

RESOLUTION AUTHORIZING THE GRANT OF CERTAIN FINANCIAL ASSISTANCE BY THE TOWN OF BABYLON INDUSTRIAL DEVELOPMENT AGENCY TO BWILD LLC, AND 110 BI-COUNTY BOULEVARD LLC IN CONNECTION WITH THE RENOVATION AND EQUIPPING BY BWILD LLC AND 110 BI-COUNTY BOULEVARD LLC ON BEHALF OF BWILD LLC OF AN OFFICE, WAREHOUSING, MANUFACTURING AND DISTRIBUTION FACILITY IN THE TOWN OF BABYLON

WHEREAS, the Town of Babylon Industrial Development Agency (the "Agency") is authorized under the laws of the State of New York, and in particular under the provisions of the New York State Industrial Development Agency Act and the Agency's enabling legislation, respectively constituting Article 18-A and Section 907-a of the General Municipal Law (Chapter 24 of the Consolidated Laws of New York), as amended (the "Act"), to assist in providing for manufacturing, warehousing, research, civic, commercial and industrial facilities in the Town of Babylon; and

WHEREAS, representatives of Bwild LLC, a Delaware limited liability company (the "Company") and 110 Bi-County Boulevard LLC, a limited liability company (the "Owner") have supplied information to the Agency, concerning a project (the "Project") consisting of the renovation and equipping by the Company and the Owner on behalf of the Company of an approximately 20,092 square foot portion (the "Facility") of an approximately 147,000 square foot building (the "Project Building") for use by the Company as an office, warehousing, manufacturing and distribution facility to be located at 110 Bi-County Blvd. in Farmingdale, New York for use by the Company in its e-commerce business of selling clothing, accessories, gifts and novelties, jewelry, cosmetics, footwear and room décor; and

WHEREAS, in connection with a straight lease transaction (as defined in the Act) for the benefit of Catholic Health System of Long Island Inc. d/b/a Catholic Health Services of Long Island the Agency acquired a leasehold interest in the Project Building and the land upon which it is located (collectively, the "Premises") and the Owner leased the Premises to the Agency pursuant to an Owner Lease Agreement (the "Owner Lease") dated February 27, 2013 and the Agency subleased the Premises to the Owner pursuant to an Owner Sublease Lease Agreement (the "Owner Sublease") dated February 27, 2013; and

WHEREAS, in connection with a straight lease transaction (as defined in the Act) for the benefit of Zwanger & Pesiri Radiology Group LLP a limited liability company existing under the laws of the State of New York (the "Zwanger") and ZP Bi County LLC, a New York limited liability company ("ZP"), the Agency and the Owner amended the Owner Lease and Owner Sublease on December 23, 2013; and

WHEREAS, in order to induce said facilities within the Town of Babylon (the "Town") for the benefit of the Company it appears necessary to assist the Company and the Owner by further amending the Owner Lease and Owner Sublease so as to afford the Company and the Owner certain relief from real property taxation for a limited period; and

WHEREAS, representatives of the Company have indicated that the Company has out grown its current location at 2200 Wantagh Avenue in Wantagh, New York (the "Existing

Facility”) and relocation to the Facility is necessary to preserve the competitive position of the Company in its industry; and

WHEREAS, it is contemplated (i) that the Owner will sublease the Facility to the Company pursuant to a certain Agreement of Lease, between the Owner and the Company (the “Prime Lease”); (ii) that the Company will further lease the Facility to the Agency pursuant to a Company Lease Agreement (the “Company Lease Agreement”) between the Company and the Agency, and (iii) that the Agency will further sub-sublease the Facility to the Company pursuant to a Lease Agreement (the “Lease Agreement”) between the Agency and the Company; and

WHEREAS, pursuant to the Owner Sublease, the Owner has agreed to make certain payments in lieu of real property taxes with respect to the Premises to the Agency; and

WHEREAS, pursuant to the Lease Agreement, the Company has agreed to make certain payments in lieu of real property taxes with respect to the Facility to the Agency; and

WHEREAS, the Agency has made certain findings and determinations in its inducement resolution regarding the Project adopted on May 13, 2014, which by this reference are adopted and confirmed as though made on the date hereof; and

WHEREAS, it is desired that the Agency authorize the granting of certain financial assistance to the Company and the Owner in connection with the Project, including exemption from real property taxes, sales and use taxes and to the extent required, mortgage recording taxes.

NOW, THEREFORE, BE IT DETERMINED, APPROVED AND RESOLVED by the members of the Agency as follows:

Section 1. (a) To accomplish the purposes of the Act, the Agency hereby finds and determines that (i) the Project constitutes a “Project” within the meaning of the Industrial Development Agency Act Article 18-A of the General Municipal Law of the State of New York (the “Act”); and (ii) the granting of real property tax abatements, sales and use tax abatements, and mortgage recording tax abatements (if any) (collectively, the “Financial Assistance”) by the Agency with respect to the Facility pursuant to the Act, will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the Town of Babylon, New York and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act.

(b) It is desirable and in the public interest for the Agency to grant Financial Assistance to the Company and the Owner with respect to the Project.

(c) The Agency shall grant Financial Assistance in the form of state and local sales and use tax abatements and in the event of the occurrence of a recapture event under the Lease Agreement the Agency will pursue recapture of Financial Assistance as provided in the Lease Agreement.

