

Date: December 8, 2021

At a meeting of the Town of Brookhaven Industrial Development Agency (the “Agency”), held via webinar on the 8th day of December, 2021, the following members of the Agency were:

Present: Frederick C. Braun III, Chairman
Felix J. Grucci, Jr., Vice Chair
Martin Callahan, Treasurer
Ann-Marie Scheidt, Secretary
Gary Pollakusky, Asst. Secretary
Frank C. Trotta, Asst. Treasurer

Recused:

Excused: Lenore Paprocky, Member

Also Present: Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
James M. Tullo, Deputy Director
Jocelyn Linse, Executive Assistant
Terri Alkon, Administrative Assistant
Amy Illardo, Administrative Assistant
Annette Eaderesto, Esq., Counsel to the Agency
William F. Weir, Esq., Transaction Counsel
Howard R. Gross, Esq., Transaction Counsel

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 consenting to an assignment and assumption relating to the Agency’s First Realty Associates LLC/Global Tissue Group, Inc. 2008 Facility and approving the execution and delivery of related documents thereto, and the leasing of the facility to FRA MEIR EQUITIES LLC, FRAFT EQUITIES LLC, FRA ISAAC EQUITIES LLC, FRAET EQUITIES LLC, FRA SHAOUL CAPITAL LLC, FRA HSF CAPITAL LLC, FRA LSFT CAPITAL LLC, and FRA DSFT CAPITAL LLC, each a Tenant in Common.

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

<u>Voting Aye</u>	<u>Voting Nay</u>	<u>Abstain</u>
Braun		
Grucci		
Callahan		
Scheidt		
Pollakusky		
Trotta		

RESOLUTION OF THE TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ASSIGNMENT AND ASSUMPTION RELATING TO THE FIRST REALTY ASSOCIATES LLC/GLOBAL TISSUE GROUP, INC. 2008 FACILITY TO FRA DFST CAPITAL, FRAFT EQUITIES, FRA ISAAC EQUITIES, FRAET EQUITIES, FRA SHAOUL CAPITAL, FRA HSFT CAPITAL, AND FRA LSFT CAPITAL, EACH, A TENANT IN COMMON AND APPROVING THE FORM, SUBSTANCE, EXECUTION AND DELIVERY OF RELATED DOCUMENTS.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 358 of the Laws of 1970 of the State of New York, as may be amended from time to time (collectively, the “**Act**”), the Town of Brookhaven Industrial Development Agency (the “**Agency**”), was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, the 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 previously provided its assistance to First Realty Associates LLC, a limited liability company duly organized and validly existing under the laws of the State of New York (the “**Company**”) and Global Tissue Group, Inc., a business corporation duly organized and validly existing under the laws of the State of New York (the “**Sublessee**”), in connection with the acquisition of an approximately 23.4303-acre vacant parcel of land located at 870 Expressway Drive South, Medford, New York and Middle Island Road, Yaphank, New York (further identified as Tax Map Nos. 0200-703.00-01.00-030.000, 0200-704.00-01.00-014.001 and 015.001), and the construction and equipping thereon of an approximately 166,700 square foot building including, without limitation, the furnishing and equipping of warehouse and distribution space to be used for the manufacturing and distribution of paper products such as facial tissues, bath tissues, napkins and paper towels (the “**Facility**”), which Facility is leased by the Agency to the Company and subleased by the Company to the Sublessee, and used by the Sublessee in the manufacturing and distribution of paper products for customers of the Sublessee; and

WHEREAS, the Agency acquired a fee interest in the Land pursuant to a certain Deed, dated July 23, 2008 (the “**Deed**”), which Deed was recorded in the Suffolk County Clerk’s office on August 15, 2008 in Liber 12561, at page 742, and a certain Bill of Sale, dated July 23, 2008 (the “**Bill of Sale**”), each from the Original Company to the Agency; and

WHEREAS, the Agency currently leases the Facility to the Company pursuant to a certain Lease Agreement, dated as of July 1, 2008 (the “**2008 Lease Agreement**”) between the Agency and the Company, a memorandum of which 2008 Lease Agreement was recorded in the Suffolk County Clerk’s office on August 15, 2008 in Liber 12561 of Deeds, Page 746; and

WHEREAS, the Company subleased the Facility to the Sublessee pursuant to a certain unrecorded lease, dated as of April 9, 2020 (the "**Sublease Agreement**"), from the Company to the Sublessee, and

WHEREAS, in connection with the leasing and subleasing of the Facility, the Agency, the Company, and the Sublessee entered into a certain Payment-in-Lieu-of Tax Agreement, dated as of July 1, 2008 (the "**2008 PILOT Agreement**"), whereby the Company and Sublessee agreed to make payments in lieu of taxes on the Facility; and

WHEREAS, in connection with the leasing and subleasing of the Facility, the Agency, the Company, and the Sublessee entered into a certain Recapture Agreement, dated as of July 1, 2008 (the "**2008 Recapture Agreement**"), which 2008 Recapture Agreement was recorded in the Suffolk County Clerk's office on August 15, 2008 in Liber 12561 of Deeds, Page 749; and

