Agreement, dated as of November 1, 2017 or such other date as the Chairman or Chief Executive Officer of the

Agency and counsel to the Agency shall agree (the “**Phase 1b Apartments Equipment Lease Agreement**”), by and between the Agency and the Phase 1b Apartments Sublessee; and

WHEREAS, the Agency will acquire title to the Phase 1b Hotel Equipment (as defined in the hereinafter defined Phase 1b Hotel Equipment Lease) pursuant to a certain Equipment Bill of Sale, dated the Closing Date (collectively, the “**Phase 1b Hotel Equipment Bill of Sale**”), from the Phase 1b Hotel Sublessee not yet determined (the “**Phase 1b Hotel Sublessee**”; and, together with the Phase 1b Apartments Sublessee, the “**Sublessees**”), to the Agency; and

WHEREAS, the Agency will lease the Phase 1b Hotel Equipment to the Phase 1b Hotel Sublessee pursuant to a certain Equipment Lease Agreement, dated as of November 1, 2017 or such other date as the Chairman or Chief Executive Officer of the Agency and counsel to the Agency shall agree (the “**Phase 1b Hotel Equipment Lease Agreement**”; and, together with the Phase 1b Apartments Equipment Lease Agreement, the “**Equipment Lease Agreements**”), by and between the Agency and the Phase 1b Hotel Sublessee; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company and the Sublessees in the form of: (i) exemptions from mortgage recording taxes for one or more mortgages securing the principal amount presently estimated to be \$71,705,000 but not to exceed \$78,000,000 in connection with the financing of the acquisition, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, constructing and equipping of the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed \$1,794,000, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit 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, the Phase 1b Apartments Sublessee and the Agency will enter into a certain Agency Compliance Agreement, dated as of November 1, 2017 or such other date as may be determined by the Chairman or Chief Executive Officer of the Agency and counsel to the Agency (the “**Phase 1b Apartments Agency Compliance Agreement**”), whereby the Phase 1b Apartments Sublessee will provide certain assurances to the Agency with respect to the Facility; and

WHEREAS, the Phase 1b Hotel Sublessee and the Agency will enter into a certain Agency Compliance Agreement, dated as of November 1, 2017 or such other date as may be determined by the Chairman or Chief Executive Officer of the Agency and counsel to the Agency (the “**Phase 1b Hotel Agency Compliance Agreement**”; and, together with the Phase 1b Apartments Agency Compliance Agreement the “**Agency Compliance**”

Agreements”), whereby the Phase 1b Hotel Sublessee will provide certain assurances to the Agency with respect to the Facility; and

WHEREAS, as security for a loan or loans, the Agency and the Company and/or the Sublessees will execute and deliver to a lender or lenders not yet determined (collectively, the “**Lender**”), a mortgage or 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, a public hearing (the “**Hearing**”) was held on November 14, 2017 and notice of the Hearing was given and such notice (together with proof of publication) together with the minutes of the Hearing are in substantially in the form annexed hereto as Exhibits A and B respectively; and

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

WHEREAS, the Agency required the Company to provide to the Agency a feasibility report (the “**Feasibility Study**”), together with such letters or reports 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 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 such Requisite Materials are listed below and attached as Exhibit E hereof:

1. Addendum to Tax Impact/School District Analysis, Market Feasibility and Economic Impact Summary Analysis, dated August 16, 2017 by Nelson, Pope & Voorhis, LLC (NPV);
2. New York Law Journal Article, dated March 22, 2017 on Eligibility of Residential Developments for IDA Benefits by Anthony Guardino, Esq.; and
3. Ryan et al. v. Town of Hempstead Industrial Development Agency et al.; and

WHEREAS, the Agency’s Uniform Tax Exemption Policy (the “**UTEP**”), which such UTEP is annexed hereto as Exhibit F, provides for the granting of financial assistance by the Agency for unusual projects pursuant to Sections 3(B), 8(A) and 8(C); and

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

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

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

WHEREAS, the Agency constitutes an “Involved Agency” (as defined in SEQR); and

WHEREAS, the construction and operation of the Facility is an “Action” under SEQR; and

WHEREAS, the Facility is part of a larger Action, specifically, the Meadows at Yaphank Planned Development District; and

WHEREAS, the Applicant and/or its predecessor in interest submitted a request for rezoning to Planned Development District to the Brookhaven Town Board (“**Town Board**”) for the Meadows at Yaphank Planned Development district (the “**Action**”); and

