

RESOLUTION GRANTING APPROVAL OF AND AUTHORIZING THE GRANT OF CERTAIN FINANCIAL ASSISTANCE BY THE TOWN OF BABYLON INDUSTRIAL DEVELOPMENT AGENCY TO BABYLON BUS LOT PROPERTY LLC, LAMAR LOT, LLC, LAMAR PARK, LLC, EDUCATIONAL BUS TRANSPORTATION, INC. AND E.B.T., INC. IN CONNECTION WITH THE LEASEHOLD ACQUISITION RENOVATION AND EQUIPPING OF CERTAIN SCHOOL BUS DEPOT FACILITIES 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, Babylon Bus Lot Property LLC and Educational Bus Transportation, Inc., have heretofore entered into a straight lease transaction with the Agency dated September 24, 2010, pursuant to which the Agency granted certain financial assistance to the Applicant with respect to a school bus depot, office and maintenance facility operated by the Educational Bus Transportation, Inc. and located at 63, 73 and 85 Lamar Street and 70 and 76 Mahan Street in West Babylon, New York (the "Existing Facility"); and

WHEREAS, Babylon Bus Lot Property LLC and Educational Bus Transportation, Inc., together with Lamar Lot, LLC, Lamar Park, LLC and E.B.T., Inc., each affiliated entities (the "Affiliated Entities") have informed officials at the Agency about and have expressed the desire to enter into negotiations with officials of the Agency with respect to the Babylon Bus Lot Project, the Lamar Lot Project and the Lamar Park Project, described below (collectively the "Project") consisting of transfer by deed (the "Deed") by the Agency of fee title to the Existing Facility to Babylon Bus Lot Property LLC, the leasehold acquisition of the Existing Facility by the Agency, the renovation and re-equipping of the Existing Facility and the leasehold acquisition, renovation and equipping of additional school bus depot facilities in the Town of Babylon (the "Town") including the real property located at 48 and 52 Mahan Street, and 55 and 59 Lamar Street all in West Babylon, New York and in connection with the foregoing the installation and construction at such locations of curbing, concrete aprons, drainage system, heavy duty paving, perimeter fencing, cantilevered gates, lighting piers, poles and LED luminaires, landscaping, sprinklers and security cameras relating thereto all for use by the Affiliated Entities as school bus depot facilities; and

WHEREAS, representatives of Babylon Bus Lot Property LLC ("Babylon Bus Lot"), a New York limited liability company, have supplied information to the Town of Babylon Industrial Development Agency (the "Agency") with respect to a project (the "Babylon Bus Lot Project") consisting of the renovation and re-equipping of an approximately 28,000 square foot school bus depot, office and vehicle maintenance repair facility on those certain lots, pieces or parcels of land generally known as and located at 63, 73 and 85 Lamar Street and 70 and 76 Mahan Street in West Babylon, New York (the "Babylon Bus Lot Facility") for use by

Educational Bus Transportation, Inc. and E.B.T., Inc., in its school bus and motor coach transportation business; and

WHEREAS, representatives of Lamar Lot, LLC (“Lamar Lot”), a New York limited liability company, have supplied information to the Town of Babylon Industrial Development Agency (the “Agency”) with respect to a project (the “Lamar Lot Project”) consisting of the construction and equipping of certain school bus depot facilities including the installation and construction of curbing, concrete aprons, drainage system, heavy duty paving, perimeter fencing, cantilevered gates, lighting piers, poles and LED luminaires, landscaping, sprinklers and security cameras on those certain lots, pieces or parcels of land generally known as and located at 48 Mahan Street and 55 Lamar Street in West Babylon, New York (the “Lamar Lot Facility”) for use by Educational Bus Transportation, Inc. and E.B.T., Inc., in its school bus and motor coach transportation business; and

WHEREAS, representatives of Lamar Park, LLC (“Lamar Park”), a New York limited liability company, have supplied information to the Town of Babylon Industrial Development Agency (the “Agency”) with respect to a project (the “Lamar Park Project”) consisting of the construction and equipping of certain school bus depot facilities including the installation and construction of curbing, concrete aprons, drainage system, heavy duty paving, perimeter fencing, cantilevered gates, lighting piers, poles and LED luminaires, landscaping, sprinklers and security cameras on those certain lots, pieces or parcels of land generally known as and located at 52 Mahan Street and 59 Lamar Street in West Babylon, New York (the “Lamar Park Facility” and collectively with the Babylon Bus Lot Facility and the Lamar Lot Facility, the “Facility”) for use by Educational Bus Transportation, Inc. and E.B.T., Inc., in its school bus and motor coach transportation business; and

WHEREAS, representatives of the Affiliated Entities have indicated that the Project will result in the retention and growth of a permanent full time jobs within the Town; and

