

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 **FOUR KEYS REALTY, LLC AND/OR UNITED FENCE AND GUARD RAIL CORP.** AND/OR ANY OF THE PRINCIPALS OF **FOUR KEYS REALTY, LLC AND/OR UNITED FENCE AND GUARD RAIL CORP.** AND/OR OTHER ENTITY TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING, INCLUDING APPOINTING **FOUR KEYS REALTY, LLC AND/OR UNITED FENCE AND GUARD RAIL CORP.** AND/OR ANY OF THE FOREGOING PERSONS AND/OR ENTITIES AS AGENT OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, AND EQUIPPING 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, **FOUR KEYS REALTY, LLC**, a New York limited liability company, on behalf of itself and/or the principals of **FOUR KEYS REALTY, LLC** and/or an entity formed or to be formed on behalf of any of the foregoing (the “Company”), and **UNITED FENCE AND GUARD RAIL CORP.**, a New York business corporation, on behalf of itself and/or the principals of **UNITED FENCE AND GUARD RAIL CORP.** 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 8.7 acre parcel of land located at Zorn Boulevard, Yaphank, Town of Brookhaven, Suffolk County, New York (and further identified as Tax Map No. 200-814-4-Lots 1 through 11) (the “Land”), and the construction of an approximately 25,000 square foot building to be located thereon (the “Improvements”), and the acquisition and installation therein of certain equipment not part of the Equipment (as defined herein)(the “Facility Equipment”; together with the Land and Improvements, the “Company Facility”), to be leased by the Agency from the Company, subleased by the Company from the Agency, and further sub-subleased by the Company to the Sublessee, as to approximately one-half of the Company Facility, to be used by the Sublessee for its sale distribution, storage, and installation of guard rails, bulk fencing, and related supplies, and to Master-Halco, Inc., a California corporation authorized to conduct business in the State of New York, as to approximately one-half of the Company Facility, to be used by Master-Halco, Inc., for its distribution and storage of fencing materials and related products, and (ii) the acquisition and installation therein of certain equipment and personal property (the “Equipment”), which Equipment is to be leased by the Agency to the Sublessee

(the Company Facility and the Equipment are collectively referred to herein as the “Facility”), to be used by the Sublessee for its sale distribution, storage, and installation of guard rails, bulk fencing, and related supplies, (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 mortgage recording taxes on mortgages securing an aggregate principal amount presently estimated to be \$2,880,000.00 but not to exceed \$3,500,000.00, 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 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, in an amount not to exceed \$125,000.00, (iii) exemptions from sales and use taxes on the acquisition and installation of the Equipment, including building materials, services or other personal property, in an amount not to exceed \$10,000.00, and (iv) 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 ten (10) years, by and between the Company and the Agency, and sublease the Company Facility to the Company under a certain Lease and Project Agreement (the “Lease and Project Agreement”) for a term of approximately ten (10) years, by and between the Agency and the Company; and

WHEREAS, the Company will sub-sublease approximately one-half of the Company Facility to the Sublessee under a certain Sublease (the “Sublease”), by and between the Company and the Sublessee; and

WHEREAS, the Company will sub-sublease approximately one-half of the Company Facility to Master-Halco, Inc. under a certain lease dated May 13, 2016 (the “Master-Halco Sublease”), by and between the Company and Master-Halco, Inc.; 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 and Project Agreement”) for a term of approximately three (3) years, by and between the Agency and the Sublessee; and

WHEREAS, the Agency contemplates the Agency, the Company and the Sublessee will enter into a certain Payment-In-Lieu-of- Tax Agreement (the “PILOT Agreement”) in order to define the Company’s and the Sublessee’s obligations regarding payments in lieu of taxes with respect to the Facility; and

WHEREAS, the Agency contemplates the Agency, the Company and the Sublessee will enter into a certain Recapture Agreement (the “Recapture Agreement”) in order to provide assurances with respect to the recapture of certain benefits granted under or by virtue of the PILOT Agreement, the Lease and Project Agreement, the Equipment Lease and Project Agreement and other agreements, including mortgage recording tax exemptions, sales and use tax exemptions and abatements of real estate taxes; and