WHEREAS, in connection with the leasing and subleasing of the Facility, the Agency, the Company, and the Sublessee entered into a certain Environmental Compliance and Indemnification Agreement, dated as of July 1, 2008 (the "**Original Environmental Compliance and Indemnification Agreement**"), by which the Company and the Sublessee made certain representations and warranties regarding the environmental conditions of the Facility; and

WHEREAS, the Agency and the Company previously mortgaged their respective interests in the Facility to Genworth Life Insurance Company (the "**Lender**"), pursuant to a certain Mortgage, Assignment of Rents and Leases, and Security Agreement, dated April 9, 2020 (the "**Mortgage**"), which Mortgage secured the aggregate principal amount of \$14,900,000 (the "**Loan**"); and

WHEREAS, the Company and the Sublessee previously submitted a request for the Agency's consent to an extension of payments-in-lieu-of-taxes benefits presently provided under the 2008 PILOT Agreement; and

WHEREAS, the Agency agreed to provide financial assistance to the Company and the Sublessee in the form of the modification and extension of current abatements of real property taxes on the Facility, consistent with the policies of the Agency (the "**PILOT Extension**"); and

WHEREAS, the Agency, the Company and the Sublessee entered into a certain Amended and Restated Payment-in-Lieu-of-Tax Agreement, dated as of October 1, 2020 (the "**Amended and Restated PILOT Agreement**"); and together with the 2008 PILOT Agreement, the "**Original PILOT Agreement**"), by and among the Agency, the Company and the Sublessee; and

WHEREAS, in connection with the leasing of the Facility and the extension of the PILOT Agreement, the Agency and the Company agreed to extend the term of the Lease Agreement to coincide with the extension of the PILOT Agreement pursuant to the Amendment of Lease (defined below); and

WHEREAS, the 2008 Lease Agreement was amended pursuant to an Amendment of Lease, dated October 27, 2020 (the "**Amendment of Lease**"; and, together with the 2008 Lease Agreement, the "**Original Lease Agreement**"), between the Agency and the Company and a memorandum of which Amendment of Lease was recorded in the Suffolk County Clerk's office on December 31, 2020, in Liber 13085 of Deeds, Page 88; and

WHEREAS, in connection with the Amended and Restated PILOT Agreement and the Amendment of Lease, the Company and the Sublessee entered into an Amended and Restated Recapture Agreement, dated as of October 1, 2020 (the "**Amended and Restated Recapture Agreement**"; and, together with the 2008 Recapture Agreement, the "**Original Recapture Agreement**"; and, together with the Original Lease Agreement, the Sublease Agreement, the Original Environmental Compliance and Indemnification Agreement, the Original PILOT Agreement, collectively referred to as the "**Company Documents**"), to provide assurances with respect to the recapture of benefits granted under the PILOT Agreement, the Lease Agreement and the other Agency Documents (as defined in therein); and

WHEREAS, the Company has requested the Agency's consent to (i) the assignment by the Company of all of its rights, title, interest and obligations under the Company Documents, and certain other agreements in connection with the Facility to FRA MEIR EQUITIES LLC, a New York limited liability company, FRAFT EQUITIES LLC, a New York limited liability company, FRA ISAAC EQUITIES LLC, a New York limited liability company, FRAET EQUITIES LLC, a New York limited liability company, FRA SHAOUL CAPITAL LLC, a New York limited liability company, FRA HSFT CAPITAL LLC, a New York limited liability company, FRA LSFT CAPITAL LLC, a New York limited liability company, and FRA DSFT CAPITAL LLC, a New York limited liability company, each duly organized and validly existing under the laws of the State of New York (each a Tenant in Common and collectively, the "**Assignee**") and the assumption by the Assignee of all of such rights, title, interest and obligations of the Company under the Company Documents, and certain other agreements in connection with the Facility pursuant to the terms of an Assignment, Assumption and Amendment Agreement, to be dated as of January 1, 2022, or such other date as may be determined by the Chairman, Chief Executive Officer and counsel to the Agency (the "**Assignment and Assumption Agreement**"), by and among the Agency, the Company and the Assignee; and

WHEREAS, the Lease Agreement shall be assigned by the Company to the Assignee and assumed by the Assignee pursuant to a certain Assignment and Assumption of Lease Agreement, to be dated as of January 1, 2022, or such other date as may be determined by the Chairman, Chief Executive Officer and counsel to the Agency (the "**Assignment of Lease Agreement**", and together with the Lease Agreement and the Assignment, Assumption, and Amendment Agreement, the "**Lease Agreement**"), by and between the Company and the Assignee, and consented to by the Agency; and

WHEREAS, the Original Environmental Compliance and Indemnification Agreement shall be amended pursuant to and in accordance with the Assignment, Assumption and Amendment Agreement, and the Assignee (as amended by the Assignment, Assumption and

