

Date: January 8, 2020

At a meeting of the Town of Brookhaven Industrial Development Agency (the “Agency”), held at 1 Independence Hill, 2nd Floor, Farmingville, New York 11738, on the 8th day of January, 2020, the following members of the Agency were:

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

Recused:

Absent: Felix J. Grucci, Jr.
Frank C. Trotta

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 a certain industrial development facility more particularly described below (Medford Branch, LLC/H. O. Penn Machinery Company, Inc. 2019 Facility) and the leasing of the facility to Medford Branch, LLC for further subleasing to H. O. Penn Machinery Company, Inc.

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

Voting Aye

Voting Nay

Braun
Callahan
Middleton
Pollakusky
Scheidt

RESOLUTION OF THE TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE INCREASE OF SALES TAX EXEMPTIONS AND THE EXTENSION OF COMPLETION DATE FOR THE MEDFORD BRANCH, LLC/H. O. PENN MACHINERY COMPANY, INC. 2019 FACILITY, AND THE EXECUTION OF RELATED DOCUMENTS AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS.

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

WHEREAS, 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 previously provided assistance in: (a) the acquisition of an approximately 1.54 acre parcel of land located at 20 Platinum Court, Medford, New York, as further described in Exhibit A attached hereto (the “**Land**”), the renovation of an approximately 20,000 square foot building located thereon (the “**Improvements**”), and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “**Facility Equipment**”; and together with the Land and the Improvements, the “**Company Facility**”), which Company Facility is leased and subleased by the Agency to Medford Branch, LLC, a limited liability company (the “**Company**”), and further subleased by the Company to H.O. Penn Machinery Company, Inc., a business corporation (the “**Sublessee**”); and (b) the acquisition and installation of certain equipment and personal property (the “**Equipment**”; and together with the Company Facility, the “**Facility**”), which Equipment is leased by the Agency to the Sublessee, and which Facility is used by the Sublessee for its primary use as office space, distribution space and warehouse storage in its business as a distributor of electric and power generators and equipment to owners and renters throughout the United States and Puerto Rico (the “**Project**”); and

WHEREAS, the Agency by resolution duly adopted on January 9, 2019 (the “**Authorizing Resolution**”), authorized the acquisition, construction and equipping of such facility and the execution and delivery of the Agency Documents (as defined therein); and

WHEREAS, pursuant to the Authorizing Resolution, the Agency contemplated providing financial assistance to the Sublessee in the form of exemptions from sales and use taxes in an amount not to exceed \$48,300.00, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, consistent with the policies of the Agency (the “**Original Sales Tax Benefit**”); and

WHEREAS, the Company leased the Facility to the Agency pursuant to a Company Lease Agreement, dated as of April 1, 2019 (the “**Company Lease**”), between the Company and the Agency; and

WHEREAS, the Agency leased the Facility to the Company pursuant to a Lease and Project Agreement, dated as of April 1, 2019 (the “**Lease Agreement**”), between the Agency and the Company; and

WHEREAS, the Agency leased the Equipment to the Sublessee pursuant to an Equipment Lease Agreement, dated as of April 1, 2019 (the “**Equipment Lease Agreement**”), between the Agency and the Company; and

WHEREAS, pursuant to Section 3.4 of the Equipment Lease Agreement, the Sublessee agreed to complete the acquisition, construction and equipping of the Facility no later than December 31, 2019 (the “**Original Completion Date**”); and

WHEREAS, in order to complete the costs of the acquisition, construction and equipping of the Facility the Sublessee has now requested that the Agency extend the expiration date of the Original Completion Date and the Original Sales Tax Benefit to October 31, 2020 (the “**Completion Date Extension**”); and

WHEREAS, in connection with the Completion Date Extension, the Sublessee has requested an increase in the Original Sales Tax Benefit of an amount not to exceed \$90,000.00 (the “**Sales Tax Benefit Increase**”); and together with the Original Sales Tax Benefit, the “**Sales Tax Benefit**”); and

WHEREAS, in connection therewith, the Agency contemplates it will re-authorize the Original Sales Tax Benefit in the amount of \$48,300.00 less the amount of Original Sales Tax Benefit utilized by the Company prior to the Original Completion Date, and the Agency contemplates granting additional financial assistance to the Company in the form of the Sales Tax Benefit Increase of \$90,000.00, for a total Sales Tax Benefit of \$138,300, less the amount of Sales Tax Benefit utilized by the Company prior to the Original Completion Date, all consistent with the policies of the Agency; and

WHEREAS, to provide for the Completion Date Extension, the Agency and the Sublessee will enter into a certain Letter Agreement, dated as of January 8, 2020, or such other date as may be determined by the Chairman, Chief Executive Officer and counsel to the Agency (the “**Letter Agreement**”), by and between the Agency and the Sublessee; 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

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

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

(e) The Letter Agreement will be an effective instrument whereby the Agency grants the Completion Date Extension and the Sales Tax Benefit Increase to the Sublessee.

