

At a special meeting of the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, held at the Town Hall, 200 Howell Avenue, in Riverhead, New York, in said Town, on January 12, 2016 at 5:00 p.m. o'clock, Prevailing Time.

The meeting was called to order by Thomas Cruso, and upon roll being called, the following were

PRESENT: Thomas Cruso, Chairman

Lou Kalogeras, Vice Chairman

Dawn Thomas, Secretary

Bob Kern, Treasurer

Lori Ann Pipczynski, Asst. Treasurer

ABSENT:

The following resolution was offered by Member Chairman Cruso, who moved its adoption, seconded by Member Dawn Thomas, to wit:

RESOLUTION #05-16

DATED JANUARY 12, 2016.

A RESOLUTION AUTHORIZING THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO ATLANTIS HOLDING COMPANY LLC AND J. PETROCELLI DEVELOPMENT ASSOCIATES.

WHEREAS, the Town of Riverhead Industrial Development Agency was created by Chapter 624 of the Laws of 1980 and is a public benefit corporation and an industrial development agency of the State of New York (the "Agency") having those powers set forth in, and subject to the requirements of, Article 18-A of the General Municipal Law; and

WHEREAS, the Agency has received an application for financial assistance from Atlantis Holding Company LLC, a limited liability company qualified to do business in the State of New York with an office at 431 East Main Street, Riverhead, New York ("Atlantis") and J. Petrocelli Development Associates, a company qualified to do business in the State of New York with an office at 100 Comac Street, Ronkonkoma, NY ("Petrocelli") (jointly known as the "Applicant"), with respect to the rehabilitation and reuse of the Preston House, an existing vacant 2,600 square foot dilapidated structure located at 428 East Main Street within the Riverhead Urban Renewal Area, EMSURA, (Suffolk County Tax Map No. 0600-129-3-13.000) to permit the construction of a restaurant and five-story boutique hotel as Phase III of the previously approved Atlantis Holding Company LLC Aquarium Project at a cost of \$9,000,000 and the refinancing of the \$15,250,000 debt on the existing Aquarium Facility, as most recently approved by Agency, located on the 6.8 acre parcel located at 431 East Main Street and the off-street parking lot located opposite the facility (Suffolk County Tax Map No. 0600-129-4-21.003 and 0600-129-3-31) through the provision of financial assistance by the Agency of an exemption from mortgage recording tax on debt of \$23,250,000, sales tax on the

rehabilitation and construction of restaurant, five-story boutique hotel and improvements to the Aquarium Facility and an exemption from real property taxes on the restaurant and five-story boutique hotel and extension of the real property tax exemption of the Aquarium facility (the "Project"); and

WHEREAS, a public hearing pursuant to Section 859-a of the General Municipal Law was held by the Agency on January 4, 2016 with respect to the application for financial assistance and the Project and the proposed financial assistance requested by Applicant with respect to the Project; and

WHEREAS, the Agency provided notice of the public hearing to the chief executive officer of each affected tax jurisdiction within which the Project is located; and

WHEREAS, at the Public Hearing all interested parties were provided with reasonable opportunity, both orally and in writing, to present their views with respect to the Project and the providing of financial assistance therefore, as set forth in the notice of Public Hearing; and

WHEREAS, the Project, as proposed, will constitute facilities or property primarily used in making retail sales to customers who personally visit such facilities constituting more than one-third of the total Project cost; and

WHEREAS, by resolution adopted February 24, 2010, the Agency determined that the Riverhead Town Board had previously determined the Project site to be a highly distressed area, which determination is hereby ratified and therefore pursuant to section 862(2)(b) of the General Municipal Law, financial assistance may be provided by the Agency for the Project.

NOW, THEREFORE, BE IT RESOLVED, by the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, as follows:

Section 1. The Agency has declared itself "lead agency", in accordance with the provisions of the State Environmental Quality Review Act with respect to the

Agency's providing financial assistance to the Applicant with respect to the Project, as described in Section 4 of this Resolution and as authorized pursuant to Article 18-A of the General Municipal Law, and has determined that the provision of said financial assistance will not have a significant effect on the environment.

