

Date: December 4, 2018

At a meeting of the Town of Brookhaven Industrial Development Agency (the “**Agency**”), held at 318 Wynn Lane, Port Jefferson, New York 11777, on the 4th day of December, 2018, the following members of the Agency were:

Present:

Recused:

Absent:

Also Present:

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to acquisition of a leasehold interest in and title to a certain industrial development facility more particularly described below (K. J. R. Holding, Inc. 2018 Facility) and the leasing of the facility to K. J. R. Holding, Inc.

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

Voting Aye

Voting Nay

RESOLUTION OF THE TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY APPROVING
THE ACQUISITION, RENOVATION AND EQUIPPING OF
A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY
AND APPROVING THE APPOINTMENT OF K. J. R.
HOLDING, INC., A NEW YORK NOT-FOR-PROFIT
CORPORATION ON BEHALF OF ITSELF AND/OR THE
PRINCIPALS OF K. J. R. HOLDING, INC. 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, RENOVATING
AND EQUIPPING THE 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, K. J. R. Holding, Inc., a not-for-profit corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of K. J. R. Holding, Inc. and/or an entity formed or to be formed on behalf of the foregoing (collectively, the “**Company**”), has applied to the Agency for assistance in the acquisition of a leasehold interest in an approximately 25,000 square foot building (the “**Building**”), located on an approximately 1.32-acre parcel of land, located at 2052 Rt. 112, Medford, New York 11763 (more particularly described as Suffolk County Tax Map No. 0200-808.00-02.00-020.001) (the “**Land**”), from Lucky Daughters Realty Inc., a New York business corporation (the “**Owner**”), for the renovation of the Building (together with the Building, the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and together with Land and the Improvements, the “**Facility**”), which Facility is to be subleased by the Agency to the Company and used by the Company and Angela’s House Foundation, a not-for-profit corporation organized and existing under the laws of the State of New York (the “**User**”) as warehouse and distribution space to receive and store donations of medical supplies and building supplies in connection with the Company’s business of providing residential services and home care services for medically fragile children (the “**Project**”); and

WHEREAS, the Agency will acquire a subleasehold interest in the Land and the Improvements and will sub-sublease and lease the Facility to the Company all pursuant to the Act; and

WHEREAS, the Agency will acquire a subleasehold interest in the Land and Improvements pursuant to a certain Company Lease Agreement, dated as of December 1, 2018 or such other date as the Chairman or 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 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 sub-sublease and lease the Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of December 1, 2018 or such other date as the Chairman or 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 contemplates that it will provide financial assistance to the Company consistent with the policies of the Agency, in the form of abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit C hereof); 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 December 4, 2018, so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency or the location or nature of the Facility, could be heard; and

WHEREAS, notice of the Hearing was given on November 24, 2018 and such notice (together with proof of publication), was substantially in the form annexed hereto as Exhibit A; and

WHEREAS, the report of the Hearing is substantially in the form annexed hereto as Exhibit B; 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 the competitive position of the Company in its industry; and

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

WHEREAS, to aid the Agency in determining whether the Facility may have a significant effect upon the environment, the Company has prepared and submitted to the

Agency an Environmental Assessment Form and related documents (the “**Questionnaire**”) with respect to the Facility, a copy of which is on file at the office of the Agency; and

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

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

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

Section 1. Based upon the Questionnaire prepared by the Company and reviewed by the Agency, and other representations and information furnished regarding the Facility, the Agency determines that the action relating to the acquisition, renovation, redevelopment, equipping and operation of the Facility in an “Unlisted” action, as that term is defined under SEQR. The Agency also determines that the Facility 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 the 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 and sub-subleasing of the Facility to the Company will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of Town of 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 to 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) The Facility and the operations conducted therein do not have a significant effect on the environment, as determined in accordance with Article 8 of the Environmental Conservation Law of the State of New York and the regulations promulgated thereunder; and

(g) It is desirable and in the public interest for the Agency to sub-sublease and lease the Facility to the Company; and

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

(i) The Lease Agreement will be an effective instrument whereby the Agency leases and sub-subleases 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 Agreement may recapture some or all of the benefits granted to the Company; and

The Agency Compliance Agreement, dated as of December 1, 2018 or such other date as the Chairman or Chief Executive Officer of the Agency and counsel to the Agency shall agree (the “**Agency Compliance Agreement**”), by and between the Agency and the User, will be an effective instrument whereby the User makes certain assurances to the Agency with respect to the Facility.

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

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

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

Section 6. The Agency is hereby authorized to acquire the Facility and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 7. In connection with the Facility the Agency hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the acquisition, renovation and equipping of the Facility in the form of 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 8. The Company is hereby notified that the tax exemptions and abatements provided pursuant to the Act are subject to termination and recapture of benefits pursuant to Section 859-a of the Act and the recapture provisions of the Lease Agreement.

Section 9. The form and substance of the Company Lease, the Lease Agreement and the Agency Compliance Agreement (each in substantially the forms presented to or approved by the Agency and which, prior to the execution and delivery thereof, may be redated and renamed) are hereby approved.

Section 10.