WHEREAS, the Company submitted to the Brookhaven Town Board, a Draft Environmental Impact Statement (“**DEIS**”) for the Action and the Brookhaven Town Board accepted such DEIS on April 11, 2011; and

WHEREAS, the Brookhaven Town Board held a public hearing on the DEIS on May 10, 2011, and the Brookhaven Town Board accepted written comments until June 25, 2011; and

WHEREAS, the Company submitted to the Brookhaven Town Board, a Final Environmental Impact Statement (“**FEIS**”), including the responses to all comments, and such FEIS was accepted by the Brookhaven Town Board on August 16, 2011; and

WHEREAS, the Brookhaven Town Board issued its Lead Agency findings statement on October 4, 2011; and

WHEREAS, as an Involved Agency, the Agency must make its own findings under SEQR prior to funding, undertaking, or approving an Action; and

WHEREAS, the Agency has reviewed the DEIS, the FEIS and the documents incorporated by reference therein, as well as such other documents as the Agency felt it necessary or appropriate to examine to adequately review the proposed Action; and

WHEREAS, the Agency finds that the Findings Statement attached hereto as Exhibit D accurately and adequately examines environmental issues presented by the Action; and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the leasing of the Facility by the Agency to the Company;

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

Section 1. The Agency hereby adopts the Lead Agency's Findings Statement attached hereto as Exhibit D as its own Findings Statement under SEQR.

Section 2. Having considered the DEIS and FEIS, and such other documents as may be necessary or appropriate, the Agency certifies that:

(a) The requirements of 6 NYCRR Part 617 have been met;

(b) Consistent with the social, economic and other essential considerations, from among the reasonable alternatives thereto, the Action is one which minimizes or avoids adverse environmental effects to the maximum extent practicable, including effects disclosed in the environmental impact statement.

(c) Consistent with social, economic, and other essential considerations, to the maximum extent practicable, adverse environmental effects revealed in the environmental impact statement will be minimized or avoided by incorporating as conditions those mitigative measures which were identified as practicable

Section 3. In connection with the acquisition, construction and equipping of the Facility the Agency hereby makes the following determinations and findings based upon information provided by the Company with respect to the Facility, including, the Requisite Materials and other public information:

(a) There is a lack of affordable, safe, clean and modern rental housing in the Town of Brookhaven;

(b) Such lack of rental housing has resulted in individuals leaving the Town of Brookhaven and therefore adversely affecting employers, businesses, retailers, banks, financial institutions, insurance companies, health and legal services providers and other merchants in the Town of Brookhaven and otherwise adversely impacting the economic health and well-being of the residents of the Town of Brookhaven, employers, and the tax base of the Town of Brookhaven;

(c) The Facility, by providing such rental housing will enable persons to remain in the Town of Brookhaven and thereby to support the businesses, retailers, banks, and other financial institutions, insurance companies, health care and legal services providers and other merchants in the Town of Brookhaven which will increase the economic health and well-being of the residents of the Town of Brookhaven, help preserve and increase permanent private sector jobs in furtherance of the Agency's public purposes as set forth in the Act, and therefore the Agency finds and determines that the Facility is a commercial project within the meaning of Section 854(4) of the Act;

(d) The Facility will provide services, i.e., rental housing, which but for the Facility, would not otherwise be reasonably accessible to the residents of the Town of Brookhaven.

Section 4. The Agency hereby finds and determines:

(a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

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

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

(d) The acquisition, construction and equipping of the Facility is reasonably necessary to induce the Company to maintain and expand its business operations in the State of New York; and

(e) Based upon representations of the Company and counsel to the Company, the Facility conforms with the local zoning laws and planning regulations of the Town of Brookhaven, Suffolk County, 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 lease the Phase 1b Apartments Equipment to the Phase 1b Apartments Sublessee; and

(g) It is desirable and in the public interest for the Agency to lease the Phase 1b Hotel Equipment to the Phase 1b Hotel Sublessee; and

(h) It is desirable and in the public interest for the Agency to lease the Facility to the Company; and

(i) The Company Lease will be an effective instrument whereby the Agency leases the Land and the Improvements (as defined in the Lease Agreement) from the Company; and

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

(k) The Equipment Lease Agreements will be effective instruments whereby the Agency leases the Equipment to the Sublessees; and

(l) The Agency Compliance Agreements will be effective instruments whereby the Sublessees will provide certain assurances to the Agency with respect to the Facility.

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

Section 5. The Agency has assessed all material information included in connection with the Company's application for financial assistance, including but not limited to, the cost-benefit analysis prepared by the Agency and such information has provided the Agency a reasonable basis for its decision to provide the financial assistance described herein to the Company.