WHEREAS, in order to induce the Affiliated Entities to proceed with such facilities within the Town it appears necessary for the Agency to assist the Affiliated Entities (i) by deeding fee title to the Existing Facility to Babylon Bus Lot and (ii) by the Agency taking leasehold title to the Existing Facility, the Lamar Lot Facility and the Lamar Park Facility so as to afford the Affiliated Entities certain relief from mortgage recording taxation, relief from real property taxation and relief from sales and use taxation for a limited period; and

WHEREAS, it is contemplated that Babylon Bus Lot will lease the Babylon Bus Lot Facility to the Agency pursuant to a Company Lease Agreement (the “Babylon Bus Lot Company Lease”) and the Agency will assist Babylon Bus Lot and Educational Bus Transportation, Inc. and E.B.T., Inc (collectively the “Sublessee”) to undertake the Babylon Bus Lot Project and will further sublease the Babylon Bus Lot Facility to Babylon Bus Lot pursuant to a Lease Agreement (the “Babylon Bus Lot Lease Agreement”), by and between Babylon Bus Lot and the Agency pursuant to which Babylon Bus Lot agrees, among other things, to make lease payments in such amounts as specified in the Babylon Bus Lot Lease Agreement; and

WHEREAS, it is intended that Babylon Bus Lot will sublease the Babylon Bus Lot Facility to the Sublessee pursuant to a Sublease Agreement (the “Babylon Bus Lot Sublease

Agreement”), by and among Babylon Bus Lot and the Sublessee pursuant to which the Sublessee agrees, among other things, to make sublease payments in such amounts as specified in the Babylon Bus Lot Sublease Agreement which shall equal all amounts due to the Agency under the Babylon Bus Lot Lease Agreement; and

WHEREAS, pursuant to the Babylon Bus Lot Lease Agreement and the Babylon Bus Lot Sublease Agreement, Babylon Bus Lot and the Sublessee have agreed to make certain payments in lieu of real property taxes with respect to the Babylon Bus Lot Facility to the Agency; and

WHEREAS, it is contemplated that Lamar Lot will lease the Lamar Lot Facility to the Agency pursuant to a Company Lease Agreement (the “Lamar Lot Company Lease”) and the Agency will assist Lamar Lot and the Sublessee to undertake the Lamar Lot Project and will further sublease the Lamar Lot Facility to Lamar Lot pursuant to a Lease Agreement (the “Lamar Lot Lease Agreement”), by and between Lamar Lot and the Agency pursuant to which Lamar Lot agrees, among other things, to make lease payments in such amounts as specified in the Lamar Lot Lease Agreement; and

WHEREAS, it is intended that Lamar Lot will sublease the Lamar Lot Facility to the Sublessee pursuant to a Sublease Agreement (the “Lamar Lot Sublease Agreement”), by and among Lamar Lot and the Sublessee pursuant to which the Sublessee agrees, among other things, to make sublease payments in such amounts as specified in the Lamar Lot Sublease Agreement which shall equal all amounts due to the Agency under the Lamar Lot Lease Agreement; and

WHEREAS, pursuant to the Lamar Lot Lease Agreement and the Lamar Lot Sublease Agreement, Lamar Lot and the Sublessee have agreed to make certain payments in lieu of real property taxes with respect to the Lamar Lot Facility to the Agency; and

WHEREAS, it is contemplated that Lamar Park will lease the Lamar Park Facility to the Agency pursuant to a Company Lease Agreement (the “Lamar Park Company Lease”) and the Agency will assist Lamar Park and the Sublessee to undertake the Lamar Park Project and will further sublease the Lamar Park Facility to Lamar Park pursuant to a Lease Agreement (the “Lamar Park Lease Agreement”), by and between Lamar Park and the Agency pursuant to which Lamar Park agrees, among other things, to make lease payments in such amounts as specified in the Lamar Park Lease Agreement; and

WHEREAS, it is intended that Lamar Park will sublease the Lamar Park Facility to the Sublessee pursuant to a Sublease Agreement (the “Lamar Park Sublease Agreement”), by and among Lamar Park and the Sublessee pursuant to which the Sublessee agrees, among other things, to make sublease payments in such amounts as specified in the Lamar Park Sublease Agreement which shall equal all amounts due to the Agency under the Lamar Park Lease Agreement; and

WHEREAS, pursuant to the Lamar Park Lease Agreement and the Lamar Park Sublease Agreement, Lamar Park and the Sublessee have agreed to make certain payments in lieu of real property taxes with respect to the Lamar Park Facility to the Agency; and

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

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

Section 1. (a) 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 mortgage recording tax abatements, real property tax abatements and sales and use tax abatements (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 Affiliated Entities 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 Babylon Bus Lot Lease Agreement, the Lamar Lot Lease Agreement or the Lamar Park Lease Agreement (collectively the "Lease Agreements"), the Agency will pursue recapture of Financial Assistance as provided in the Lease Agreements.

