

Date: April 15, 2015

At a meeting of the Town of Brookhaven Industrial Development Agency (the "Agency"), held at 1 Independence Hill, Farmingville, New York 11738 on the 15th day of April, 2015, the following members of the Agency were:

Present: Frederick C. Braun, III  
Martin Callahan  
Felix J. Gucci, Jr.  
Michael Kelly  
Scott Middleton  
John O'Loughlin  
Ann-Marie Scheidt

Absent:

Also Present: Lisa M. G. Mulligan, Chief Executive Officer  
James Ryan, Chief Financial 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 the authorization of proposed mortgage financing and the execution of related loan documents in connection with a certain industrial development facility more particularly described below (McKeon Realty Associates, LLC/McKeon Rolling Steel Door Co., Inc. 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

Voting Nay

Braun

Callahan

Gucci

Kelly

Middleton

O'Loughlin

Scheidt

RESOLUTION OF THE TOWN OF BROOKHAVEN  
INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING A  
MORTGAGE FINANCING AND THE EXECUTION AND  
DELIVERY OF LOAN DOCUMENTS IN CONNECTION  
THEREWITH FOR THE MCKEON REALTY ASSOCIATES,  
LLC, MCKEON ROLLING STEEL DOOR CO., INC. 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, by resolution duly adopted on December 4, 2006 (the "**Resolution**"), decided to proceed under the provisions of the Act to acquire and lease an industrial development facility to McKeon Realty Associates, LLC, a limited liability company duly organized and validly existing under the laws of the State of New York (the "**Company**") for further sublease by the Company to McKeon Rolling Steel Door Co., Inc., a business corporation duly organized and validly existing under the laws of the State of New York (the "**Sublessee**"), consisting of the acquisition of an approximately 4.17 acre parcel of land located within the Brookhaven Industrial Park at 44 Sawgrass Drive, Bellport, Town of Brookhaven, Suffolk County, New York, and the construction and equipping thereon of an approximately 60,000 square foot building including, without limitation, the furnishing and equipping of warehouse space to be used for manufacturing and distribution of materials and equipment, to be leased by the Agency to the Company and subleased by the Company to, and used by, the Sublessee in the manufacture and distribution of overhead, coiling and stationary industrial doors, specialty closures and security grilles to individual customers, distributors and contractors throughout the continental United States (the "**Facility**"); and

WHEREAS, the Agency currently leases the Facility to the Company pursuant to a certain Lease Agreement, dated as of December 1, 2006 (the "**Lease Agreement**"), between the Agency and the Company, a memorandum of which Lease Agreement was to be recorded in the Suffolk County Clerk's office; and

WHEREAS, the Company subleased the Facility to the Sublessee pursuant to and in accordance with a certain Sublease Agreement, dated as of December 1, 2006 (the "**Sublease Agreement**"), between the Company and the Sublessee, and a memorandum of which Sublease Agreement was to be recorded in the Suffolk County Clerk's office; and

WHEREAS, in connection with the leasing and the subleasing of the Facility, the Agency, the Company and the Sublessee entered into a Payment-in-Lieu-of-Tax Agreement, dated as of December 1, 2006 (the "**PILOT Agreement**"), whereby the Company and the Sublessee agreed to make certain payments-in-lieu-of real property taxes on the Facility (as defined therein); and

WHEREAS, in connection with the leasing and the subleasing of the Facility, the Agency, the Company and the Sublessee entered into an Environmental Compliance and Indemnification Agreement, dated as of December 1, 2006 (the "**Environmental Compliance and Indemnification Agreement**"), whereby the Company and the Sublessee agreed to comply with all Environmental Laws (as defined therein) applicable to the Facility; and

WHEREAS, the Company and the Agency previously mortgaged their respective interests in the Facility to The Suffolk County National Bank (the "**2006 Lender**"), pursuant to (i) a First Mortgage and Security Agreement, dated December 21, 2006 (the "**Original Mortgage**") in the amount of \$762,945.00, which Original Mortgage was recorded in the office of the Clerk of Suffolk County on January 9, 2007 in Liber 21448, Page 278, and (ii) pursuant to a Second Building Mortgage and Security Agreement, dated December 21, 2006 (the "**Original Subordinate Mortgage**") in the amount of 4,256,102.00, which Original Subordinate Mortgage was recorded in said clerk's office on January 9, 2007 in Liber 21448, Page 279; and