Section 2. It is hereby determined that the Agency shall provide Applicant with the following financial assistance with respect to the Project: (i) the provision of an exemption from Mortgage Recording Taxes, (ii) the provision of an exemption from Sales and Compensating Use Taxes on certain property, including tangible personal property, and (iii) a partial abatement of real property taxes for the improvement over the current assessed value of parcel identified as S.C.T.M. No. 0600-129-3-13.00 and a continuation over the current real property tax exemption for parcel identified as S.C.T.M. No. 0600-129-4-21.003 for an additional ten years past the current Payment In Lieu of Tax Agreement. The financial assistance described in (i), (ii) and (iii), above, would be consistent with the uniform tax-exemption policy adopted by the Agency pursuant to Subdivision 4 of Section 874 of the General Municipal Law as an enhancement of said policy since the Project includes an Existing Vacant Facility and is a Significant/Strategic Project. The Executive Director of the Agency is hereby directed to proceed, at the expense of Applicant, to cause agreements and documents to be prepared that will enable the aforesaid benefits to be provided to Applicant. The financial assistance authorized hereby shall not be effective until closing and the terms and conditions of this resolution have been complied with.

Section 3. The provision of an exemption from mortgage recording tax on the loan and mortgage as set forth in a letter of commitment from TD Bank dated November 23, 2015 on mortgages totaling \$15,250,000 covering parcels identified as S.C.T.M. No. 0600-129-4-21.003 and S.C.T.M. No. 0600-129-3-31 is hereby granted effective immediately and the Chairman or Vice Chairman is hereby authorized to execute

Mortgage and Security Agreement, Assignment of Leases and Rents and such documents as are necessary to complete this transaction.

Section 4. The provision of financial assistance through relief from mortgage recording tax, sales tax and real property tax abatement on parcel identified as S.C.T.M. No. 0600-129-4-13.000 is subject to further resolution of this Board approving necessary documents upon presentation of a commitment letter providing for the necessary financing of the improvements and payment of the Agency fee of \$67,500.00 and pay all reasonable costs of counsel to the Agency.

Section 5. The continuation of property tax abatement on parcel identified as S.C.T.M. No. 0600-129-4-21.003 for an additional period of ten years is contingent upon the closing of the refinancing set forth in Section 3, above, and the Chairman is authorized to execute an amendment in recordable form to that certain Payment in Lieu of Tax Agreement dated February 26, 2010 between the Agency and Atlantis Holding Company, LLC to amend section 2.01(a) to state that the last exempt year shall be for the 2030-2031 tax year after which the property shall be returned to the tax roll as fully taxable or pay a PILOT equal to the full tax. The Chairman is also authorized to execute a second amendment to Sale Agreement dated January 15, 2016 and Affirmation of Personal and Corporate Guaranty. Upon closing of the refinancing and execution of the amendment to the PILOT agreement the Applicant shall pay the Agency fee of \$88,125.00 and pay all reasonable costs of counsel to the Agency.

Section 6. 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:

Thomas Cruso	VOTING	Yes
Dawn Thomas	VOTING	Yes
Lou Kalogera	VOTING	Yes
Lori Ann Pipczynski	VOTING	Yes
Bob Kern	VOTING	Yes

The resolution was thereupon declared duly adopted.

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

I, the undersigned Secretary of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Members of said Agency, including the resolution contained therein, held on January 12, 2016, with the original thereof on file in my office, and that the same is a true and correct transcript therefrom and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that all members of said Agency had due notice of said meeting.

I FURTHER CERTIFY that, pursuant to Section 103 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public.

I FURTHER CERTIFY that, PRIOR to the time of said meeting, I duly caused a public notice of the time and place of said meeting to be given to the following newspapers and/or other news media as follows:

Newspaper and/or other news media

Date given

The News Review

12/18/15

I FURTHER CERTIFY that PRIOR to the time of said meeting, I duly caused public notice of the time and place of said meeting to be conspicuously posted in the following designated public location(s) on the following dates:

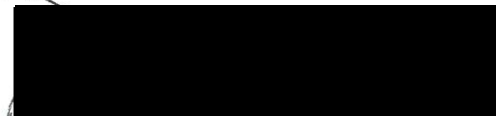
Designated Location(s) of posted notice

Dated of Posting

Website

12/29/16

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency on 4/18/16, 2016.

A black rectangular box redacting the signature of the Secretary.

Secretary

(CORPORATE
SEAL)