WHEREAS, the Agency contemplates the Agency, the Company, the Sublessee and others will enter into a certain Agency Compliance and Guaranty Agreement (the “Agency Compliance and Guaranty 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 (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 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 Agency’s interest in the Company Facility and/or the Equipment to the lien of the Mortgage; and

WHEREAS, the Agency contemplates the Agency and Master-Halco, Inc. will enter into a certain Tenant Agency Compliance Agreement (the “Tenant Agency Compliance Agreement”) in order to provide assurances to the Agency with respect to Master-Halco, Inc.’s occupancy of the Facility, including its obligations to the Agency and compliance with environmental laws; and

WHEREAS, the Agency has made an assessment of all material information included in connection with the application for financial assistance, as necessary to afford a reasonable basis for the decision by the Agency to provide financial assistance for the Project;

WHEREAS, the Agency has made a written cost-benefit analysis that identifies the extent to which the Project will create or retain permanent, private sector jobs; the estimated value of any tax exemptions to be provided; the amount of private sector investment generated or likely to be generated by the proposed project; the likelihood of accomplishing the proposed project in a timely fashion; and the extent to which the proposed project will provide additional sources of revenue for municipalities and school districts; and any other public benefits that might occur as a result of the Project;

WHEREAS, the Company and the Sublessee have stated in and as of the date of the application, as amended, that the Project is in substantial compliance with all provisions of Article 18-A of the General Municipal Law of the State of New York including, but not limited to, the provisions of Section 859-a and subdivision one of Section 862 of the Act; and

WHEREAS, the Agency has notified the chief executive officer or officers of the municipality or municipalities in which the Applicant's current facility or plant is located that the Project involves the removal or abandonment of the facility or plant within the State of New York; and

WHEREAS, a public hearing (the "Hearing") was held on July 26, 2016, 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, as amended, and to the representations by the Company and the Sublessee that the proposed Project shall not result in the removal of a facility or plant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities located within the State; unless: (i) such occupation of the Facility is reasonably necessary to discourage the Company, Sublessee and Master-Halco, Inc. from removing such other plant or facility to a location outside the State, or (ii) such occupation of the Facility is reasonably necessary to preserve the competitive position of Company, Sublessee and Master-Halco, Inc. 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 and 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 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 Town of Brookhaven Planning Board and, on March 7, 2016, a negative declaration for purposes of SEQRA was adopted by the Town of Brookhaven Planning Board. The Agency concurs with the findings of the Town of Brookhaven Planning Board, 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 that Act 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 subleasing of the Company Facility to the Company, the sub-subleasing of the Company Facility by the Company to the Sublessee and Master-Halco, Inc., 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;

d. 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's 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 industries; and

v. The Facility is located in a "highly distressed area" within the meaning of Section 862 of the General Municipal Law.

e. The occupancy of the Facility by Master-Halco, Inc. shall not result in the removal of a facility or plant of Master-Halco, Inc. from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of Master-Halco, Inc. located within the State; unless: (i) such occupation of the Facility is reasonably necessary to discourage Master-Halco, Inc. from removing such other plant or facility to a location outside the State, or (ii) such occupation of the Facility is reasonably necessary to preserve the competitive position of Master-Halco, Inc. in its industry; and

f. The Agency's execution and delivery of the Tenant Agency Compliance Agreement shall evidence its consent to the sub-subleasing of a portion of the Facility to Master-Halco, Inc. subject to, and in accordance with, the Tenant Agency Compliance Agreement.

Section 3. The Agency shall, in furtherance of the purposes of the Act, lease the Land and Improvements from the Company, acquire, construct, renovate, equip, repair and maintain the Facility, sublease the Company Facility to the Company, authorize the Company to sub-sublease the Company Facility to the Sublessee and Master-Halco, Inc., lease the Equipment to the Sublessee, and grant mortgage lien(s) and security interest(s) in the Facility.