Section 6. 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) sublease and 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 each of the Sublessees pursuant to the Equipment Lease Agreements, (vi) execute, deliver and perform the Equipment Lease Agreements, (vii) execute and deliver the Agency Compliance Agreements, (viii) grant a mortgage on and security interests in and to the Facility pursuant to the Loan Documents, and (ix) execute and deliver the Loan Documents to which the Agency is a party.

Section 7. 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 the personal property described in Exhibit A to the Equipment Lease Agreements 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 8. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company and the Sublessees 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 the principal amount presently estimated to be \$71,704,000 but not to exceed \$78,000,000 in connection with the financing of the acquisition, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, constructing and equipping of the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed \$1,794,000 in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit C hereof), consistent with the policies of the Agency.

Section 9. Subject to the provisions of this resolution, the Company and the Sublessees are herewith and hereby appointed the agents of the Agency to acquire, construct and equip the Facility. The Company and the Sublessees are hereby empowered to delegate their respective status as agent of the Agency to their respective agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company and the Sublessees 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 Sublessees 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 Sublessees, 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 Sublessees 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 Sublessees 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 Sublessees, as agent of the Agency. The aforesaid appointment of the Company and the Sublessees 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 Sublessees have received exemptions from sales and use taxes for the Facility in an amount not to exceed \$1,794,000, 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 Sublessees if such activities and improvements are not completed by such time. The aforesaid appointment of the Company and the Sublessees is subject to the execution of the documents contemplated by this resolution.

Section 10. The Company and the Sublessees hereby agree to comply with Section 875 of the Act. The Company and the Sublessees further agree that the tax exemptions and abatements provided pursuant to the Act and the appointment of the Company and the Sublessees as agents of the Agency pursuant to this Authorizing Resolution are subject to termination and recapture of benefits pursuant to Sections 859-a and 875 of the Act and the recapture provisions of the Lease Agreement and the Agency Compliance Agreements.

Section 11. The form and substance of the Company Lease, the Lease Agreement, the Equipment Lease Agreements, the Agency Compliance Agreements, 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 12.

(a) The Chairman, the Chief Executive Officer of the Agency 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 Agreements, the Agency Compliance Agreements, 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, the Chief Executive Officer of the Agency 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, the Chief Executive Officer of the Agency or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, the Chief Executive Officer of the Agency 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 13. 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 14. Any expenses incurred by the Agency with respect to the Facility shall be paid by the Company. By acceptance hereof, the Company agrees 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 15. This resolution shall take effect immediately.

ADOPTED: NOVEMBER 15, 2017

ACCEPTED: _____, 2017

**ROSE-BRESLIN ASSOCIATES,
LLC**

By: _____

Name:

Title:

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

I, the undersigned Assistant 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 15th day of November, 2017, 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 15th day of November, 2017.

By: _____
 Assistant 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 (the “**Agency**”) on the 14th day of November 2017, 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, New York in connection with the following matters:

Rose-Breslin Associates LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, on behalf of itself and/or the principals of Rose-Breslin Associates LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”) has requested the Agency’s assistance with the acquisition, construction and equipping of Phase 1b of the Meadows at Yaphank which is part of a multi-phase development. Phase 1b is a mixed-use industrial development facility comprised of two (2) components consisting of (a) the acquisition of an approximately 35.54 acres of land located on the southeast and northeast corners of The Boulevard and Yaphank Woods Boulevard Ext., also known as Tax Map No. 0200-584.00-02.00-001.004 (collectively, the “**Land**”), (b) the construction and equipping of a 295 unit apartment complex consisting of 192 units in four 4-story buildings, 77 units in 2-story townhouse buildings, and 26 units in 2-story carriage house units, consisting of collectively, 80 one-bedroom units, 199 two-bedroom units and 16 three-bedroom units of which 29 are affordable units (including 18 one-bedroom units, 10 two-bedroom units and 1 three-bedroom unit), all totaling approximately 482,480 square feet located on an approximately 32.84 acre portion of the Land, including, but not limited to, equipment and furnishings , along with a 6,800 square foot clubhouse for use by the residents of the units (collectively, the “**Phase 1b Apartments**”), to provide much needed rental housing on Long Island, and (c) the construction and equipping of a 146 suite 4-story hotel with kitchenettes, conference rooms and meeting spaces totaling approximately 96,780 square feet located on an approximately 2.7 acre parcel of the Land and to be known as a Hilton Home 2 Suite Hotel, or such other hotel as may be determined, including, but not limited to, building materials, landscaping, furniture, office equipment, kitchen equipment, pool equipment and gym equipment (collectively, the “**Phase 1b Hotel**”), to serve the needs of business travelers. The Phase 1b Hotel together with the Phase 1b Apartments, are referred to as the “**Phase 1b Facility**”. Each component of the Phase 1b Facility will be leased by the Agency to the Company for further sublease by the Company to various sublessees formed or to be formed by the Company and/or the principals thereof and not yet determined (the “**Sublessees**”). The Agency contemplates that it will enter into one or more Equipment Lease Agreements with the Sublessees, in connection with the equipping and furnishing of each component of the Phase 1b Facility.

