

**RESOLUTION OF THE TOWN OF BABYLON
INDUSTRIAL DEVELOPMENT AGENCY APPROVING
THE EXECUTION AND DELIVERY OF A PRELIMINARY
PROJECT AGREEMENT WITH REGARD TO THE
ACQUISITION, RECONSTRUCTION AND EQUIPPING OF
A CERTAIN FACILITY FOR 25-11 HUNTERS POINT, LLC
(THE "OWNER") AND CANDID LITHO PRINTING LTD.
(THE "OPERATOR")**

WHEREAS, Town of Babylon Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of Laws of 1969 of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 177 of the Laws of 1973 of New York, as amended, constituting Section 907-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, renovating, improving, maintaining, equipping and furnishing of, among others, manufacturing, warehousing, research, commercial or industrial facilities, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install "projects" (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, by resolution adopted by the members of the Agency on March 21, 2017 (the "Preliminary Inducement Resolution"), the Agency determined to accept an application (the "Application") the Owner and the Operator, on behalf of themselves and/or entities formed or to be formed on behalf of the foregoing, for financial assistance in connection with a project (the "Project") consisting of: (A)(1) the acquisition of an interest in approximately 2.00 acres of land located at 210 Route 109 (Tax Map #0100-097.00-01.00-002.003), in the Town of Babylon, Suffolk County, New York (the "Land"), the renovation of an approximately 41,140 square foot building located on the Land (the "Improvements"), and (2) the acquisition and installation therein of certain equipment (the "Equipment"; and, together with the Land and the Improvements, the "Facility"), which Facility is to be leased and subleased by the Agency to the Owner and the Operator and which Facility will be used by the Owner and the Operator as a manufacturing facility for high-tech printing and graphic arts production; (B) the granting of certain "financial assistance" (within the meaning of section 854(14) of the Act) with respect to the foregoing limited to potential exemptions from certain sales and use taxes, mortgage recording taxes (except as limited by Section 874 of the Act) and real property taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Facility to the Owner or the Operator or such other person as may be designated by the Owner and the Operator and agreed upon by the Agency; and

WHEREAS, the Chief Executive Officer of the Agency (A) caused notice of public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the Financial Assistance being contemplated by the Agency with respect to the Project, to be mailed on April 20, 2017 to the chief executive officers of the County of Suffolk (the “County”), the Town of Babylon (the “Town”), the Farmingdale School District (the “School District”) and the Farmingdale Public Library (the “Library”), (B) caused notice of the Public Hearing to be published on April 22, 2017 in Newsday, a newspaper of general circulation available to the residents of the Town of Babylon, New York, (C) conducted the Public Hearing on May 3, 2017 at 10:00 a.m. at the office of the Agency, 47 West Main Street, Babylon, New York 11702, and (D) prepared a report of the Public Hearing which fairly summarized the views presented at said public hearing and distributed same to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”), and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), and pursuant to a resolution duly adopted by the members of the Agency on March 21, 2017, the members of the Agency determined that the Project constitutes a “Type II Action” (as said quoted term is defined in SEQRA) and therefore no further environmental review of the Project is required under SEQRA; and

WHEREAS, although the resolution authorizing the Project has not yet been drafted for approval by the Agency, a preliminary agreement (the “Preliminary Agreement”) relative to the undertaking of the proposed Project by the Agency has been executed and delivered; and

WHEREAS, the Owner has an executed Purchase and Sale Agreement with Armital Associates (the “Seller”), dated as of May 17, 2017, which provides the Owner will access rights to install equipment and perform alterations, additions and improvements to the Facility; and

WHEREAS, prior to the authorization, execution and delivery of final documents and agreements in connection with the Project, the Owner and the Operator have requested that the Agency enter into a Preliminary Project Agreement and certain related documents (the “Interim Documents”) with respect to the Project; and

WHEREAS, simultaneously with the execution of the Interim Documents, the Agency will file with the New York State Department of Taxation and Finance the form entitled “IDA Appointment of Project Sublessee or Agent for Sales Tax Purposes” (the form required to be filed pursuant to Section 874(9) of the Act) (the “Thirty-Day Sales Tax Form”); and

WHEREAS, for purposes of exemption from New York State (the “State”) sales and use taxation as part of the Financial Assistance requested, “sales and use taxation” shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TOWN OF BABYLON INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. For purposes of providing the terms and conditions for which the Owner and the Operator will receive the benefit of certain State and local sales and use tax exemptions in connection with the Project, the Interim Documents in such form as the Chief Executive Officer or the Chief Financial Officer of the Agency shall (with the advice of Agency counsel) deem advisable, be, and the same are, hereby approved; and the Chief Executive Officer and the Chief Financial Officer of the Agency are each hereby authorized and directed to execute, acknowledge and deliver the Interim Documents in the name of the Agency. The state and local sales and use tax abatements granted under the Interim Documents shall not exceed \$107,813 in the aggregate and, in the event of a straight lease transaction is not consummated by the Owner and the Operator, the Agency shall recapture all State and local sales and use tax benefits granted under the Interim Documents. The execution and delivery of the Interim Documents shall be conclusive evidence of due authorization and approval of the Interim Documents in their respective final form.

Section 2. The Agency hereby delegates to the Owner and the Operator, as agents of the Agency, the authority to designate (following the execution and delivery of the Agency Documents), agents and sub-agents of the Agency (each, a "Sub-Agent") for purposes of utilizing the Agency sales and use tax exemption with respect to the acquisition, reconstruction and installation of the Facility; provided that any such sub-agency designation shall become effective only upon submission to the Agency within fifteen (15) days of such agency and sub-agency designation: (1) an executed sub-agent appointment agreement (in a form approved by the Agency) and (2) a completed Form ST-60 of the New York State Department of Taxation and Finance (IDA Appointment of Project Sublessee or Agent for Sales Tax Purposes). Such agents and sub-agents may include contractors and subcontractors involved in the acquisition, reconstruction and installation of the Facility.

Section 3. The terms and conditions of subdivision 3 of Section 875 of the Act are herein incorporated by reference and the Owner and the Operator shall agree to such terms as a condition precedent to receiving or benefiting from an exemption from State and local sales and use tax exemptions benefits.

Section 4. The Interim Documents shall be deemed the obligations of the Agency, and not of any member, officer, agent or employee of the Agency in his/her individual capacity, and the members, officers, agents and employees of the Agency shall not be personally liable thereon or be subject to any personal liability or accountability based upon or in respect hereof or of any transaction contemplated hereby. The Interim Documents shall not constitute or give rise to an obligation of the State of New York or the Town of Babylon, New York and neither the State of New York nor the Town of Babylon, New York shall be liable thereon, and further, such agreement shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency.

Section 5. The Authorized Representatives are hereby authorized and directed to distribute copies of this Resolution to the Owner and the Operator and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 6. Barclay Damon, LLP, transaction counsel for the Agency, is hereby authorized, at the expense of the Owner and the Operator, to work with the Owner and the Operator, Counsel to the Owner and the Operator, counsel to the Agency and others to prepare, for submission to the Agency, all documents necessary to effect the authorization of the transactions contemplated by this Resolution.

Section 7. This Resolution shall take effect immediately.

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

I, Chris Ferencsik, the undersigned Secretary of the Town of Babylon Industrial Development Agency (the "Agency"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on June 20, 2017, with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 20th day of June, 2017.


Secretary

(SEAL)