Section 2. In consequence of the foregoing, the Agency hereby (i) approves the Completion Date Extension, (ii) approves the Sales Tax Benefit Increase, (iii) approves the form and substance of the Letter Agreement, and (iv) authorizes the execution and delivery of the Letter Agreement and such other related documents as may be necessary or appropriate to effect the Completion Date Extension and the Sales Tax Benefit Increase.

Section 3.

(a) The Agency hereby re-authorizes and re-approves the following economic benefits to be granted to the Sublessee in connection with the acquisition, construction and equipping of the Facility in the form of exemptions from sales and use taxes in an amount not to exceed \$48,300.00, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, less the amount of Original Sales Tax Benefit utilized by the Sublessee prior to the Original Completion Date, consistent with the policies of the Agency.

(b) The Agency hereby authorizes and approves the following additional economic benefits to be granted to the Sublessee in connection with the acquisition, construction and equipping of the Facility in the form of exemptions from sales and use taxes in an amount not to exceed \$90,000.00, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, consistent with the policies of the Agency.

Section 4. Counsel to the Agency and Nixon Peabody LLP, Transaction Counsel to the Agency are hereby authorized and directed to prepare, for submission to the Agency,

the Letter Agreement and all documents necessary to effect the Completion Date Extension and the Sales Tax Benefit Increase described in the foregoing resolution.

Section 5. The Chairman, the Chief Executive Officer, and any member of the Agency are each hereby authorized and directed (i) to distribute copies of this resolution to the Company, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 6. This resolution shall take effect immediately.

Date: January 9, 2019

At a meeting of the Town of Brookhaven Industrial Development Agency (the “Agency”), held at 1 Independence Hill, 3rd Floor, Farmingville, New York 11738, on the 9th day of January, 2019, the following members of the Agency were:

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

Recused:

Absent: Felix J. Grucci, Jr.
Scott Middleton
Frank C. Trotta

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

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to acquisition of a leasehold interest in and title to a certain industrial development facility more particularly described below (H. O. Penn Machinery Company, Inc. 2019 Facility) and the leasing of the facility to H. O. Penn Machinery Company, Inc.

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

Voting Aye

Voting Nay

Braun
Callahan
Pollakusky
Scheidt

RESOLUTION OF THE TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ACQUISITION, RENOVATION AND EQUIPPING OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY AND APPROVING THE APPOINTMENT OF H. O. PENN MACHINERY COMPANY, INC., A NEW YORK BUSINESS CORPORATION ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF H. O. PENN MACHINERY COMPANY, INC. AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS AGENT OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, RENOVATING AND EQUIPPING THE FACILITY, AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS

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

WHEREAS, H. O. Penn Machinery Company, Inc., a business corporation duly organized and validly existing under the laws of the State of New York, on behalf of itself and/or the principals of H. O. Penn Machinery Company, Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”) has requested the Agency’s assistance with the acquisition by the Company of fee title to or a leasehold interest in an approximately 1.54 acre parcel of land located at 20 Platinum Court, Medford, New York (the “**Land**”), the renovation and equipping of an approximately 20,000 square foot building located thereon (collectively, the “**Equipment**” and “**Improvements**”; and, together with the Land, the “**Facility**”), all for lease or sublease by the Agency to the Company for use as office space, distribution space and warehouse storage in its business as a distributor of electric and power generators and equipment to owners and renters throughout the United States and Puerto Rico (collectively, the “**Project**”); and

WHEREAS, the Company will acquire a ground lease interest in the Facility, or, in the alternative, a fee interest in the Facility; and

WHEREAS, the Agency will acquire a leasehold or subleasehold interest in the Facility and will sublease and lease the Facility to the Company all pursuant to the Act; and

WHEREAS, the Agency will acquire a leasehold or a subleasehold interest in the Land and Improvements pursuant to a certain Company Lease Agreement, dated as of January 1, 2019 or such other date as the Chairman or Chief Executive Officer of the Agency

and counsel to the Agency shall agree (the “**Company Lease**”), by and between the Company and the Agency; and