In addition, in connection with the Phase 1b Facility, certain public improvements, including utilities, sewers, roadways, sidewalks, curbs, and parking lots may need to be

constructed, renovated, or improved on or across land, lots, and roadways which may be owned or controlled by the Company, the Town of Brookhaven or Suffolk County adjacent to or in the vicinity of the Phase 1b Facility. The Phase 1b Facility will be initially owned, operated and/or managed by the Company.

The Agency contemplates that it will provide financial assistance to the Company and the Sublessees in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Phase 1b Facility and exemptions from sales and use taxes in connection with the construction and equipping of the Phase 1b Facility and abatement of real property taxes, all consistent with the policies of the Agency.

A representative of the Agency will, at the above-stated time and place, hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the Sublessees or the location or nature of the Phase 1b Facility. At the hearing, all persons will have the opportunity to review the application for financial assistance filed by the Company with the Agency and an analysis of the costs and benefits of the proposed Phase 1b Facility.

Dated: November 4, 2017

TOWN OF BROOKHAVEN INDUSTRIAL
DEVELOPMENT AGENCY

By: Lisa MG Mulligan
Title: Chief Executive Officer

EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON
NOVEMBER 14, 2017

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
(ROSE-BRESLIN ASSOCIATES, LLC 2017 FACILITY)

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

Section 2. Lisa MG Mulligan then appointed herself the hearing officer of the Agency, to record the minutes of the hearing.

Section 3. The hearing officer then described the proposed transfer of the real estate, the other financial assistance proposed by the Agency and the location and nature of the Facility as follows:

Rose-Breslin Associates LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, on behalf of itself and/or the principals of Rose-Breslin Associates LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”) has requested the Agency’s assistance with the acquisition, construction and equipping of Phase 1b of the Meadows at Yaphank which is part of a multi-phase development. Phase 1b is a mixed-use industrial development facility comprised of two (2) components consisting of (a) the acquisition of an approximately 35.54 acres of land located on the southeast and northeast corners of The Boulevard and Yaphank Woods Boulevard Ext., also known as Tax Map No. 0200-584.00-02.00-001.004 (collectively, the “**Land**”), (b) the construction and equipping of a 295 unit apartment complex consisting of 192 units in four 4-story buildings, 77 units in 2-story townhouse buildings, and 26 units in 2-story carriage house units, consisting of collectively, 80 one-bedroom units, 199 two-bedroom units and 16 three-bedroom units of which 29 are affordable units (including 18 one-bedroom units, 10 two-bedroom units and 1 three-bedroom unit), all totaling approximately 482,480 square feet located on an approximately 32.84 acre portion of the Land, including, but not limited to, equipment and furnishings , along with a 6,800 square foot clubhouse for use by the residents of the units (collectively, the “**Phase 1b Apartments**”), to provide much needed rental housing on Long Island, and (c) the construction and equipping of a 146 suite 4-story hotel with kitchenettes, conference rooms and meeting spaces totaling approximately 96,780 square feet located on an approximately 2.7 acre parcel of the Land and to be known as a Hilton Home 2 Suite Hotel, or such other hotel as may be determined, including, but not limited to, building materials, landscaping, furniture, office equipment, kitchen equipment, pool equipment and gym equipment (collectively, the “**Phase 1b**

Hotel”), to serve the needs of business travelers. The Phase 1b Hotel together with the Phase 1b Apartments, are referred to as the “**Phase 1b Facility**”. Each component of the Phase 1b Facility will be leased by the Agency to the Company for further sublease by the Company to various sublessees formed or to be formed by the Company and/or the principals thereof and not yet determined (the “**Sublessees**”). The Agency contemplates that it will enter into one or more Equipment Lease Agreements with the Sublessees, in connection with the equipping and furnishing of each component of the Phase 1b Facility.