Section 4. 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 mortgage recording taxes on mortgages securing an aggregate principal amount presently estimated to be \$2,880,000.00 but not to exceed \$3,500,000.00, 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 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, in an amount not to exceed \$125,000.00, (iii) exemptions from sales and use taxes on the acquisition and installation of the Equipment, including building materials, services or other personal property, in an amount not to exceed \$10,000.00, and (iv) 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 5. Subject to, and conditioned upon, the execution and delivery of, and the acceptance by the Agency of, the Company Lease Agreement, Lease and Project Agreement, the Equipment Lease and Project Agreement, the PILOT Agreement, the Recapture Agreement, the Agency Compliance and Guaranty Agreement, the Tenant 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) November 30,

2017, (b) completion of the initial acquisition, construction, and equipping of the Facility, and (c) the date on which the Company has realized exemptions from sales and use taxes by reason of the Agency's participation in the Project in an aggregate amount of \$125,000.00 or more, or the date on which the Sublessee has realized exemptions from sales and use taxes by reason of the Agency's participation in the Project in an aggregate amount of \$10,000.00 or more, or the date on which the aggregate exemptions from sales and use taxes realized by reason of the Agency's participation in the Project equals or exceeds \$135,000.00; 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 the additional sales and uses tax exemptions are necessary. 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 6. 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 and Project Agreement, Equipment Lease and Project Agreement, PILOT Agreement, Recapture Agreement, Agency Compliance and Guaranty Agreement, Tenant Agency Compliance Agreement, Mortgage (including replacements, substitutions, extensions and additions to such Mortgages) with a limitation of the Agency's liability thereunder, and other instruments, 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.

Section 7. The Company and the Sublessee hereby agree to comply with Section 875 of the Act. The Company and the Sublessee further agree that the 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 and Project Agreement, the Equipment Lease and Project Agreement, and the Recapture Agreement.

Section 8. 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 9. 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.

EXHIBIT A

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

July 27, 2016

PILOT COMMENCES 2017/18

YR	PILOT Amount	Tax w/out IDA	Tax Savings
2017/2018	\$19,490.00	\$88,850.00	\$69,360.00
2018/2019	\$19,880.00	\$90,630.00	\$70,750.00
2019/2020	\$20,280.00	\$92,440.00	\$72,160.00
2020/2021	\$20,680.00	\$94,290.00	\$73,610.00
2021/2022	\$21,100.00	\$96,180.00	\$75,080.00
2022/2023	\$21,520.00	\$98,100.00	\$76,580.00
2023/2024	\$21,950.00	\$100,060.00	\$78,110.00
2024/2025	\$22,390.00	\$102,060.00	\$79,670.00
2025/2026	\$22,840.00	\$104,110.00	\$81,270.00
2026/2027	\$23,290.00	\$106,190.00	\$82,900.00

RESOLUTION OF THE TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ASSIGNMENT AND ASSUMPTION OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY TO **THE UNIFIED CREDIT TRUST UNDER THE LAST WILL AND TESTAMENT OF WALLACE G. OAKLAND**, also known as **THE WALLACE OAKLAND UNIFIED CREDIT TRUST**, A TESTAMENTARY TRUST, THE FINANCING OF THE ACQUISITION THEREOF, THE SUBLEASING OF THE FACILITY TO **FOUR KEYS REALTY, LLC** AND FURTHER CONTINUED SUBLEASING TO **UNITED FENCE AND GUARD RAIL CORP. AND MASTER-HALCO, INC.**, AND TAKING OFFICIAL ACTION AUTHORIZING THE EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENTS AND TAKING OF CERTAIN OTHER ACTION PERTAINING TO THE 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, the Agency previously provided assistance to Four Keys Realty, LLC , a limited liability company organized and existing under the laws of the State of New York (the “**Original Company**”), and United Fence And Guard Rail Corp., a business corporation organized and existing under the laws of the State of New York (the “**Sublessee**”), in (a) the acquisition of an approximately 8.7 acre parcel of land (the “**Land**”), the construction of an approximately 25,000 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 at 19 Zorn Boulevard, Yaphank, Town of Brookhaven, Suffolk County, New York (and further described on the Suffolk County Tax Map as No. 200-814.00-04.00-001.000, 002.000 and 011.001) (collectively, the Land, Improvements and Facility Equipment may be referred to as the “**Company Facility**”), to be leased by the Agency to the Original Company, and subleased by the Original Company to (i) the Sublessee for distribution, storage, and installation of guard rails, bulk fencing, and related supplies, and (ii) Master-Halco, Inc., a California corporation authorized to conduct business in the State of New York, for distribution and storage of fencing materials and related products, and (b) the acquisition and installation of certain equipment and personal property (the “**Equipment**,” together with the Company Facility, the “**Facility**”) to be leased by the Agency to the Sublessee for the distribution, storage, and installation of guard rails, bulk fencing, and related supplies (the “**Project**”).