Section 2. To accomplish the purposes of the Act, the Agency shall amend the Owner Lease and the Owner Sublease (collectively the “Amendment”) to account for the Project, sub-lease the Facility from the Company pursuant to the Company Lease Agreement, and sub-lease the Facility to the Company pursuant to the Lease Agreement.

Section 3. Pursuant to the Lease Agreement, the Company shall make certain payments in lieu of real property taxes (“Pilots”) which would be otherwise due and payable with respect to the Facility.

Section 4. Pursuant to the Owner Sublease, as amended, the Owner, shall pay certain Pilots which would be otherwise due and payable with respect to the Premises.

Section 5. In order to provide the Company and the Owner with financial assistance with respect to exemption from New York State Sales and Use Taxes with respect to the Project, the Agency shall issue to the Company’s and the Owner’s agents from time to time sale tax authorization letters (the “Sales Tax Letters”) which shall be used pursuant to the terms contained therein and in the Lease Agreement.

Section 6. The Lease Agreement in substantially the form previously approved by the Agency for other straight lease transactions and in form acceptable to the Chief Executive Officer and counsel to the Agency is hereby approved.

Section 7. The Company Lease Agreement in substantially the form previously approved by the Agency for other straight lease transactions and in form acceptable to the Chief Executive Officer and counsel to the Agency is hereby approved.

Section 8. The Sublease Agreement in substantially the form previously approved by the Agency for other straight lease transactions and in form acceptable to the Chief Executive Officer and counsel to the Agency is hereby approved.

Section 9. The Owner Lease, as amended, in form acceptable to the Chief Executive Officer and counsel to the Agency is hereby approved.

Section 10. The Owner Sublease, as amended, in form acceptable to the Chief Executive Officer and counsel to the Agency is hereby approved.

Section 11. Robert Stricoff, as Chief Executive Officer or any successor Chief Executive Officer (the “Chief Executive Officer”) or any other Authorized Representative, is hereby authorized, on behalf of the Agency, to execute and deliver final forms of the amendment to the Owner Lease, amendment to the Owner Sublease, the Company Lease Agreement, the Lease Agreement, the Sales Tax Letters and any other agreements or certificates consistent herewith and therewith (hereinafter collectively called the “Agency Documents”), with such changes, variations, omissions and insertions in the Agency Documents as the Chief Executive Officer or any other Authorized Representative of the Agency shall upon advice of counsel approve. The execution thereof by the Chief Executive Officer shall constitute conclusive evidence of such approval.

The Chief Executive Officer or any other Authorized Representatives are further hereby authorized, on behalf of the Agency, to designate any additional authorized representatives including the Chief Financial Officer, the Chairman, the Secretary or Assistant Secretary of the Agency, to execute any Agency Documents or certificates of the Agency authorized pursuant to this Resolution and determine the terms of the Agency Documents.

The Secretary or Assistant Secretary or General Counsel to the Agency is hereby authorized to attest to the Chief Executive Officer's or any other Authorized Representative's signature on the foregoing documents and to impress or affix the seal or facsimile seal of the Agency thereto to the extent required by any Agency Document.

Section 12. The Chief Executive Officer, the Chief Financial Officer, the Chairman, the Secretary and any member of the Agency (as used in this resolution, the "Authorized Representatives") are hereby designated the authorized representatives of the Agency and each of them is hereby authorized and directed to cause the transactions as described in the Agency Documents to be undertaken and in relation thereto, to execute and deliver any and all papers, instruments, agreements, opinions, certificates, affidavits and other documents, and to do and cause to be done any and all acts and things necessary or proper for carrying out this resolution, and the Agency Documents including such changes or revisions in the forms of such documents as may be approved by counsel to the Agency.

Section 13. 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, agreements 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 14. All covenants, stipulations, obligations and agreements of the Agency contained in this resolution, and the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties, affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this resolution, and the Agency Documents shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

Section 15. No covenant, stipulation, obligation or agreement contained in this resolution, or the Agency Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency or the Town of Babylon in his or their individual capacity and neither the members of the Agency nor any officer shall be

liable personally on the Agency Documents or be subject to any personal liability or accountability by reason of the execution thereof.

Section 16. The law firm Winston & Strawn LLP is hereby appointed transaction counsel to the Agency for this transaction.

Section 17. Notwithstanding the foregoing, the Agency will not grant any Financial Assistance (as such term is defined in the Act) in excess of \$100,000 to either of the Company or the Owner until the Agency has held a public hearing with respect to the Project in accordance with the provisions of the Act.

Section 18. This resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to a vote on roll call, which resulted as follows:

The resolution was thereupon declared duly adopted.

Adopted July 22, 2014

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

I, Chris Ferencsik, the duly elected, qualified and acting Secretary of the Town of Babylon Industrial Development Agency (the "Agency"), hereby certify that:

1. The foregoing is a true, correct and complete copy of the record of proceedings of the Agency had and taken at a lawful meeting of the Agency held at the Law Office of John Braslow, 816 Deer Park Avenue, North Babylon, New York on July 22, 2014, commencing at the hour of 7:00 P.M., as recorded in the regular official book, of the proceedings of the Agency, those proceedings were duly had and taken as shown therein.

2. All members of the Agency and the public were duly notified of that meeting pursuant to law.

IN WITNESS WHEREOF, I have signed this certificate and affixed the seal of the Agency this 22nd day of July, 2014.


Secretary

(SEAL)