In addition, in connection with the Phase 1b Facility, certain public improvements, including utilities, sewers, roadways, sidewalks, curbs, and parking lots may need to be constructed, renovated, or improved on or across land, lots, and roadways which may be owned or controlled by the Company, the Town of Brookhaven or Suffolk County adjacent to or in the vicinity of the Phase 1b Facility. The Phase 1b Facility will be initially owned, operated and/or managed by the Company.

The Agency contemplates that it will provide financial assistance to the Company and the Sublessees in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Phase 1b Facility and exemptions from sales and use taxes in connection with the construction and equipping of the Phase 1b Facility and abatement of real property taxes, all consistent with the policies of the Agency.

Section 4. The hearing officer then opened the hearing for comments from the floor for or against the proposed transfer of real estate, the other financial assistance proposed by the Agency and the location and nature of the Facility. The following is a listing of the persons heard and a summary of their views:

N/A

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

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

I, the undersigned Assistant 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 14, 2017, 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, 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 14, 2017.

Assistant Secretary

EXHIBIT C -1

Proposed Phase 1b Apartments PILOT Schedule

Payments for In-Lieu-of-Taxes Payment: 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), Longwood Central School District, Suffolk County and Appropriate Special Districts.

<u>Year</u>	<u>Payment</u>
1.	\$455,285
2.	\$533,300
3.	\$611,316
4.	\$689,331
5.	\$767,347
6.	\$845,362
7.	\$923,377
8.	\$1,001,393
9.	\$1,079,408
10.	\$1,157,424
11.	\$1,235,439
12.	\$1,313,454
13.	\$1,391,470
14.	\$1,469,485
15.	\$1,547,501

and thereafter 100% of full taxes and assessments on the Facility

EXHIBIT C -2

Proposed Phase 1b Hotel PILOT Schedule

Payments for In-Lieu-of-Taxes Payment: 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), Longwood Central School District, Suffolk County and Appropriate Special Districts.

<u>Year</u>	<u>Payment</u>
1.	\$8,176
2.	\$8,340
3.	\$8,506
4.	\$8,677
5.	\$8,850
6.	\$9,027
7.	\$9,208
8.	\$9,392
9.	\$9,580
10.	\$9,771
11.	\$798,078
12.	\$814,039
13.	\$830,320
14.	\$846,927
15.	\$863,865

and thereafter 100% of full taxes and assessments on the Facility

EXHIBIT D
SEQR Findings Statement

EXHIBIT E

Requisite Materials

- Exhibit E-1 Addendum to Tax Impact/School District Analysis, Market Feasibility and Economic Impact Summary Analysis, dated August 16, 2017 by Nelson, Pope & Voorhis, LLC (NPV).
- Exhibit E-2 New York Law Journal Article, dated March 22, 2017 on Eligibility of Residential Developments for IDA Benefits by Anthony Guardino, Esq.
- Exhibit E-3 Ryan et al. v. Town of Hempstead Industrial Development Agency et al.

Exhibit E-1

Addendum to Tax Impact/School District Analysis, Market Feasibility and Economic Impact Summary Analysis, dated August 16, 2017 by Nelson, Pope & Voorhis, LLC (NPV).

Exhibit E-2

New York Law Journal Article, dated March 22, 2017 on Eligibility of Residential Developments for IDA Benefits by Anthony Guardino, Esq

Ryan et al. v. Town of Hempstead Industrial Development Agency et al.

EXHIBIT F

Town of Brookhaven Industrial Development Agency Uniform Tax Exemption Policy

Date: November 15, 2017

At a meeting of the Town of Brookhaven Industrial Development Agency (the “Agency”), held on the 15th day of November, 2017, at 1 Independence Hill, 3rd Floor, Farmingville, New York 11738, the following members of the Agency were:

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

Recused:

Absent: Felix J. Grucci, Jr.
Michael Kelly
Scott Middleton

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

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to acquisition of a leasehold interest in and title to a certain industrial development facility more particularly described below (Sunrise Development, Inc. 2017 Facility) and the leasing of the facility to Sunrise Development, Inc.