(a) The Chairman, Vice Chairman, Chief Executive Officer or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Company Lease and the Lease Agreement, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Chief Executive Officer or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “**Agency Documents**”). The execution thereof by the Chairman, Vice Chairman, Chief Executive Officer or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Vice Chairman, Chief Executive Officer or any member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 11. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 12. Any expenses incurred by the Agency with respect to the Facility shall be paid by the Company. The Company agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Facility.

Section 13. This resolution shall take effect immediately.

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

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

That I have compared the annexed extract of the minutes of the meeting of the Town of Brookhaven Industrial Development Agency (the “**Agency**”), including the resolutions contained therein, held on the 4th day of December, 2018, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

That the Agency Documents contained in this transcript of proceedings are each in substantially the form presented to the Agency and/or approved by said meeting.

I FURTHER CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, that all members of said Agency had due notice of said meeting and that the meeting was all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 4th day of December, 2018.

By: _____
Secretary

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York State General Municipal Law will be held by the Town of Brookhaven Industrial Development Agency (the “**Agency**”) on the 4th day of December, 2018, at 11:30 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:

K. J. R. Holding, Inc., a not-for-profit corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of K. J. R. Holding, Inc. and/or an entity formed or to be formed on behalf of the foregoing (collectively, the “**Company**”), has applied to the Agency for assistance in the acquisition of a leasehold interest in an approximately 25,000 square foot building (the “**Building**”), located on an approximately 1.32-acre parcel of land, located at 2052 Rt. 112, Medford, New York 11763 (more particularly described as Suffolk County Tax Map No. 0200-808.00-02.00-020.001) (the “**Land**”), from Lucky Daughters Realty Inc., a New York business corporation (the “**Owner**”); the renovation of the Building (together with the Building, the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and together with Land and the Improvements, the “**Facility**”), which Facility is to be subleased by the Agency to the Company and used by the Company and Angela’s House Foundation, a not-for-profit corporation organized and existing under the laws of the State of New York (the “**User**”) as warehouse and distribution space to receive and store donations of medical supplies and building supplies in connection with the Company’s business of providing residential services and home care services for medically fragile children (the “**Project**”). The Facility will be initially operated and/or managed by the Company and used by the User.

The Agency will acquire a subleasehold interest in the Land and the Improvements and title to the Equipment and will sub-sublease and lease the Facility to the Company. The Agency contemplates that it will provide financial assistance to the Company in the form of 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 or the location or nature of the Facility. At the hearing, all persons will have the opportunity to review the application for financial assistance filed by the Company with the Agency and an analysis of the costs and benefits of the proposed Facility.

Dated: November 24, 2018

TOWN OF BROOKHAVEN INDUSTRIAL
DEVELOPMENT AGENCY

By: Lisa MG Mulligan
Title: Chief Executive Officer

EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON December 4, 2018

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY (K. J. R. HOLDING, INC. 2018 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:

K. J. R. Holding, Inc., a not-for-profit corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of K. J. R. Holding, Inc. and/or an entity formed or to be formed on behalf of the foregoing (collectively, the “**Company**”), has applied to the Agency for assistance in the acquisition of a leasehold interest in an approximately 25,000 square foot building (the “**Building**”), located on an approximately 1.32-acre parcel of land, located at 2052 Rt. 112, Medford, New York 11763 (more particularly described as Suffolk County Tax Map No. 0200-808.00-02.00-020.001) (the “**Land**”), from Lucky Daughters Realty Inc., a New York business corporation (the “**Owner**”), for the renovation of the Building (together with the Building, the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and together with Land and the Improvements, the “**Facility**”), which Facility is to be subleased by the Agency to the Company and used by the Company and Angela’s House Foundation, a not-for-profit corporation organized and existing under the laws of the State of New York (the “**User**”) as warehouse and distribution space to receive and store donations of medical supplies and building supplies in connection with the Company’s business of providing residential services and home care services for medically fragile children (the “**Project**”). The Facility will be initially operated and/or managed by the Company and used by the User.

The Agency will acquire a subleasehold interest in the Land and the Improvements and title to the Equipment and will sub-sublease and lease the Facility to the Company. The Agency contemplates that it will provide

financial assistance to the Company in the form of abatement of real property taxes 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

5. The hearing officer then asked if there were any further comments, and, there being none, the hearing was closed at 12:00 p.m.

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

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

That I have compared the foregoing copy of the minutes of a public hearing held by the Town of Brookhaven Industrial Development Agency (the “**Agency**”) on December 4, 2018, at 11:30 a.m., local time, at 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 December 4, 2018.

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), Patchogue-Medford School District, Suffolk County and Appropriate Special Districts

<u>Year</u>	<u>Tax Year</u>	<u>Payment</u>
1.	2019/2020	\$32,025
2.	2020/2021	\$32,665
3.	2021/2022	\$34,651
4.	2022/2023	\$36,702
5.	2023/2024	\$38,826
6.	2024/2025	\$41,016
7.	2025/2026	\$43,278
8.	2026/2027	\$45,614
9.	2027/2028	\$48,027
10.	2028/2029	\$50,522
	and thereafter	100% of full taxes and assessments on the Facility