

**RESOLUTION OF THE TOWN OF BABYLON
INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING
THE EXTENSION OF THE INTERIM SALES AND USE TAX
EXEMPTION 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") submitted by 25-11 Hunters Point, LLC (the "Owner") and Candid Litho Printing Ltd. (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), transfer taxes 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, 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, the Chief Executive Officer of the Agency (A) caused notice (the “Notice of Public Hearing”) 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 Town of Babylon, the Farmingdale School District and the Farmingdale Public 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, the Owner has an executed Purchase and Sale Agreement with Armital Associates (the “Seller”), dated as of May 17, 2017, which provides the Owner with access rights to install equipment and perform alterations, additions and improvements to the Facility; and

WHEREAS, by resolution adopted by the members of the Agency on June 20, 2017 (the “Temporary Sales Tax Benefits Resolution”), the Agency determined to enter into a Preliminary Sales Tax Exemption Agreement and certain related documents with the Owner and the Operator (the “Interim Documents”) with respect to the Project; and

WHEREAS, the Temporary Sales Tax Benefits Resolution approved a state and local sales and use tax exemption to be granted to the Owner and the Operator pursuant to the Interim Documents in an amount not to exceed \$107,813 in the aggregate; and

WHEREAS, by resolution adopted by the members of the Agency on July 18, 2017 (the “Sales Tax Benefits Increase Resolution”), upon request of the Owner and the Operator, the Agency determined to increase the not to exceed amount of state and local sales and use tax exemption available to the Owner and the Operator to correspond to the increased cost of the Project so that the total amount of state and local sales and use tax exemption to be granted to the Owner and the Operator an amount not to exceed \$253,795 in the aggregate; and

WHEREAS, the Agency, the Owner and the Operator entered into a Preliminary Sales Tax Exemption Agreement dated as of July 18, 2017, which provided that the state and local sales and use tax exemption to be granted would end at the earliest of several events specified therein and in no event later than September 30, 2017; and

WHEREAS, by resolution adopted by the members of the Agency on August 15, 2017 (the “Final Approving Resolution”), the members of the Agency authorized the Project and the granting of the Financial Assistance to the Owner and the Operator; and

WHEREAS, the Owner and the Operator have requested that the Agency extend its appointment of the Owner and the Operator as temporary agents of the Agency for sales and use tax purposes until November 30, 2017; and

WHEREAS, in connection with the extension of the appointment of the Owner and the Operator as temporary agents of the Agency for sales and use tax purposes, the Agency, the Owner and the Operator will enter into a First Amendment to the Preliminary Sales Tax Exemption Agreement (the “Amendment”); and

WHEREAS, simultaneously with the execution of the Amendment, 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”);

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

Section 1. The Agency, based upon the representations made by the Owner and the Operator to the Agency in the Application, hereby finds and determines that:

(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 extension of the appointment of the Owner and the Operator as temporary agents of the Agency for sales and use tax purposes will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of the Town of Babylon and the State of New York and improve their standard of living and will serve the public purposes of Article 18-A of the General Municipal Law by increasing the overall number of private sector jobs in the State.

Section 2. In consequence of the foregoing, the Agency hereby determines to extend the appointment of the Owner and the Operator as temporary agents of the Agency for sales and use tax purposes until November 30, 2017. The Agency is hereby authorized to do all things necessary or appropriate for the accomplishment of the foregoing, and all acts heretofore taken by the Agency with respect to the Project are hereby approved, ratified and confirmed.

Section 3. The form and substance of the Amendment (in substantially the form presented to this meeting and which, prior to the execution and delivery thereof, may be redated) are hereby approved.

Section 4. The Chairman, the Vice Chairman, the Chief Executive Officer or the Chief Financial Officer of the Agency (each an “Authorized Representative”) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Amendment, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in substantially the form thereof presented to this meeting with such changes, variation, omissions and insertions as the Authorized Representative shall approve, the execution thereof by the Authorized Representative to constitute conclusive evidence of such approval.

Section 5. The provisions of Section 3 of the Preliminary Inducement Resolution shall remain in full force and effect.

Section 6. This Resolution shall take effect immediately.

STATE OF NEW YORK)

COUNTY OF SUFFOLK) SS.:
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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 September 26, 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 26th day of September, 2017.


Secretary

(SEAL)