WHEREAS, as further security of the sums due or to become due upon the Original Mortgage and the Original Subordinate Mortgage, the Agency and the Company have previously executed and delivered to the 2006 Lender (i) an Assignment of Leases and Rents First Mortgage Loan, dated as of December 21, 2006 (the "**Original Mortgage Assignment of Leases and Rents**"), which Original Mortgage Assignment of Leases and Rents was recorded in the office of the Clerk of Suffolk County on January 9, 2007 in Liber 12486, Page 555, and (ii) an Assignment of Leases and Rents Second Building Mortgage Loan, dated as of December 21, 2006 (the "**Original Subordinate Mortgage Assignment of Leases and Rents**"), which Original Subordinate Mortgage Assignment of Leases and Rents was recorded in said clerk's office on January 9, 2007 in Liber 12486, Page 556; and

WHEREAS, the Agency and the Company previously mortgaged their respective rights in the Facility to Bank of America, N.A. (the "**2008 Lender**"), pursuant to a First Mortgage, Assignment of Rents, Security Agreement and Fixture Filing, dated as of July 16, 2008 (the "**First Mortgage**") in the amount of \$2,788,359.50, with a balance currently remaining of approximately \$2,300,000 and (ii) Second Mortgage, Assignment of Rents, Security Agreement and Fixture Filing, dated as of July 16, 2008 (the "**Second Mortgage**") in the amount of \$2,230,687, which First Mortgage and Second Mortgage were intended to be recorded separately in the Suffolk County Clerk's office;

WHEREAS, the proceeds from the First Mortgage and the Second Mortgage were used to satisfy and discharge the Original Mortgage and Original Subordinate Mortgage of record; and

WHEREAS, the Agency and the Company further mortgaged their respective interests in the Facility to the Long Island Development Corporation (the "**LIDC**"), pursuant to a Mortgage, dated as of July 16, 2008 (the "**LIDC Mortgage**"), which LIDC Mortgage was recorded in the Suffolk County Clerk's office, securing the original principal amount of \$2,302,000, and which LIDC Mortgage was thereafter assigned to the U.S. Small Business Administration, with a balance currently remaining of approximately \$1,870,000, and the

proceeds from the LIDC Mortgage were used to satisfy and discharge the Second Mortgage of record; and

WHEREAS, the Company has now requested the Agency's consent to enter into a refinancing with JPMorgan Chase Bank, N.A., or such other lender as may be determined (the "2015 Lender"), with respect to the Facility in the aggregate principal amount presently estimated to be \$4,300,000 (the "2015 Loan") to satisfy the First Mortgage and the LIDC Mortgage; and

WHEREAS, as security for such 2015 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 2015 Lender one or more mortgages and such other loan documents, satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably requested by the 2015 Lender (the "2015 Loan Documents"); 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 securing the principal amount presently estimated to be \$4,300,000 but not to exceed \$5,000,000 in connection with the 2015 Loan; 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 and subleasing of the Facility.

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

Section 1. The Agency hereby finds and determines:

- (a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act.
- (b) The Facility continues to constitute a "project", as such term is defined in the Act.
- (c) The 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.

- (d) The 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.
- (e) 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.
- (f) It is desirable and in the public interest for the Agency to assist in the refinancing of the acquisition, construction and equipping of the Facility.
- (g) The 2015 Loan Documents will be effective instruments whereby the Agency and the Company agree to secure the 2015 Loan to the 2015 Lender.

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 a certain mortgage and security agreement for the benefit of the 2015 Lender (the “**2015 Mortgage**”),  
(ii) execute, deliver and perform the 2015 Mortgage, (iii) execute, deliver the 2015 Loan Documents, and (iv) execute, deliver and perform such other related documents, that the Agency is a party, as may be necessary or appropriate to effect the 2015 Loan or any subsequent refinancing of the 2015 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 2015 Mortgage and the 2015 Loan Documents and such other related documents as may be necessary or appropriate to effect the 2015 Loan, or any subsequent refinancing of the 2015 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 for one or more mortgages securing an amount presently estimated to be \$4,300,000 but not to exceed \$5,000,000, in connection with the 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. Subject to the provisions of this resolution and the Lease Agreement, (a) 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 2015 Mortgage and the 2015 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. By acceptance hereof, the Company agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the financing or refinancing of the Facility.

Section 8. This resolution shall take effect immediately.

ADOPTED: April 15, 2015

ACCEPTED: April 22 2015

**MCKEON REALTY ASSOCIATES,  
LLC**

By: 

Name: Joseph McKeon

Title: Member