Amendment Agreement, the “**Environmental Compliance and Indemnification Agreement**”), with respect to the Facility; and

WHEREAS, the Original PILOT Agreement shall be amended pursuant to and in accordance with the Assignment, Assumption and Amendment Agreement (as amended by the Assignment, Assumption and Amendment Agreement, the “**PILOT Agreement**”) with respect to the Facility; and

WHEREAS, the Original Recapture Agreement shall be amended pursuant to and in accordance with the Assignment, Assumption and Amendment Agreement (as amended by the Assignment, Assumption and Amendment Agreement, the “**Recapture Agreement**”), with respect to the Facility; and

WHEREAS, the Agency and the Company will enter into such other documents upon advice of counsel, in both form and substance, as may be reasonably required to effectuate the assignment and assumption of the Project (together with the Assignment and Assumption Agreement, the Assignment of Lease, the “**Assignment Documents**”); and

WHEREAS, pursuant to Section 9.3 of the Lease Agreement, the Lease Agreement may be assigned by the Company, in whole or in part, with the prior written consent of the Agency; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in the form of continued abatement of real property taxes as set forth in the PILOT Schedule annexed to the PILOT Agreement as Exhibit B thereto; and

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

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

Section 1. The Agency hereby finds and determines:

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

- (b) The Facility constitutes a “project”, as such term is defined in the Act; and
- (c) The execution and delivery of the Assignment Documents and the leasing of the Facility to the Assignee will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Brookhaven, Suffolk County and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and
- (d) The execution and delivery of the Assignment Documents and the continued leasing of the Facility is reasonably necessary to induce the Assignee to maintain and expand its business operations in the State of New York; and
- (e) Based upon representations of the Assignee and counsel to the Assignee, the Facility continues to conform with the local zoning laws and planning regulations of the Town of Brookhaven, Suffolk County and all regional and local land use plans for the area in which the Facility is located; and
- (f) It is desirable and in the public interest for the Agency to lease the Facility to the Assignee; and
- (g) It is desirable and in the public interest for the Agency to consent to the execution and delivery of the Assignment Documents providing for the assignment by the Company of all of its rights, title, interest, duties, liabilities and obligations under the Lease Agreement, the PILOT Agreement, the Environmental Compliance and Indemnification Agreement and the Recapture Agreement and the Facility to the Assignee and the assumption by the Assignee of all of such rights, title, interest, duties, liabilities and obligations of the Company under the Lease Agreement, the PILOT Agreement, the Environmental Compliance and Indemnification Agreement and the Recapture Agreement; and
- (h) The Assignment and Assumption Agreement, the Assignment of Lease, and any other Assignment Documents to which the Agency is a party will be effective instruments whereby the Company will assign all of its rights, title, interest, duties, liabilities and obligations under the Lease Agreement, the PILOT Agreement, the Environmental Compliance and Indemnification Agreement and the Recapture Agreement and the Facility to the Assignee and the Assignee will assume all of such rights, title, interest, duties, liabilities and obligations of the Company under the Lease Agreement, the PILOT Agreement, the Environmental Compliance and Indemnification Agreement and the Recapture Agreement and the Facility with the consent of the Agency.

Section 2. Subject to the provisions of this resolution, the Agency has assessed all material information included in connection with the Assignee’s application for financial assistance, and such information has provided the Agency a reasonable basis for its decision to provide the financial assistance described herein to the Assignee.

Section 3. Subject to the provisions of this resolution, and in consequence of the foregoing, the Agency hereby determines to: (i) consent to the assignment by the Company of all of its rights, title, interest, duties, liabilities and obligations pertaining to the Facility under the Lease Agreement, the PILOT Agreement, the Environmental Compliance and

Indemnification Agreement and the Recapture Agreement to the Assignee and the assumption by the Assignee of all of such rights, title, interest, duties, liabilities and obligations of the Company pursuant to the Assignment and Assumption Agreement, (ii) execute, deliver and perform the Assignment and Assumption Agreement, (iii) execute, deliver and perform the Assignment of Lease, and (iv) execute and deliver the other Assignment Documents to which the Agency is a party.

Section 4. The Agency is hereby authorized to consent to the assignment by the Company of all of its rights, title, interest, duties, liabilities and obligations under the Lease Agreement, the PILOT Agreement, the Environmental Compliance and Indemnification Agreement and the Recapture Agreement and the Facility to the Assignee and the assumption by the Assignee of all of such rights, title, interest, duties, liabilities and obligations of the Company pursuant to the Assignment and Assumption Agreement and the Assignment of 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 assignment and assumption are hereby approved, ratified and confirmed.

Section 5. The Agency hereby authorizes and approves the following economic benefits to be granted to the Assignee continued abatement of real property taxes as set forth in the PILOT Schedule annexed to the PILOT Agreement as Exhibit C thereto.

Section 6. The Assignee is hereby notified that it will be required to comply with Section 875 of the Act. The Assignee shall be required to agree to the terms of Section 875 pursuant to the Lease Agreement. The Assignee is further notified that the 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 recapture provisions of the Lease Agreement.