Section 2. To accomplish the purposes of the Act in order to the assist the Affiliated Entities to undertake the Project, (i) the Agency pursuant to the Deed will transfer the Existing Facility to Babylon Bus Lot and the Agency shall take leasehold title to (A) the Babylon Bus Lot Facility pursuant to the Babylon Bus Lot Company Lease, and (B) the Lamar Lot Facility pursuant to the Lamar Lot Company Lease, and (C) the Lamar Park Facility pursuant to the Lamar Park Company Lease (collectively the "Company Leases"), (ii) the Agency will lease (A) the Babylon Bus Lot Facility to Babylon Bus Lot pursuant to the Babylon Bus Lot Lease Agreement, and (B) the Lamar Lot Facility to Lamar Lot pursuant to the Lamar Lot Lease Agreement and (C) the Lamar Park Facility to Lamar Park pursuant to the Lamar Park Lease Agreement, and (iii) (A) Babylon Bus Lot shall sublease the Babylon Bus Lot Facility to the Sublessee pursuant to the Babylon Bus Lot Sublease Agreement and (B) Lamar Lot shall sublease the Lamar Lot Facility to the Sublessee pursuant to the Lamar Lot Sublease Agreement and (C) Lamar Park shall sublease the Lamar Park Facility to the Sublessee pursuant to the Lamar Park Sublease Agreement .

Section 3. Pursuant to the Lease Agreements and Sublease Agreements, Babylon Bus Lot, Lamar Lot and Lamar Park, respectively 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. In order to provide Babylon Bus Lot, Lamar Lot and Lamar Park with financial assistance with respect to exemption from New York State and local Sales and Use Taxes with respect to the Project the Agency may respectively issue to agents of Babylon Bus

Lot, Lamar Lot and Lamar Park its Sales Tax Agent Authorization Letter (the "Sales Tax Letter") which shall be used pursuant to the terms contained therein and in the Lease Agreement.

Section 5. In order to secure amounts to be loaned by Peoples United Bank National Association or any other any mortgage lender acceptable to the Chief Executive Officer ("CEO") of the Agency (or any other authorized representative) to the Babylon Bus Lot, Lamar Lot and Lamar Park with respect to the Project, the Agency hereby authorizes the execution of one or more mortgages (collectively, the "Mortgages") granted at the initial closing of the "straight lease" transaction or any time thereafter during the term of the Lease Agreements, from the Agency and the Lessee to any such mortgage lender acceptable to the CEO of the Agency or any other authorized representative, in form acceptable to the CEO of the Agency or any other authorized representative and Counsel to the Agency.

Section 6. The form and substance of the Company Leases are hereby approved.

Section 7. The form and substance of the Lease Agreements in substantially the form previously approved by the Agency for other "straight lease" transactions are hereby approved.

Section 8. The form and substance of the Sublease Agreements in substantially the form previously executed for other "straight lease" transactions are hereby approved.

Section 9. Matthew McDonough, as Chief Executive Officer or any successor CEO or any other Authorized Representative, is hereby authorized, on behalf of the Agency, to execute and deliver final forms of the Company Leases, the Lease Agreements, the Mortgage, the Sales Tax Agent Authorization Letters and any other agreements or certificates consistent herewith (hereinafter collectively called the "Agency Documents"), all in substantially the forms previously executed by the Agency for other "straight lease" transactions acceptable to Agency Counsel, with such changes, variations, omissions and insertions in the Agency Documents as the CEO or any other Authorized Representative of the Agency shall upon advice of counsel approve. The execution thereof by the CEO shall constitute conclusive evidence of such approval.

The CEO or any other Authorized Representatives are further hereby authorized, on behalf of the Agency, to designate any additional authorized representatives including 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, Assistant Secretary or Counsel to the Agency is hereby authorized to attest to the CEO'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.

Section 10. The CEO, the Chief Financial Officer ("CFO") of the Agency, the Chairman or 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 Company Leases, the Lease Agreements, the Mortgage, and the Sublease Agreements 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 requested by counsel to the Agency.

Section 11. 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 12. 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 13. 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 14. The law firm Winston & Strawn LLP is hereby appointed transaction counsel to the Agency for this transaction.

Section 15. 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 any of the Affiliated Entities until the Agency has held a public hearing with respect to the Project in accordance with the provisions of the Act.

Section 16. 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: March 22, 2016

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

I, Chris Ferencsik, the duly elected, qualified 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 March 22, 2016, 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 the 22nd day of March, 2016.


Secretary

(SEAL)