

Date: April 5, 2022

At a meeting of the Town of Islip Industrial Development Agency (the “**Agency**”), held at 40 Nassau Avenue, Islip, New York 11751 on the 5th day of April, 2022 the following members of the Agency were:

Present	Chairwoman Angie M. Carpenter
	Councilman John C. Cochrane Jr.
	Councilwoman Mary Kate Mullen
	Councilman James P. O’Connor
	Councilman Jorge C. Guadron

Excused Absence:

Also Present

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a mortgage financing and the execution of related loan documents in connection with a certain industrial development facility more particularly described below (555 N Research Corporation/CVD Materials Corporation 2017 Facility) and approving the execution and delivery of related documents.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Voting Nay

Chairwoman Angie M. Carpenter
Councilman John C. Cochrane Jr.
Councilwoman Mary Kate Mullen
Councilman James P. O’Connor
Councilman Jorge C. Guadron

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY AUTHORIZING A MORTGAGE
FINANCING AND THE EXECUTION AND DELIVERY OF
LOAN DOCUMENTS IN CONNECTION THEREWITH FOR
THE 555 N RESEARCH CORPORATION/CVD MATERIALS
CORPORATION 2017 FACILITY AND APPROVING THE
FORM, SUBSTANCE, EXECUTION AND DELIVERY OF
SUCH RELATED DOCUMENTS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 47 of the Laws of 1974 of the State of New York, as the same may be amended from time to time (collectively, the “**Act**”), the Town of Islip Industrial Development Agency (the “**Agency**”), was created with the authority and power among other things, to assist with certain industrial development projects as authorized by the Act; and

WHEREAS, the Agency previously assisted the 555 N Research Corporation (the “**Original Company**” and “**Assignor**”), in connection with the (a) the acquisition of an approximately 11.88 acre parcel of land located at 555 North Research Place, Central Islip, New York 11722 (the “**Land**”), the renovation of an approximately 179,000 square foot building located thereon, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Land (the “**Original Improvements**”) and the acquisition and installation therein of certain equipment not part of the Original Equipment (as such term is defined herein) (the “**Original Facility Equipment**”; and, together with the Land and the Improvements, the “**Original Company Facility**”), which Original Company Facility is leased and subleased by the Agency to the Original Company and further subleased by the Original Company to CVD Materials Corporation, a New York business corporation (the “**Original Sublessee**”); and (b) the acquisition and installation of certain equipment and personal property (the “**Original Equipment**”, and together with the Original Company Facility, the “**Original Facility**”), which Original Equipment is leased by the Agency to the Original Sublessee, and which Original Facility is currently used by the Original Sublessee for its primary use as a manufacturing facility to process surface treatments or films and coatings on various product lines in its business as a manufacturer of equipment and materials for the semiconductor industry (the “**Original Project**”); and

WHEREAS, the Agency previously acquired a leasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of November 1, 2017 (the “**Original Company Lease**”), by and between the Original Company and the Agency; and

WHEREAS, the Agency previously subleased and leased the Original Facility to the Original Company pursuant to a certain Lease and Project Agreement, dated as of November 1, 2017 (the “**Original Lease Agreement**”), by and between the Agency and the Original Company; and

WHEREAS, the Agency previously consented to a request from the Original Company to the assignment by the Original Company of all of its rights, title, interest and obligations under the Original Company Lease and the Original Lease Agreement to, and the assumption by STEEL 555 NRP, LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware (the “**Company**” and “**Assignee**”), of all of such rights, title, interest and obligations of the Original Company, and the release of the Original Company from any further liability with respect to the Facility subject to certain requirements of the Agency (the “**Assignment**”), all pursuant to the terms of a certain Assignment Assumption and Agreement, dated July 26, 2022 (the “**Assignment Agreement**”), by and among the Agency, the Original Company and the Company; and

WHEREAS, in connection with the Assignment, the Agency has provided assistance in connection with (a) the acquisition of the Original Facility, (b) the renovation of the Original Improvements (the Original Improvements, as renovated, are the “**Improvements**”), and (c) the acquisition and installation of certain equipment and personal property (the “**Equipment**”, and together with the Land and Improvements, the “**Facility**”), which Facility will be leased by the Assignee to ELM Freight Handlers Inc., a business corporation duly organized and validly existing under the laws of the State of New York (the “**Tenant**”), and other future tenants to be determined (the “**Project**”); and

WHEREAS, the Original Company Lease was assigned by the Original Company and assumed by the Assignee, pursuant to a certain Assignment and Assumption of Company Lease Agreement, dated July 26, 2021 (the “**Assignment of Company Lease Agreement**”, and together with the Original Company Lease and the Assignment Agreement, the “**Company Lease**”), by and between the Original Company and the Assignee and consented to by the Agency; and

WHEREAS, the Original Lease Agreement was assigned by the Original Company and assumed by the Assignee, pursuant to a certain Assignment and Assumption of Lease Agreement, dated July 26, 2021 (the “**Assignment of Lease Agreement**”, and together with the Original Lease Agreement and the Assignment Agreement, the “**Lease Agreement**”), by and between the Original Company and the Assignee, and consented to by the Agency; and