Section 7. The form and substance of the Assignment and Assumption Agreement, the Assignment of Lease, and any other Assignment 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.

Any expenses incurred by the Agency with respect to the Assignment and Assumption shall be paid by the Assignee. The Assignee has agreed to pay such expenses and further shall 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 assignment and assumption of the Facility.

Section 8.

(i) 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 Assignment and Assumption Agreement, the Assignment of Lease, and the other Assignment 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.

(j) 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 9. 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 10. Subject to the provisions of this resolution, any expenses incurred by the Agency with respect to the Facility shall be paid by the Assignee. The Assignee 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 11. The provisions of this resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this resolution (except with respect to the matters contained in Section 7 hereof).

Section 12. This resolution shall take effect immediately.

Date: September 16, 2020

At a meeting of the Town of Brookhaven Industrial Development Agency (the “Agency”), held electronically via webinar on the 16th day of September, 2020, the following members of the Agency were:

Present: Frederick C. Braun III, Chairman
Felix J. Grucci, Jr., Vice Chair
Martin Callahan, Treasurer
Scott Middleton, Asst. Treasurer
Ann-Marie Scheidt, Secretary
Gary Pollakusky, Asst. Secretary
Frank C. Trotta, Member

Recused:

Excused:

Also Present: Lisa M.G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
James M. Tullo, Deputy Director
Jocelyn Linse, Executive Assistant
Terri Alkon, Administrative Assistant
Amy Illardo, Administrative Assistant
Annette Eaderesto, Esq., Counsel to the Agency
William F. Weir, Esq., Transaction Counsel
Howard R. Gross, Esq., Transaction Counsel

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the modification of payment-in-lieu-of-tax benefits with respect to the First Realty Associates LLC/Global Tissue Group, Inc. 2008 Facility and the execution of related documents.

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

Voting Aye

Voting Nay

Braun
Grucci
Callahan
Middleton
Pollakusky
Trotta

RESOLUTION OF THE TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY APPROVING
THE MODIFICATION OF PAYMENT-IN-LIEU-OF-TAX
BENEFITS WITH RESPECT TO THE FIRST REALTY
ASSOCIATES LLC/GLOBAL TISSUE GROUP, INC. 2008
FACILITY AND APPROVING THE FORM, SUBSTANCE
AND EXECUTION OF RELATED DOCUMENTS

WHEREAS, by Title I of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 358 of the Laws of 1970 of the State of New York, as may be amended from time to time (collectively, the "**Act**"), the Town of Brookhaven Industrial Development Agency (the "**Agency**") was created with the authority and power to issue its special revenue bonds for the purpose of, among other things, acquiring certain industrial development facilities as authorized by the Act; and

WHEREAS, the Agency previously provided its assistance in the acquisition of an approximately 23.4303-acre vacant parcel of land located near the intersection of the northerly side of Long Island Avenue and the westerly side of Patchogue Yaphank Road, West Yaphank, Town of Brookhaven, Suffolk County, New York (further identified as Tax Map. Nos. 0200-663.00-02.00-001.001, 0200-703.00-01.00-030.00, 0200-704.00-01.00-14.001, and 0200-663.00-02.00-003.002), and the construction and equipping thereon of an approximately 166,300 square foot building including, without limitation, the furnishing and equipping of warehouse and distribution space to be used for the manufacturing and distribution of paper products such as facial tissues, bath tissues, napkins and paper towels, to be leased by the Agency to First Realty Associates LLC (the "**Company**"), and subleased by the Company to, and used by, Global Tissue Group, Inc. (the "**Sublessee**"), in the manufacturing and distribution of paper products for customers of the Sublessee (the "**Facility**"); and

WHEREAS, the Agency currently leases the Facility to the Company pursuant to a certain Lease Agreement, dated as of July 1, 2008 (the "**Original Lease Agreement**"), between the Agency and the Company, a memorandum of which Lease Agreement was to be recorded in the Suffolk County Clerk's office; and

WHEREAS, in connection with the leasing and subleasing of the Facility, the Agency, the Company, and the Sublessee entered into a certain Payment-in-Lieu-of Tax Agreement, dated as of July 1, 2008 (the "**Original PILOT Agreement**"), whereby the Company and Sublessee agreed to make payments in lieu of taxes on the Facility; and

WHEREAS, in connection with the leasing and subleasing of the Facility, the Agency, the Company, and the Sublessee entered into a certain Recapture Agreement, dated as of July 1, 2008 (the "**Original Recapture Agreement**"); and

WHEREAS, the Company and Sublessee have now requested the Agency's assistance in granting an extension of benefits provided under the Original PILOT Agreement for a period of six (6) years (the "**PILOT Extension**"); and

