

RESOLUTION GRANTING APPROVAL OF AND AUTHORIZING THE GRANT OF CERTAIN FINANCIAL ASSISTANCE BY THE TOWN OF BABYLON INDUSTRIAL DEVELOPMENT AGENCY TO OPTIMA FOODS, INC., DOMNA'S BAKERY, INC. AND OPTIMA REALTY LLC IN CONNECTION WITH THE RENOVATION AND EQUIPPING OF A MANUFACTURING, WAREHOUSE AND WHOLESALE 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, Optima Foods, Inc. (the "Applicant"), Domna's Bakery, Inc. and Optima Realty LLC have heretofore entered into a straight lease transaction with the Agency dated February 27, 2009, pursuant to which the Agency granted certain financial assistance to the Applicant with respect to approximately 41,000 square foot manufacturing, warehouse and distribution facility to be used in its business of manufacturing, distribution and importing of food products. and located at 15 West Jefryn Boulevard, in Deer Park, New York (the "Existing Facility"); and

WHEREAS, representatives of Optima Foods, Inc., a New York corporation (the "Sublessee") and Optima Realty LLC or any other real estate holding entity formed by the principals of the Sublessee (the "Lessee") have supplied information to the Town of Babylon Industrial Development Agency (the "Agency") with respect to a new project (the "Project") consisting of the renovation and re-equipping of the Existing Facility including the acquisition and expansion of increased freezer storage space and the creation of two new loading docks (the "Facility"), in the Town of Babylon, New York (the "Town"), for use by Sublessee in its business of manufacturing, distribution and importing of special food products.

WHEREAS, representatives of the Lessee and Sublessee have indicated that Sublessee will acquire by merger the assets of Domnas Bakery Inc., which currently operates out of the Existing Facility and in connection with such merger the Sublessee and the Lessee are considering relocating their operations in Deer Park to one or more locations in New Jersey and that provision of financial assistance by the Agency is a key factor in the Lessee's and Sublessee's decision to maintain its operations in Deer Park and to undertake the Project and representatives of the Lessee and the Sublessee have indicated that the Project will result in the retention and growth of a significant number of permanent full time jobs within the Town; and

WHEREAS, in order to induce such facilities within the Town it appears necessary to assist the Lessee and the Sublessee by taking legal title to the Facility so as to afford the Sublessee and the Lessee 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 the Agency, which currently holds title to the Facility, will assist the Lessee and the Sublessee to undertake the Project and will retain title and lease the Facility to the Lessee pursuant to a lease agreement (the "Lease Agreement"), by and between the Lessee and the Agency pursuant to which the Lessee agrees, among other things, to make lease payments in such amounts as specified in the Lease Agreement and it is intended that the Lessee will sublease the Facility to the Sublessee pursuant to a sublease agreement (the "Sublease Agreement"), by and between the Lessee and the Sublessee pursuant to which the Sublessee agrees, among other things, to make sublease payments in such amounts as specified in the Sublease Agreement which shall equal all amounts due to the Agency under the Lease Agreement; and

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

WHEREAS, there has been submitted to the Agency an environmental assessment form with respect to this proposed action in accordance with the State Environmental Quality Review Act and the regulations promulgated thereunder ("SEQRA"); and

WHEREAS, it is desired that the Agency authorize the granting of certain financial assistance to the Lessee and the Sublessee 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 Sublessee and the Lessee with respect to the Project.

(c) The Agency shall grant Financial Assistance to the Lessee in the form of New York State and local Sales and Use Tax abatements as provided in Section 2.4 of the Lease Agreement 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 Section 2.4 of the Lease Agreement.

Section 2. To accomplish the purposes of the Act, the Agency shall take legal title to the Facility, assist the Lessee and Sublessee to undertake the Project and lease the Facility to the

Lessee pursuant to the Lease Agreement. The Lessee shall sublease the Facility to the Sublessee pursuant to the Sublease Agreement.

Section 3. Pursuant to the Lease Agreement and Sublease Agreement, the Lessee or the Sublessee on behalf of the Lessee 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 the Lessee and the Sublessee 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 issue to the Lessee’s agents sale tax authorization letters (“Sales Tax Authorization Letters”) 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 a mortgage lender acceptable to the Chief Executive Officer (“CEO”) of the Agency (or any other authorized representative) to the Lessee 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 Agreement, from the Agency and the Lessee to 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 Lease Agreement in substantially the form previously approved by the Agency for other “straight lease” transactions is hereby approved.

Section 7. The form and substance of the Sublease Agreement in substantially the form previously executed for other “straight lease” transactions is hereby approved.

Section 8. The CEO of the Agency or any successor CEO of the Agency or any other authorized representative, is hereby authorized, on behalf of the Agency, to execute and deliver final forms of the Lease Agreement, Sales Tax Authorization Letters, the Mortgages 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 of the Agency or any other authorized representative of the Agency shall upon advice of counsel approve. The execution thereof by the CEO of the Agency or any other authorized representative shall constitute conclusive evidence of such approval.

The CEO of the Agency or any other authorized representative 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 9. The CEO of the Agency or any other authorized representative, 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 Lease Agreement and the Sublease Agreement 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 10. 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 11. 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 12. 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 13. The law firm Winston & Strawn LLP is hereby appointed transaction counsel to the Agency for this transaction.

Section 14. In accordance with SEQRA, the Agency finds that this proposed action will not have any significant environmental impacts based upon the following:

- (a) The Project will not result in a substantial adverse change in existing air quality, traffic or noise levels.

(b) The Project will not result in the impairment of the character or quality of important historical, archeological, architectural, or aesthetic resources or of existing community or neighborhood character.

(c) The Project will not result in the creation of a hazard to human health.

(d) No other significant effects upon the environment that would require the preparation of an Environmental Impact Statement are foreseeable

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 either of the Sublessee or the Lessee 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.