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

WHEREAS, the Agency will sublease and lease the Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of January 1, 2019 or such other date as the Chairman or Chief Executive Officer of the Agency and counsel to the Agency shall agree (the “**Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company consistent with the policies of the Agency, in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be \$2,800,000 but not to exceed \$3,500,000 in connection with the financing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating, redeveloping and equipping the Facility, (ii) exemptions from sales and use taxes in an approximate amount not to exceed \$48,300, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit C hereof); 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, if the Company acquires fee title to the Facility and enters into a loan with a lender, as security for a loan or loans, the Agency and the Company will execute and deliver to a lender or lenders not yet determined (collectively, the “**Lender**”), a mortgage or mortgages, and such other loan documents satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably required by the Lender, to be dated a date to be determined, in connection with the financing, any refinancing or permanent financing of the costs of the acquisition, renovation and equipping of the Facility (collectively, the “**Loan Documents**”); and

WHEREAS, a public hearing (the “**Hearing**”) was held on January 9, 2019, so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency or the location or nature of the Facility, could be heard; and

WHEREAS, notice of the Hearing was given on December 29, 2018 and such notice (together with proof of publication), was substantially in the form annexed hereto as Exhibit A; and

WHEREAS, the report of the Hearing is substantially in the form annexed hereto as Exhibit B; and

WHEREAS, the Company has represented to the Agency that the approval of the Project and the transactions contemplated by the Lease Agreement will result in the removal of a facility located at 15 Middle Avenue, Holtsville, New York and the Agency would otherwise be prohibited from granting benefits pursuant to the provisions of Section 862 of the Act; and

WHEREAS, based upon the representations of the Company in the Application for financial assistance filed by the Company with the Agency (the “**Application**”), the Project is reasonably necessary to discourage the Company from removing such other plant or facility to Connecticut and therefore not subject to the prohibitions contained in Section 862 of the Act; and

WHEREAS, in accordance with Section 859-a(5)(d) of the Act, the Agency has notified the chief executive officer of Brookhaven of the removal of the Company's facilities in Holtsville and its relocation to Medford; and

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

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

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

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

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

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

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

regulations under SEQR or as may be deemed advisable by the Chairman or Executive Director of the Agency or counsel to the Agency.

Section 2. The Agency hereby finds and determines:

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

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

(c) The Facility preserves the public purposes of the Act by preserving or increasing the number of permanent private sector jobs in the Town of Brookhaven. The Company has represented to the Agency that they expect to maintain approximately twenty-six (26) jobs within two (2) years of completion of the acquisition, renovation and equipping of the Facility; and

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

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

(f) Based upon the representations of the Company, the Project and the related financial assistance is reasonably necessary to discourage the Facility occupant(s) from removing a facility or plant of the Facility occupant(s) located within the State to a location outside of the State; and

(g) Based upon representations of the Company and counsel to the Company, the Facility conforms with the local zoning laws and planning regulations of the Town of Brookhaven, Suffolk County, and all regional and local land use plans for the area in which the Facility is located; and

(h) The Facility and the operations conducted therein do not have a significant effect on the environment, as determined in accordance with Article 8 of the Environmental Conservation Law of the State of New York and the regulations promulgated thereunder; and

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

(j) The Company Lease will be an effective instrument whereby the Agency leases the Facility from the Company; and

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

(l) If the Company acquires fee title to the Facility and enters into a Loan with the Lender, the Loan Documents to which the Agency is a party will be effective instruments whereby the Agency and the Company agree to secure the Loan made to the Company by the Lender.

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

Section 4. In consequence of the foregoing, the Agency hereby determines to: (i) lease the Land and the Improvements from the Company pursuant to the Company Lease, (ii) execute, deliver and perform the Company Lease, (iii) lease and sublease the Facility to the Company pursuant to the Lease Agreement, (iv) execute, deliver and perform the Lease Agreement, (v) if the Company acquires fee title and enters into a Loan with the Lender, the Agency will grant a mortgage on and security interest in and to the Facility pursuant to the Loan Documents, and (vi) if the Company acquires fee title and enters into a Loan with the Lender, the Agency will execute, deliver and perform the Loan Documents to which the Agency is a party.

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

Section 6. If the Company acquires fee title to the facility and a mortgage is granted, the Agency is hereby authorized to execute and deliver the Loan Documents in connection with the financing of the costs of acquiring, renovating and equipping of the Facility and any future Loan Documents in connection with any future refinancing or permanent financing of such costs of acquiring, renovating and equipping of the Facility without the need for any future approvals of the Agency.

Section 7. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the acquisition, renovation and equipping of the Facility in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be \$2,800,000 but not to exceed \$3,500,000 in connection with the financing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the

costs of acquiring, renovating, redeveloping and equipping the Facility, (ii) exemptions from sales and use taxes in an approximate amount not to exceed \$48,300, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit C hereof), consistent with the policies of the Agency.