WHEREAS, the Agency, by resolution duly adopted on July 27, 2016 (“**Authorizing Resolution**”), authorized the acquisition, construction and equipping of the Facility and the execution and delivery of certain documents in connection therewith; and

WHEREAS, the Original Company leased the Company Facility to the Agency pursuant to a certain Company Lease Agreement, dated as of September 1, 2016 (the “**Company Lease**”), by and between the Original Company and the Agency; and

WHEREAS, the Agency leased the Company Facility to the Original Company pursuant to a certain Lease and Project Agreement, dated as of September 1, 2016 (the “**Lease Agreement**”), by and between the Agency and the Original Company; and

WHEREAS, the Original Company subleased a portion of the Company Facility to the Sublessee pursuant to a certain Sublease Agreement, dated as of September 1, 2016 (the “**United Fence Sublease**”), by and between the Original Company and the Sublessee; and

WHEREAS, the Original Company subleased the remainder of the Company Facility to Master-Halco, Inc., a California corporation authorized to conduct business in the State of New York (“**Master-Halco**”), pursuant to a certain Sublease Agreement, dated as of May 13, 2016 (the “**Original Master-Halco Sublease**”), by and between the Original Company and Master-Halco; and

WHEREAS, the Agency leased the Equipment to the Sublessee pursuant to a certain Equipment Lease Agreement, dated as of September 1, 2016 (the “**Equipment Lease Agreement**”), by and between the Agency and the Sublessee; and

WHEREAS, the Agency, the Original Company, the Sublessee, Gary Oakland, Andrea Oakland, and the Gary Oakland Irrevocable Trust, an intervivos trust organized and existing under the laws of the State of New York (the “**Gary Oakland Trust**”), entered into a certain Agency Compliance and Guaranty Agreement, dated as of September 1, 2016 (the “**Agency Compliance Agreement**”); and

WHEREAS, in connection with the subleasing of a portion of the Facility by the Original Company to Master-Halco, the Agency and Master-Halco entered into a certain Tenant Agency Compliance Agreement, dated as of September 9, 2016 (the “**Master-Halco TACA**”); and

WHEREAS, the Master-Halco Sublease was amended by the Original Company and Master-Halco, by agreements dated September 8, 2016, June 29, 2018, and August 21, 2019 (together with the Original Master-Halco Sublease, the “**Master-Halco Sublease**”); and

WHEREAS, the Agency previously provided financial assistance to the Original Company and the Sublessee in the form of exemptions from mortgage recording taxes, exemptions from sales and uses taxes on the acquisition, construction, and equipping of the Facility, and abatement of real property taxes, consistent with the policies of the Agency.