WHEREAS, the Agency has agreed to grant the requested PILOT Extension to the Company and the Sublessee pursuant to a certain Amended and Restated Payment-in-Lieu-of-Tax Agreement, originally dated as of July 1, 2008 and amended and restated as of September 1, 2020 or such other date as agreed upon by the Chairman, the Chief Executive Officer and counsel to the Agency (the “**Amended and Restated PILOT Agreement**”; and together with the Original PILOT Agreement, the “**PILOT Agreement**”), by and among the Agency, the Company and the Sublessee; and

WHEREAS, the Original Lease Agreement will be amended pursuant to a certain Amendment to Lease Agreement, dated as of September 1, 2020 or such other date as agreed upon by the Chairman, the Chief Executive Officer and counsel to the Agency (the “**Lease Amendment**”; and together with the Original Lease Agreement, the “**Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, the Agency, the Company, and the Sublessee will amend the Original Recapture Agreement pursuant to a certain Amended and Restated Recapture Agreement, dated as of September 1, 2020 or such other date as agreed upon by the Chairman, the Chief Executive Officer and counsel to the Agency (the “**Amended and Restated Recapture Agreement**”; and together with the Original Recapture Agreement, the “**Recapture Agreement**”), by and among the Agency, the Company, and the Sublessee in order to reflect the repayment obligations of the Company and the Sublessee upon the occurrence of a Recapture Event (as defined therein); and

WHEREAS, the Agency, the Company, and the Sublessee will execute and deliver such other documents as may be required to effectuate the PILOT Extension (the “**Amendment Documents**”); and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company and the Sublessee consistent with the policies of the Agency, in the form of the PILOT Extension (as set forth in the PILOT Schedule attached as Exhibit C hereof); and

WHEREAS, in connection with the abatement of real property taxes as set forth in the PILOT Schedule on Exhibit C hereof, the current pro-rata allocation of PILOT payments to each affected tax jurisdiction in accordance with Section 858(15) of the Act and the estimated difference between the real property taxes on the Facility and the PILOT payments set forth on the PILOT Schedule on Exhibit C hereof are more fully described in the Cost Benefit Analysis (“**CBA**”) developed by the Agency in accordance with the provisions of Section 859-a(5)(b) of the Act, a copy of which CBA is attached hereto as Exhibit D; and

WHEREAS, in compliance with Section 859-a of the Act, a public hearing was held on September 15, 2020, after public notice thereof was published on September 5, 2020, to hear all persons interested in the proposed financial assistance by the Agency to the Company and the Sublessee in connection with the Facility and the form of the Notice of Public Hearing and Minutes of the Public Hearing are attached as Exhibits A & B hereto; 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 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 continued leasing and subleasing of the Facility.

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 constitutes a "project", as such term is defined in the Act; and

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

(d) The proposed financial assistance with respect to the PILOT Extension 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 representations of the Company and the Sublessee and counsel to the Company and the Sublessee, the Facility conforms with the local zoning laws and planning regulations of the Town of Brookhaven, Suffolk County and all regional and local land use plans for the area in which the Facility is located; and

(f) It is desirable and in the public interest for the Agency to grant the PILOT Extension to the Company and the Sublessee; and

(g) The Lease Amendment will be an effective instrument whereby the Agency and the Company amend the Original Lease Agreement to extend the Lease Term (as defined therein) and reflect the granting of the PILOT Extension.

(h) The Amended and Restated PILOT Agreement will be an effective instrument whereby the Agency, the Company and the Sublessee set forth the terms and conditions of their agreement regarding the Company's and Sublessee's payments in lieu of real property taxes and the modification and extension of the PILOT Benefits; and

(i) The Amended and Restated Recapture Agreement will be an effective instrument whereby the Agency, the Company, and the Sublessee agree to the terms and

conditions whereby the Agency may recapture certain financial benefits provided to the Company and the Sublessee; and

(j) The Amendment Documents will be effective instruments whereby the Agency, the Company and the Sublessee effectuate the PILOT Extension.

Section 2. The Agency has assessed all material information included in connection with the Company's and the Sublessee'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 and the Sublessee.

Section 3. In consequence of the foregoing, the Agency hereby determines to: (i) amend the Original Lease Agreement pursuant to the terms of the Lease Amendment, (ii) execute deliver and perform the Lease Amendment, (iii) grant the PILOT Extension to the Company and the Sublessee pursuant to the Amended and Restated PILOT Agreement, (iv) execute, deliver and perform the Amended and Restated PILOT Agreement, (v) execute and deliver the Amended and Restated Recapture Agreement; and (vi) execute and deliver the Amendment Documents.

Section 4. The form and substance of (i) the Lease Amendment, (ii) the Amended and Restated PILOT Agreement, (iii) the Amended and Restated Recapture Agreement, and (iv) the Amendment Documents (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 5. Subject to the provisions of this resolution and the Lease Agreement, the PILOT Agreement and the Recapture Agreement, the Agency hereby authorizes and approves continued economic benefits to be granted to the Company and the Sublessee in connection with the Facility in the form of continued abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit C hereof), consistent with the policies of the Agency. In connection with the abatement of real property taxes as set forth in the PILOT Schedule on Exhibit C hereof, the current pro-rata allocation of PILOT payments to each affected tax jurisdiction in accordance with Section 858(15) of the Act and the estimated difference between the real property taxes on the Facility and the PILOT payments set forth on the PILOT Schedule on Exhibit C hereof are more fully described in the CBA attached hereto as Exhibit D.