Section 8. Subject to the provisions of this resolution, the Company is herewith and hereby appointed the agent of the Agency to acquire, renovate and equip the Facility. The Company is hereby empowered to delegate its status as agent of the Agency to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company may choose in order to acquire, renovate and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company as agent of the Agency solely for purposes of making sales or leases of goods, services and supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company, as agent of the Agency, shall be deemed to be on behalf of the Agency and for the benefit of the Facility. This agency appointment expressly excludes the purchase by the Company of any motor vehicles, including any cars, trucks, vans or buses which are licensed by the Department of Motor Vehicles for use on public highways or streets. The Company shall indemnify the Agency with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company, as agent of the Agency. The aforesaid appointment of the Company as agent of the Agency to acquire, renovate and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, (b) a date which the Agency designates, or (c) the date on which the Company has received exemptions from sales and use taxes for the Facility in an amount not to exceed \$48,300, in connection with the purchase or lease of equipment, building materials, services or other personal property; provided however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company if such activities and improvements are not completed by such time. The aforesaid appointment of the Company is subject to the execution of the documents contemplated by this resolution.

Section 9. The Company is hereby notified that it will be required to comply with Section 875 of the Act. The Company shall be required to agree to the terms of Section 875 pursuant to the Lease Agreement. The Company is further notified that the tax exemptions and abatements provided pursuant to the Act and the appointment of the Company as agent of the Agency pursuant to this Authorizing Resolution are subject to termination and recapture of benefits pursuant to Sections 859-a and 875 of the Act and the recapture provisions of the Lease Agreement.

Section 10. The form and substance of the Company Lease, the Lease Agreement and the Loan Documents, if applicable, to which the Agency is a party (each in substantially the forms presented to or approved by the Agency and which, prior to the execution and delivery thereof, may be redated and renamed) are hereby approved.

Section 11.

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

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

Section 12. 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 13. Any expenses incurred by the Agency with respect to the Facility shall be paid by the Company. The Company agrees to pay expenses and 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 14. This resolution shall take effect immediately.

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York State General Municipal Law will be held by the Town of Brookhaven Industrial Development Agency (the “**Agency**”) on the 9th day of January, 2019, at 10:00 a.m. local time, at the Town of Brookhaven Division of Economic Development, 2nd Floor, One Independence Hill, Farmingville, New York 11738, in connection with the following matters, New York in connection with the following matters:

H. O. Penn Machinery Company, Inc., a business corporation duly organized and validly existing under the laws of the State of New York, on behalf of itself and/or the principals of H. O. Penn Machinery Company, Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”) has requested the Agency’s assistance with the acquisition by the Company of fee title to or a leasehold interest in an approximately 1.54 acre parcel of land located at 20 Platinum Court, Medford, New York (the “**Land**”), the renovation and equipping of an approximately 20,000 square foot building located thereon (collectively, the “**Equipment**” and “**Improvements**”; and, together with the Land, the “**Facility**”), all for lease or sublease by the Agency to the Company for use as office space, distribution space and warehouse storage in its business as a distributor of electric and power generators and equipment to owners and renters throughout the United States and Puerto Rico. The Facility will be initially owned, operated and/or managed by the Company.

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

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

Dated: December 29, 2018

**TOWN OF BROOKHAVEN INDUSTRIAL
DEVELOPMENT AGENCY**

By: Lisa MG Mulligan
Title: Chief Executive Officer

EXHIBIT B

FORM OF MINUTES OF PUBLIC HEARING HELD ON
JANUARY 9, 2019

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
(H. O. PENN MACHINERY COMPANY, INC. 2019 FACILITY)

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

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

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

H. O. Penn Machinery Company, Inc., a business corporation duly organized and validly existing under the laws of the State of New York, on behalf of itself and/or the principals of H. O. Penn Machinery Company, Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”) has requested the Agency’s assistance with the acquisition by the Company of fee title to or a leasehold interest in an approximately 1.54 acre parcel of land located at 20 Platinum Court, Medford, New York (the “**Land**”), the renovation and equipping of an approximately 20,000 square foot building located thereon (collectively, the “**Equipment**” and “**Improvements**”; and, together with the Land, the “**Facility**”), all for lease or sublease by the Agency to the Company for use as office space, distribution space and warehouse storage in its business as a distributor of electric and power generators and equipment to owners and renters throughout the United States and Puerto Rico. The Facility will be initially owned, operated and/or managed by the Company.

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

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

N/A

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

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>Tax Year</u>	<u>Payment</u>
1.	2019/2020	\$24,124.00
2.	2020/2021	\$24,607.00
3.	2021/2022	\$26,103.00
4.	2022/2023	\$27,649.00
5.	2023/2024	\$29,247.00
6.	2024/2025	\$30,897.00
7.	2025/2026	\$32,602.00
8.	2026/2027	\$34,362.00
9.	2027/2028	\$36,180.00
10.	2028/2029	\$38,057.00
11.	and thereafter	100% of full taxes and assessments on the Facility