WHEREAS, the Wallace Oakland Unified Credit Trust, also known as the Unified Credit Trust under the Last Will and Testament of Wallace G. Oakland, a testamentary trust created under the last will and testament of Wallace G. Oakland, dated February 6, 1992 (the “**Wallace Oakland Trust**”), has now requested the Agency’s consent to (i) the sale and transfer of ownership of the Company Facility to the Wallace Oakland Trust, (ii) the assignment by the Original

Company of all of its rights, title, interests and obligations under the Company Lease and the Lease Agreement and certain other agreements in connection with the Company Facility to, and the assumption by, the Wallace Oakland Trust of all such rights, title, interests and obligations of the Original Company; (iii) the sub-subleasing of the Company Facility by the Wallace Oakland Trust to the Original Company pursuant to a certain lease agreement, to be dated a date to be determined (the “**Master Lease**”); (iv) the continued further subleasing by the Original Company to the Sublessee of a portion of the Company Facility pursuant to the United Fence Sublease; and (v) the continued further subleasing to Master-Halco of the remainder of the Company Facility pursuant to the Master-Halco Sublease; in each case subject to the requirements of the Agency, all pursuant to the terms of an Assignment, Assumption and Amendment Agreement to be dated as of December 1, 2019, or such other date as may be determined by the Chairman, Chief Executive Officer or counsel to the Agency (the “**Assignment and Assumption Agreement**”), by and among the Agency, the Original Company and the Wallace Oakland Trust; and

WHEREAS, the Company Lease will be assigned by the Original Company to the Wallace Oakland Trust pursuant to the Assignment and Assumption Agreement and the Company Lease will be amended pursuant to the Assignment and Assumption Agreement, and a memorandum of such Company Lease, as assigned and amended, shall be recorded in the Suffolk County Clerk's office; and

WHEREAS, the Lease Agreement will be assigned pursuant to the Assignment and Assumption Agreement and the Lease Agreement will be amended pursuant to the Assignment and Assumption Agreement, and a memorandum of such Lease Agreement, as assigned and amended, shall be recorded in the Suffolk County Clerk's office; and

WHEREAS, the Wallace Oakland Trust will sub-sublease the Company Facility to the Original Company pursuant to the Master Lease; and

WHEREAS, the Original Company will continue to further sublease the Company Facility to the Sublessee pursuant to the United Fence Sublease and to Master-Halco pursuant to the Master-Halco Sublease; and

WHEREAS, the Agency will execute and will require the Original Company to execute a Tenant Agency Compliance Agreement, dated a date to be determined (the “**Original Company Tenant Agency Compliance Agreement**”), by and between the Original Company and the Agency;

WHEREAS, the Agency will execute and will require the Sublessee to execute a Tenant Agency Compliance Agreement, dated a date to be determined (the “**Sublessee Tenant Agency Compliance Agreement**”), by and between the Sublessee and the Agency;

WHEREAS, the Original Company and the Sublessee have now requested the consent of the Agency to the modification of the United Fence Sublease pertaining to the rent payable thereunder (the “**United Fence Sublease Amendment**”); and

WHEREAS, the Original Company has now requested consent to a change of ownership of the Original Company such that Gary Oakland and Andrea Oakland shall be the sole

remaining members and managers of the Original Company, effective January 1, 2018 (the “**Four Keys Ownership Change**”); and

WHEREAS, the Agency, the Original Company, the Wallace Oakland Trust, the Sublessee, Gary Oakland, and Andrea Oakland, will enter into such other documents, upon the advice of counsel, in both form and substance, as may be reasonably required to effectuate the transfer of ownership and assignment and assumption of the Company Facility, the sub-subleasing of the Company Facility to the Original Company, the continued further subleasing of the Company Facility to the Sublessee and Master-Halco, the United Fence Sublease Amendment, and the Four Keys Ownership Change (together with the Assignment and Assumption Agreement, the Original Company Tenant Agency Compliance Agreement and the Sublessee Tenant Agency Compliance Agreement, the “**Assignment Documents**”); and

WHEREAS, pursuant to Section 9.3 of the Lease Agreement (and other documents), the Company Facility, or any interest therein, may not be assigned or transferred, in whole or in part, without the consent of the Agency; and

WHEREAS, as security for a loan or loans, the Agency and the Wallace Oakland Trust will execute and deliver to the Original Company, 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 Original Company, as 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 of the Facility (collectively, the “**Loan Documents**”); and