Section 6. The Company and the Sublessee are hereby notified that the tax 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 Recapture Agreement.

Section 7.

(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 Amended and Restated PILOT Agreement, the Lease Amendment, the Amended and Restated Recapture Agreement and the Amendment Documents, 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 Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “**Agency Documents**”). The execution thereof by the Chairman, 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, as amended).

Section 8. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 9. This resolution shall take effect immediately.

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that due to the Novel Coronavirus (COVID-19) Emergency State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo's Executive Order 202.1 issued on March 12, 2020, as amended to date, permitting local governments to hold public hearings by telephone and video conference and/or similar device, the Public Hearing scheduled for September 15, 2020, at 10:30 a.m., local time, being held by the Town of Brookhaven Industrial Development Agency (the "**Agency**"), in accordance with the provisions of Article 18-A of the New York General Municipal Law will be held electronically via conference call instead of a public hearing open for the public to attend. Members of the public may listen to the Public Hearing, and comment on the Project (defined below) and the benefits to be granted by the Agency to the Company (defined below) during the Public Hearing, by calling (712) 770-5505 and entering access code 884-124. Comments may also be submitted to the Agency in writing or electronically. Minutes of the Public Hearing will be transcribed and posted on the Agency's website, all in connection with the following matters:

The Agency has previously provided assistance to First Realty Associates LLC, a limited liability company organized and existing under the laws of the State of New York (the "**Company**"), and Global Tissue Group, Inc., a business corporation organized and existing under the laws of the State of New York (the "**Sublessee**"), in the continuing ownership of an approximately 23.4303-acre vacant parcel of land located near the intersection of the northerly side of Long Island Avenue and the westerly side of Patchogue Yaphank Road, West Yaphank, Town of Brookhaven, Suffolk County, New York (further identified as Tax Map. Nos. 0200-663.00-02.00-001.001, 0200-703.00-01.00-030.00, 0200-704.00-01.00-15.001, and 0200-663.00-02.00-003.002), and the construction and equipping thereon of an approximately 166,300 square foot building including, without limitation, the furnishing and equipping of warehouse and distribution space to be used for the manufacturing and distribution of paper products such as facial tissues, bath tissues, napkins and paper towels (collectively, the "**Facility**"), which Facility is leased by the Agency to the Company pursuant to a certain Lease Agreement, dated as of July 1, 2008 (the "**Lease Agreement**"), and subleased by the Company to the Sublessee pursuant to a certain Sublease Agreement, dated as of July 1, 2008 (the "**Sublease Agreement**"), for use by the Sublessee in the manufacturing and distribution of paper products for customers of the Sublessee. In connection with the leasing and subleasing of the Facility, the Agency, the Company and the Sublessee entered into a certain Payment-in-Lieu-of-Tax Agreement, dated as of July 1, 2008 (the "**PILOT Agreement**"), whereby the Company and the Sublessee agreed to make payments in lieu of property taxes on the Facility (the "**PILOT Payments**").

The Company and the Sublessee have now requested the Agency's assistance in connection with an extension of the abatement of real property taxes on the Facility for a period

of up to six (6) years. The Facility will continue to be initially owned, managed and/or operated by the Company.

The Agency contemplates that it will provide financial assistance to the Company and the Sublessee in the form of continued abatement of real property taxes on the Facility consistent with the uniform tax exemption policies (“**UTEP**”) 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 and the Sublessee or the location or nature of the Facility. Prior to the hearing, all persons will have the opportunity to review on the Agency’s website (<https://brookhavenida.org/>), the application for financial assistance filed by the Company and the Sublessee with the Agency and an analysis of the costs and benefits of the proposed Facility.

Dated: September 5, 2020

TOWN OF BROOKHAVEN INDUSTRIAL
DEVELOPMENT AGENCY

By: Lisa MG Mulligan
Title: Chief Executive Officer

EXHIBIT B

FORM OF MINUTES OF PUBLIC HEARING HELD ON
SEPTEMBER 15, 2020

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), Longwood Central School District, Suffolk County and Appropriate Special Districts

<u>Year</u>	<u>PILOT Payment</u>
1	\$10,672
2	\$66,095
3	\$134,833
4	\$206,294
5	\$280,560
6	\$357,714

EXHIBIT D

Cost Benefit Analysis

Date: February 26, 2020

At a meeting of the Town of Brookhaven Industrial Development Agency (the “Agency”), held on the 26th day of February, 2020, the Town of Brookhaven Media Room, 1 Independence Hill, 2nd Floor, Farmingville, New York 11738, the following members of the Agency were:

Present: Frederick C. Braun, III
Martin Callahan
Scott Middleton
Gary Pollakusky
Frank C. Trotta

Recused:

Excused: Felix J. Grucci, Jr.
Ann-Marie Scheidt

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 the proposed mortgage refinancing and the execution of related loan documents in connection with a certain industrial development facility more particularly described below (First Realty Associates LLC/Global Tissue Group, Inc. 2008 Facility) and approving the execution and delivery of related documents.