WHEREAS, by resolution dated June 15, 2021 (the “**Original Authorizing Resolution**”), the Agency approved certain financial benefits to the Company including exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be \$18,270,000 but not to exceed \$20,000,000, in connection with the financing of the acquisition, renovation, and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the Facility (the “**Mortgage Benefit**”); and

WHEREAS, the Company has now requested that the Agency consent to enter into a mortgage loan with JP Morgan Chase Bank or such other lender or lenders (the “**Lender**”), to provide security for a loan with respect to the Facility in an approximate principal amount estimated to be \$23,600,000 but not to exceed \$28,000,000 (the “**Loan**”); and

WHEREAS, the Company has submitted a request that the Agency approve an increase in the Mortgage Benefit in order to exempt from mortgage recording taxes one or more mortgages securing a principal amount presently estimated to be \$26,300,000, but not to exceed \$28,000,000, corresponding to mortgage recording tax exemptions presently estimated to be \$197,250, but not to exceed \$210,000, and as security for such Loan being made to the Company by the Lender, the Company has further requested to the Agency that it join with the Company in executing and delivering to the Lender one or more mortgages and such other loan documents, satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably requested by the Lender (collectively, the “**2022 Loan Documents**”); and

WHEREAS, the Agency contemplates that it will approve the execution one or more mortgages securing the principal amount presently estimated to be \$26,300,000 but not to exceed \$28,000,000 in connection with the refinancing or permanent financing of the costs of acquiring, constructing and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, constructing and equipping the Facility; and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Agency, has decided to proceed under the provisions of the Act and to enter into the 2022 Loan Documents; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company, consistent with the policies of the Agency, in the form of an exemption from mortgage recording taxes; and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the refinancing of the Facility.

NOW, THEREFORE, BE IT RESOLVED by the Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency hereby finds and determines:

- (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 Facility continues to constitute a “project” as such term is defined in the Act.
- (c) The financing of the Facility will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Islip, Suffolk County and the State of New York and improve their standard of living and thereby serve the public purposes of the Act.

- (d) The financing of the Facility as contemplated in this resolution is reasonably necessary to maintain the competitive position of the Company in its industry.
- (e) Based upon representations of the Company and counsel to the Company, the Facility continues to conform with the local zoning laws and planning regulations of the Town of Islip and all regional and local land use plans for the area in which the Facility is located.
- (f) It is desirable and in the public interest for the Agency to assist in the financing of the Facility.
- (g) The 2022 Loan Documents will be effective instruments whereby the Agency and the Company agree to secure the Loan and assign to the Lender their respective rights under the Lease Agreement (except the Agency's Unassigned Rights as defined therein).

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) approve an increase in the Mortgage Benefit to exempt one or more mortgages securing an amount presently estimated to be \$26,300,000 but not to exceed \$28,000,000 corresponding to mortgage recording tax exemptions presently estimated to be \$197,250, but not to exceed \$210,000, in connection with the Loan, (ii) grant a mortgage or mortgages on and security interest in and to the Facility pursuant to certain mortgages and security agreements for the benefit of the Lender (the "**2022 Mortgage**"), (iii) execute, deliver and perform the 2022 Mortgage, and (iv) execute, deliver and perform the 2022 Loan Documents to which the Agency is a party, as may be necessary or appropriate to effect the Loan or any subsequent refinancing of the Mortgage provided, however, the Company shall be required to pay the mortgage recording tax on the full principal amount of the Mortgage.

Section 3. Subject to the provisions of this resolution and the Lease Agreement, the Agency is hereby authorized to do all things necessary or appropriate for the execution, delivery and performance of the 2022 Loan Documents and the 2022 Mortgage, and such other related documents as may be necessary or appropriate to effect the Loan, or any subsequent refinancing of the Loan, and all acts heretofore taken by the Agency with respect to such financing or refinancing are hereby approved, ratified and confirmed. The Agency is hereby further authorized to execute and deliver any future documents in connection with any future refinancing or permanent financing of the Facility without need for any further or future approvals of the Agency.

Section 4.

(a) Subject to the provisions of this resolution and the Lease Agreement; the Chairman, Executive Director, and all other members of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the 2022 Mortgage and 2022 Loan Documents, together with such other related documents as may be, in the judgment of the Chairman and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "**Agency Documents**").

The execution thereof by the Chairman, Executive Director, Deputy Executive Director or any member of the Agency shall constitute conclusive evidence of such approval; and

(b) The Chairman, Executive Director, and any member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional authorized representatives of the Agency.

Section 5. Subject to the provisions of this resolution and the Lease Agreement, 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 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 6. Any expenses incurred by the Agency with respect to the financing or refinancing of the Facility shall be paid by the Company. The Company has agreed to pay such expenses and have further agreed to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the financing or refinancing of the Facility.

Section 7. This resolution shall take effect immediately.

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

I, the undersigned Assistant Secretary of the Town of Islip Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Town of Islip Industrial Development Agency (the “**Agency**”), including the resolutions contained therein, held on the 5th day of April, 2022, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

That the Agency Documents contained in this transcript of proceedings are each in substantially the form presented to the Agency and/or approved by said meeting.

I FURTHER CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, that all members of said Agency had due notice of said meeting and that the meeting was all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 5th day of April, 2022.

By _____
Assistant Secretary