WHEREAS, a public hearing (the “**Hearing**”) was held on November 4, 2019, so that all persons with views in favor of, or opposed to, the financial assistance contemplated by the Agency 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, subject to the execution and delivery of the Assignment Documents and such other documents as the Chairman or Chief Executive Officer of the Agency may require, the Agency will consent to (i) the sale and transfer of ownership of the Company Facility by the Original Company to the Wallace Oakland Trust, (ii) the assignment of the Original Company's rights, title, interest, duties, liabilities and obligations under the Company Lease to, and the assumption of such rights, title, interest, duties, liabilities and obligations under the Company Lease by, the Wallace Oakland Trust, (iii) the assignment of the Original Company's rights, title, interest, duties, liabilities and obligations under the Lease Agreement to, and the assumption of such rights, title, interest, duties, liabilities and obligations under the Lease Agreement, by, the Wallace Oakland Trust, (iv) the sub-subleasing of the Company Facility by the Wallace Oakland Trust to the Original Company, (v) the continued further subleasing of portions of the Company Facility by the Original Company to the Sublessee pursuant the United Fence Sublease and to

Master-Halco pursuant to the Master-Halco Sublease, (vi) the United Fence Sublease Amendment, and (vii) the Four Keys Ownership Change; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Wallace Oakland Trust, in the form of (i) exemptions from mortgage recording taxes, to the extent allowable under applicable law, on mortgages securing an aggregate principal amount presently estimated to be \$1,382,000.00, but not to exceed \$1,750,000.00, in connection with the financing of the acquisition of the Company Facility and any future financing, refinancing or permanent financing of the costs of acquiring the Company Facility, and (ii) the continued 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 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 has given due consideration to the application of the Wallace Oakland Trust and to the representations by the Wallace Oakland Trust, Original Company and the Sublessee that the transactions herein are either an inducement to the Wallace Oakland Trust, the Original Company and the Sublessee to maintain or expand the Company Facility in the Town of Brookhaven or is necessary to maintain the competitive position of the Wallace Oakland Trust, the Original Company and the Sublessee in their industries; and

WHEREAS, the Wallace Oakland Trust, the Original Company and the Sublessee have agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the transfer of ownership, assignment and assumption of the Company Facility for sub-subleasing to the Original Company and further subleasing to the Sublessee and Master-Halco.

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

Section 1. The Agency hereby finds and determines:

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

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

c. The transfer of ownership of the Facility, the assignment of the Company Lease and the Lease Agreement, the sub-subleasing of the Facility by the Wallace Oakland Trust to the Original Company, the continued further subleasing of portions of the Facility by the Original Company to the Sublessee and Master-Halco, the financial assistance provided

within the meaning of the Act, the granting of mortgages on, and security interests in, the Facility, the United Fence Sublease Amendment, and the Four Keys Ownership Change, will continue to 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. Based upon the representations of the Wallace Oakland Trust:

i the Facility continues to conform 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 financial assistance of the Agency and the transactions contemplated hereby are reasonably necessary to induce the Wallace Oakland Trust, the Original Company and the Sublessee to maintain and expand their business operations within the Town of Brookhaven and State of New York, and to preserve the competitive positions of the Wallace Oakland Trust, the Original Company and the Sublessee, and shall not result in the removal of a facility or plant of the Wallace Oakland Trust, the Original 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 Wallace Oakland Trust, the Original Company or the Sublessee located within the State of New York; and

e. It is desirable and in the public interest for the Agency to consent to the transfer of ownership of the Company Facility and the assignment and assumption of the Company Lease and the Lease Agreement, the sub-subleasing of the Company Facility to the Original Company, the continued further subleasing of portions of the Facility to the Sublessee and Master-Halco, the United Fence Sublease Amendment, and the Four Keys Ownership Change, to provide the financial assistance provided within the meaning of the Act, and to grant mortgages on, and security interests in, the Facility.

f. The Assignment and Assumption Agreement and other Assignment Documents will be effective instruments whereby the Agency, the Original Company and the Wallace Oakland Trust will effectuate, with the consent of the Agency, the assignment and assumption of the Company Facility, the assignment and assumption of the Company Lease and the Lease Agreement, the sub-subleasing of the Company Facility to the Original Company, the continued further subleasing of portions of the Facility to the Sublessee and Master-Halco, the United Fence Sublease Amendment, and the Four Keys Ownership Change.

g. The Loan Documents to which the Agency is a party will be effective instruments whereby the Agency and the Wallace Oakland Trust agree to secure the loan or loans made to the Wallace Oakland Trust.