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

Voting Aye

Braun
Callahan
Pollakusky
Scheidt

Voting Nay

PRELIMINARY RESOLUTION OF THE TOWN OF
BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
TAKING OFFICIAL ACTION IN CONNECTION WITH
SUNRISE DEVELOPMENT, INC., A BUSINESS
CORPORATION, ON BEHALF OF ITSELF AND/OR THE
PRINCIPALS OF SUNRISE DEVELOPMENT, INC. AND/OR
AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF
THE FOREGOING

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, Sunrise Development, Inc., a business corporation organized and existing under the laws of the State of Virginia, on behalf of itself and/or the principals of Sunrise Development, 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 for assistance in connection with the acquisition of an approximately 4.77 acre parcel of land located at Hallock’s Road, Village of Lake Grove, Town of Brookhaven, New York (more particularly known as SCTM No. 0208-07.00-01.00-006.000) (the “**Land**”), the construction thereon of a 3-story, approximately 76,500 square foot building, 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 and personal property (the “**Equipment**”; and, together with the Land and the Improvements, the “**Facility**”), which Facility will be leased by the Agency to the Company, and used by the Company as an senior assisted living and Alzheimer’s/memory care facility consisting of approximately 90 units and 113 beds; and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

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

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the leasing of the Facility by the Agency to the Company;

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in connection with the Facility, consistent with the policies of the Agency, in the form of exemptions from mortgage recording taxes, exemptions from sales and use taxes and

abatement of real property taxes, all to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein; and

WHEREAS, as of the date of this resolution, no determination for financial assistance has been made; 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, subject to the Company’s providing the Agency with an Environmental Assessment Form (“**EAF**”) and evidence that the Company has received all necessary site plan approvals, architectural review, zoning approvals, permits, with respect to the Facility, the Agency will consider the inducement of the project; and

WHEREAS, prior to the Agency making a final SEQR determination, the Company will obtain all necessary site plan and zoning approvals required in connection with the acquisition, construction and equipping of the Facility and provide any related materials to the Agency for review; and

WHEREAS, to aid the Agency in determining whether the Facility may have a significant effect upon the environment, the Company will prepare and submit to the Agency an Environmental Assessment Form and related documents (the “**Questionnaire**”) with respect to the Facility; and

WHEREAS, as of the date of this resolution, no determination for the Facility been made under SEQR.; and

WHEREAS, the Agency has required the Company to provide to the Agency a feasibility report (the “**Feasibility Study**”), together with such letters or reports from interested parties and governmental agencies or officials (the “**Letters of Support**”; and together with the Feasibility Study, the “**Requisite Materials**”), to enable 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.

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

Section 1. At such time as the Company submits to the Agency all necessary information for the Agency to comply with SEQR, the Agency will undertake to review such information. If a “Lead Agency” other than the Agency is declared under SEQR, the Agency shall send written notification to such Lead Agency that the Agency is an “involved agency” with respect to the Lead Agency’s SEQR review. Notice of this determination shall be filed to the extent required by the applicable regulations under that Act or as may be deemed advisable by the Chairman, Vice Chairman, Chief Executive Officer of the Agency, or counsel to the Agency.

Section 2. Prior to the Agency adopting any final resolution granting of economic benefits contemplated hereunder in connection with the Facility, the Company shall, in addition to the requirements set forth in this Preliminary Resolution, provide such additional information in such form and content satisfactory to the Agency, including, without limitation, the Feasibility Study and such other Requisite Materials as the Agency may deem necessary or desirable to assist the Board of the Agency in making all determinations and findings as may be necessary under the Act in connection with the acquisition, construction, equipping and furnishing of the Facility.

Section 3. Nothing herein shall be construed as committing the Agency to approve the acquisition, construction, equipping and financing of the Facility until such time as the Agency has completed the cost-benefit report and its determination of the benefits to be granted to the Company with respect to the Facility.

Section 4. Nothing herein shall be construed as committing the Agency to approve the acquisition, construction, equipping and financing of the Facility until such time as the Company has provided the Agency with evidence that all necessary site plan approvals, architectural review, zoning approvals, permits, with respect to the Facility have been approved. Rather, the actions undertaken pursuant to this resolution shall be limited to environmental, engineering, economic, feasibility and other studies.

Section 5. Nothing herein shall be construed as committing the Agency to approve the acquisition, construction, equipping and financing of the Facility until such time as the Agency has received the Requisite Materials with respect to the Facility which enable 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.

Section 6. Counsel to the Agency is authorized and directed to work with Transaction Counsel (Nixon Peabody LLP) to prepare, for submission to the Agency, all documents necessary to affect the transfer of the real estate described in the foregoing resolution.

Section 7. The Chairman, the Vice Chairman, the Chief Executive Officer and all members of the Agency are hereby authorized and directed (i) to distribute copies of this resolution to the Company, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 8. This resolution shall take effect immediately.

ADOPTED: NOVEMBER 15, 2017