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

Voting Aye

Braun

Callahan

Middleton

Pollakusky

Trotta

Voting Nay

RESOLUTION OF THE TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING MORTGAGE REFINANCING AND THE EXECUTION AND DELIVERY OF LOAN DOCUMENTS IN CONNECTION THEREWITH FOR THE FIRST REALTY ASSOCIATES LLC/GLOBAL TISSUE GROUP, INC. 2008 FACILITY AND APPROVING THE FORM, SUBSTANCE, EXECUTION AND DELIVERY OF SUCH RELATED DOCUMENTS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 358 of the Laws of 1970 of the State of New York, as the same may be amended from time to time (collectively, the "**Act**"), the Town of Brookhaven Industrial Development Agency (the "**Agency**"), was created with the authority and power among other things, to assist with certain industrial development projects as authorized by the Act; and

WHEREAS, the Agency previously assisted in the acquisition of an approximately 23.4303-acre vacant parcel of land located near the intersection of the northerly side of Long Island Avenue and the westerly side of Patchogue Yaphank Road, West Yaphank, Town of Brookhaven, Suffolk County, New York (further identified as Tax Map. Nos. 0200-663.00-02.00-001.001, 0200-703.00-01.00-030.00, 0200-704.00-01.00-14.001, and 0200-663.00-02.00-003.002), and the construction and equipping thereon of an approximately 166,300 square foot building including, without limitation, the furnishing and equipping of warehouse and distribution space to be used for the manufacturing and distribution of paper products such as facial tissues, bath tissues, napkins and paper towels, to be leased by the Agency to First Realty Associates LLC (the "**Company**"), and subleased by the Company to, and used by, Global Tissue Group, Inc. (the "**Sublessee**"), in the manufacturing and distribution of paper products for customers of the Sublessee (the "**Facility**"); and

WHEREAS, the Agency currently leases the Facility to the Company pursuant to a certain Lease Agreement, dated as of July 1, 2008 (the "**Lease Agreement**"), between the Agency and the Company, a memorandum of which Lease Agreement was to be recorded in the Suffolk County Clerk's office; and

WHEREAS, in order to define the Company's and the Sublessee's obligations regarding payments in lieu of real property taxes on the Facility, the Agency, the Company and the Sublessee entered into a certain Payment-in-Lieu-of-Tax Agreement, dated as of July 1, 2008 (the "**PILOT Agreement**"), by and among the Agency, the Company and the Sublessee;

WHEREAS, the Company and the Agency previously mortgaged their respective interests in the Facility to Allstate T.F.I. ("**Allstate**"), pursuant to (i) a certain Acquisition Loan Mortgage, Assignment of Leases, Rents and Contracts, Security Agreement and Fixture Filing, dated July 23, 2008 (the "**Acquisition Mortgage**"), in the aggregate principal amount of \$4,191,677.13 which Acquisition Mortgage was to be recorded in the Suffolk County Clerk's office, and (ii) a certain Building Loan Mortgage, Assignment of Leases, Rents and Contracts, Security Agreement and Fixture Filing, dated July 23, 2008 (the "**Building Mortgage**"), in the

aggregate principal amount of \$10,808,322.87 which Building Mortgage was to be recorded in the Suffolk County Clerk's office; and

WHEREAS, the Company and the Agency previously mortgaged their respective interests in the Facility to New York Urban Funding ("NY Urban"), pursuant to a certain Mortgage and Security Agreement, dated July 23, 2008 (the "**Bridge Loan Mortgage**"), in the aggregate principal amount of \$2,350,000.00, which Bridge Loan Mortgage was to be recorded in the Suffolk County Clerk's office; and

WHEREAS, the Company and the Agency previously mortgaged their respective interests in the Facility to the Long Island Development Corporation ("**LIDC**"), pursuant to a certain Mortgage, dated December, 2009 (the "**SBA Mortgage**"; and together with the Acquisition Mortgage, the Building Mortgage and the Bridge Loan Mortgage, the "**Original Mortgage**"), in the aggregate principal amount of \$3,094,000.00, which SBA Mortgage was assigned from LIDC to the New York Small Business Administration (the "**SBA**"; and together with Allstate and NY Urban, the "**Original Lenders**"), which SBA Mortgage was to be recorded in the Suffolk County Clerk's office; and

WHEREAS, the Company has now requested that the Agency consent to enter into a refinancing with Genworth, Ready Capital, or such other lender or lenders not yet determined (the "**Lender**"), with respect to the Facility in the aggregate principal amount presently estimated to be \$14,000,000 but not to exceed \$16,000,000 (the "**2020 Loan**"); and