Section 2. The Agency has assessed all material information included in connection with the Wallace Oakland Trust'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 Wallace Oakland Trust.

Section 3. In consequence of the foregoing, the Agency hereby authorizes and determines to (i) consent to transfer of ownership of the Company Facility, and the assignment from the Original Company to, and the assumption by, the Wallace Oakland Trust, of the Company Facility, (ii) execute, deliver and perform the Assignment and Assumption Agreement and other Assignment Documents, (iii) grant a mortgage on and security interest in the Company Facility pursuant to the Loan Documents, and execute, deliver and perform the Loan Documents to which the Agency is a party, (iv) consent to the United Fence Sublease Amendment, and (v) consent to the Four Keys Ownership Change.

Section 4. The Agency hereby authorizes and approves of the following economic benefits to be granted to, or inure to the benefit of, the Wallace Oakland Trust in the form of: (i) exemptions from mortgage recording taxes, to the extent allowable under applicable law, on mortgages securing an aggregate principal amount presently estimated to \$1,382,000.00, but not to exceed \$1,750,000.00, in connection with the financing of the acquisition of the Company Facility and any future financing, refinancing or permanent financing of the costs of acquiring the Company Facility, and (ii) continued 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 5. The form and substance of the Assignment and Assumption Agreement and the other required Assignment Documents, and the Loan Documents to which the Agency is a party, are hereby approved.

Section 6. 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 the Assignment and Assumption Agreement and the other required Assignment Documents, and the Loan Documents, and other certificates, agreements, instruments and documents, 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 7. The Wallace Oakland Trust hereby agrees to comply with Section 875 of the Act, and further agrees that the tax exemptions and abatements provided pursuant to the Act are subject to termination and recapture of benefits pursuant to Sections 859-a and 875 of the Act, and the Lease Agreement and the Equipment Lease Agreement.

Section 8. Weinberg Gross & Pergament LLP are hereby appointed Transaction Counsel to the Agency, and is authorized and directed to work with Counsel to the Wallace Oakland Trust and others, to prepare, for submission to the Agency, all documents necessary to effect the transaction described in these resolutions.

Section 9. 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 10. The documents, including the Assignment and Assumption Agreement and the other required Assignment Documents, and the Loan Documents to which the Agency is a party, 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 11. Any expenses incurred by the Agency with respect to the Facility shall be paid by the Wallace Oakland Trust, the Original Company and the Sublessee. By acceptance hereof, the Wallace Oakland Trust, the Original 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 in good faith with respect to the Facility.

Section 12. 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 Wallace Oakland Trust, the Original 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 13. 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 Wallace Oakland Trust, the Original Company or the Sublessee.

Adopted: November 20, 2019

Accepted: November __, 2019

UNIFIED CREDIT TRUST UNDER THE LAST WILL
AND TESTAMENT OF WALLACE G. OAKLAND

By: _____

Name: Gary Oakland
Title: Trustee

FOUR KEYS REALTY, LLC

By: _____
Name: Gary Oakland
Title: Managing Member

UNITED FENCE AND GUARD RAIL CORP.

By: _____
Name: Gary Oakland
Title: President

EXHIBIT A

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

November 20, 2019

<u>Tax Year</u>	<u>Total PILOT Payments</u>
2017/2018	\$19,490.00
2018/2019	\$19,880.00
2019/2020	\$20,280.00
2020/2021	\$20,680.00
2021/2022	\$21,100.00
2022/2023	\$21,520.00
2023/2024	\$21,950.00
2024/2025	\$22,390.00
2025/2026	\$22,840.00
2026/2027	\$23,290.00