WHEREAS, the proceeds of the 2020 Loan will be used to satisfy existing indebtedness in the amount of approximately \$13,777,317.00 and to provide the additional principal amount presently estimated to be \$222,683 but not exceed \$2,222,683; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company consistent with the policies of the Agency, in the form of exemptions from mortgage recording taxes, to the fullest extent permitted by law, in an amount not to exceed \$99,000.00 in connection with the financing or refinancing of the costs 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 the Facility; and

WHEREAS, as security for such 2020 Loan being made to the Company by the Lender, the Company has submitted a request to the Agency that it join with the Company in executing and delivering to the Lender one or more mortgages (the "**2020 Mortgage**"), and such other loan documents, satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably requested by the Lender (collectively, the "**2020 Loan Documents**"); and

WHEREAS, upon the expiration of the PILOT Agreement and the termination of the Lease Agreement, the Agency will re-convey the Facility to the Company subject to the lien of the 2020 Mortgage; and

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

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transactions contemplated by the financing or refinancing of the Facility and the continued leasing of the Facility.

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

Section 1. The Agency hereby finds and determines:

- (a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act.
- (b) The Facility continues to constitute a "project", as such term is defined in the Act.
- (c) The Facility preserves the public purposes of the Act by increasing the number of private sector jobs in the Town of Brookhaven.
- (d) The financing or refinancing of the acquisition, construction and equipping of the Facility will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Brookhaven, Suffolk County and the State of New York and improve their standard of living and thereby serve the public purposes of the Act.
- (e) The financing or refinancing of the acquisition, construction and equipping of the Facility as contemplated in this resolution is reasonably necessary to maintain the competitive position of the Company in its industry.
- (f) Based upon representations of the Company and counsel to the Company, the Facility continues to conform with the local zoning laws and planning regulations of the Town of Brookhaven and all regional and local land use plans for the area in which the Facility is located.
- (g) It is desirable and in the public interest for the Agency to assist in the financing or refinancing of the acquisition, construction and equipping of the Facility.
- (h) The 2020 Loan Documents will be effective instruments whereby the Agency and the Company agree to secure the 2020 Loan and assign to the Lender their respective rights under the Lease Agreement (except the Agency's Unassigned Rights as defined therein).

Section 2.

In consequence of the foregoing, the Agency hereby determines to: (i) grant a mortgage on and security interest in and to the Facility pursuant to the 2020 Mortgage, (ii) authorize the execution and delivery of the 2020 Mortgage, (iii) execute, deliver and perform the 2020 Loan

Document to which the Agency is a party, as may be necessary or appropriate to effect the 2020 Loan or any subsequent refinancing of the 2020 Mortgage; and (iv) upon the expiration of the PILOT Agreement and the termination of the Lease Agreement, re-convey the Facility to the Company subject to the lien of the 2020 Mortgage.

Section 3. Subject to the provisions of this resolution and the Lease Agreement, the Agency is hereby authorized to do all things necessary or appropriate for the execution, delivery and performance of the 2020 Loan Documents and 2020 Mortgage, and such other related documents as may be necessary or appropriate to effect the 2020 Loan, or any subsequent refinancing of the 2020 Loan, and all acts heretofore taken by the Agency with respect to such financing or refinancing are hereby approved, ratified and confirmed.

Section 4. Subject to the provisions of this resolution and the Lease Agreement, the Agency hereby authorizes and approves the following economic benefits to be granted to the Company in the form of exemptions from mortgage recording taxes, to the extent allowed by law, in an amount not to exceed \$99,000.00 in connection with the financing or refinancing of the acquisition, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, constructing and equipping of the Facility.

Section 5.

(a) Subject to the provisions of this resolution and the Lease Agreement; the Chairman, Chief Executive Officer, and all other members of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the 2020 Mortgage and 2020 Loan Documents, together with such other related documents as may be, in the judgment of the Chairman and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “**Agency Documents**”). The execution thereof by the Chairman, Chief Executive Officer, or any member of the Agency shall constitute conclusive evidence of such approval; and

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

Section 6. Subject to the provisions of this resolution and the Lease Agreement, the officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 7. Any expenses incurred by the Agency with respect to the financing or refinancing of the Facility shall be paid by the Company. The Company has agreed to pay such expenses and further shall 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 financing or refinancing of the Facility.

Section 8. This resolution shall take effect immediately.

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

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

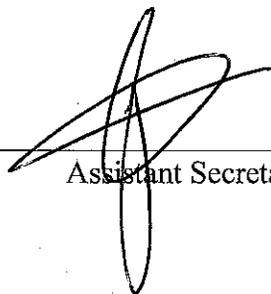
That I have compared the annexed extract of the minutes of the meeting of the Town of Brookhaven Industrial Development Agency (the “Agency”), including the resolutions contained therein, held on the 26th day of February, 2020, with the original thereof on file in my office, and that the same is a true 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 26th day of February, 2020.

By _____



Assistant Secretary