



MEETING OF THE TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY

July 12, 2022

Agenda

1. Call the meeting of the Town of Islip Industrial Development Agency to order.
2. To consider the adoption of a Resolution on behalf of the Town of Islip Industrial Development Agency to approve the **Minutes** from the meeting on June 14, 2022.
3. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and **Eastview Apt Development, LLC**. Located at 0 Eastview Drive, Central Islip. (0500-22910-0100-010000).
4. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and **V1 ISP III, LLC**. Located at 2100 Smithtown Blvd, Ronkonkoma. (0500-10603-0100-005001).
5. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and **Water Lilies Food, LLC**. Located at 1724 5th Avenue, Bay Shore. (0500-18200-0100-041002).
6. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and **22-50 Jackson Ave Associates L.P. 2002A Facility** to consider a modification and extension of PILOT agreement. (0500-07100-0100-013006).
7. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and **22-50 Jackson Ave Associates L.P. 2002B Facility** to consider a modification and extension of PILOT agreement. (0500-07100-0100-01008).
8. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and **RG 158 Candlewood, LLC**. Located at 158 Candlewood Drive, Bay Shore. (0500-18100-0200-043003).
9. To consider the adoption of a Resolution to Amend the 2020 Authorizing Resolution of the Town of Islip Industrial Development Agency regarding the **DuroDyne Spence LLC** project. Located at 81 Spence Street, Bay Shore. (0500-20000-0200-063001).
10. To consider the adoption of a Resolution of the Town of Islip Industrial Development Agency to release certain land from the **55 Paradise Lane Realty, LLC. 2019 Facility** in connection with a road dedication.
11. To consider the adoption of a Resolution of the Town of Islip Industrial Development Agency to approve the assignment of the IDA transaction from **VMH Properties, LLC/Whitsons Food Service (Bronx) Corp. 2020 Facility** to Sterling Investors Holdings, LLC, and/or its single purchase entity formed for that purpose.
12. To consider **any other business** to come before the Agency.



MEETING OF THE TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY

June 14, 2022

Meeting Minutes

1. Call the meeting of the Town of Islip Industrial Development Agency to order on a motion by Councilman James P. O'Connor and seconded by Councilman John C. Cochrane Jr., said motion was approved 5-0.

Members Angie M. Carpenter, Councilman John C. Cochrane Jr., Councilwoman Mary Kate Mullen, Councilman James P. O'Connor and Councilman Jorge Guadron were present and the Chairwoman acknowledge a quorum.

2. To consider the adoption of a Resolution on behalf of the Town of Islip Industrial Development Agency to approve the **Minutes** from the meeting on **May 19, 2022**. On a motion by Councilwoman Mary Kate Mullen and seconded by Councilman John C. Cochrane Jr., said motion was approved 5-0.
3. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and **Pennsylvania Steel Co.** Located at 10 Ranick Rd, Hauppauge. (0500-03800-0100-004002). Tabled – on a motion by Councilman James P. O'Connor.
4. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and **22-50 Jackson Ave Associates, L.P./Pilgrim East, L.P.** to extend a PILOT Agreement. (0500-07100-0100-01008). On a motion by Councilman John C. Cochrane Jr., and seconded by Councilman James P. O'Connor, said motion was approved 5-0.
5. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and **Pilgrim East L.P.** 2002A Facility. Located at 1 Executive Drive, Edgewood. (0500-07100-0100-013006). On a motion by Councilman James P. O'Connor and seconded by Councilwoman Mary Kate Mullen, said motion was approved 5-0.
6. To consider the adoption of an Inducement Resolution between the Town of Islip Industrial Development Agency and **RG 158 Candlewood, LLC.** Located at 158 Candlewood Drive, Bay Shore. (0500-18100-0200-043003). On a motion by Councilman John C. Cochrane Jr., and seconded by Councilman James P. O'Connor, said motion was approved 5-0.
7. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and **Tekweld Solutions Inc.** Located at 85 Nicon Court, Hauppauge. (0500-02400-0100-013001). On a motion by Councilman James P. O'Connor and seconded by Councilwoman Mary Kate Mullen, said motion was approved 5-0.

8. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and **45 Rabro Solutions, LLC/Tekweld Solutions, Inc. 2014 Facility**, to extend a PILOT agreement. Located at 45 Rabro Drive, Hauppauge. (0500-02300-0200-014000). On an motion by Councilman John C. Cochrane Jr., and seconded by Councilwoman Mary Kate Mullen, said motion was approved 5-0.
9. To consider the adoption of an Amended Authorizing Resolution between the Town of Islip Industrial Development Agency and **RLP III Venture Park**. Located at 2950 Veterans Memorial Highway, Bohemia. (0500-14600-0100-001000). On a motion by Mary Kate Mullen and seconded by Councilman John C. Cochrane Jr., said motion was approved 5-0.
10. To consider **any other business** to come before the Agency there being none the meeting adjourned on a motion by Councilwoman Mary Kate Mullen and seconded by Councilman John C. Cochrane Jr.

**TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JULY 12, 2022**

AGENDA ITEM #3

TYPE OF RESOLUTION: INDUCEMENT RESOLUTION

COMPANY: EASTVIEW APT DEVELOPMENT, LLC

**PROJECT LOCATION: 0 EASTVIEW DRIVE, CENTRAL
ISLIP**

**JOBS (RETAINED/CREATED): RETAINED - 0 -
CREATE - 2 -**

INVESTMENT: \$4,435,000.00

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING EASTVIEW APT DEVELOPMENT LLC, A NEW YORK LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF EASTVIEW APT DEVELOPMENT LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS AGENT(S) OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, EQUIPPING, AND FURNISHING THE FACILITY AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY

WHEREAS, Eastview Apt Development LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Eastview Apt Development LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), has applied to the Town of Islip Industrial Development Agency (the “**Agency**”), to enter into a transaction in which the Agency will assist in the acquisition of an approximately 2.2 acre parcel of land located at Eastview Drive, Central Islip, New York 11722 (SCTM# 0500-229.10-01.00-010.000) (the “**Land**”), the construction of an approximately 28,000 square foot building thereon (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and together with the Land and the Improvements, the “**Facility**”), which Facility will be leased by the Agency to the Company and is to be used as a multi-family housing apartment complex, comprised of two-bedroom units, containing approximately twenty-five (25) total rental apartments, with three (3) rental apartments designated as affordable units (the “**Project**”); and

WHEREAS, the Agency will acquire a leasehold interest in the Land and the Improvements and title to the Equipment, will sublease and lease the Facility to the Company, all pursuant to 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**”); and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in connection with the Facility, consistent with the policies of the Agency, in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Facility, exemptions from sales and use taxes and abatement of real property taxes, consistent with the policies of the Agency, all to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein; and

WHEREAS, as of the date of this resolution, no determination for financial assistance has been made; 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, prior to the date of the Hearing (defined below), the Agency will have made a determination for financial assistance; and

WHEREAS, prior to the closing of the transaction described herein, a public hearing (the “**Hearing**”) will be held so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency or the location or nature of the Facility can be heard; and

WHEREAS, notice of the Hearing will be given prior to the closing of the transaction described herein, and such notice (together with proof of publication) will be substantially in the form annexed hereto as Exhibit A; and

WHEREAS, the minutes of the Hearing are or will be annexed hereto as Exhibit B; and

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed financial assistance is either an inducement to the Company to maintain the Facility in the Town of Islip or is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, the Agency has required the Company to provide to the Agency a feasibility report (the “**Feasibility Study**”), together with such letters or reports from interested parties and governmental agencies or officials (the “**Letters of Support**”; and together with the Feasibility Study, the “**Requisite Materials**”) to enable the Agency to make findings and determinations that the Facility qualifies as a “project” under the Act and that the Facility satisfies all other requirements of the Act, and such Requisite Materials received to date are listed below and attached as Exhibit C hereof:

1. Benefits Analysis for Town of Islip Industrial Development Agency – Eastview Apt. Development, LLC, dated June 2022 by VHB Engineering, Surveying, Landscape Architecture and Geology, P.C.;
2. New York Law Journal Article, dated March 22, 2017 on Eligibility of Residential Developments for IDA Benefits by Anthony Guardino, Esq.; and
3. Ryan et al. v. Town of Hempstead Industrial Development Agency et al.; and

WHEREAS, the Agency’s Uniform Tax Exemption Policy (“**UTEP**”), which such UTEP is annexed hereto as Exhibit D, provides for the granting of financial assistance by the Agency for housing projects pursuant to Section I.A.4.; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the

State of New York (collectively, the “SEQR Act” or “SEQR”), the Agency constitutes a “State Agency”; and

WHEREAS, to aid the Agency in determining whether the Facility may have a significant effect upon the environment, the Company has prepared and submitted to the Agency an Environmental Assessment Form and related documents (the “Questionnaire”) with respect to the Facility, a copy of which is on file at the office of the Agency; and

WHEREAS, the Questionnaire has been reviewed by the Agency; 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 leasing of the Facility by the Agency to the Company.

NOW, THEREFORE, BE IT RESOLVED by the Town of Islip Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

Section 1. Based upon the Environmental Assessment Form completed by the Company and reviewed by the Agency and other representations and information furnished by the Company regarding the Facility, the Agency determines that the action relating to the acquisition, construction, equipping, furnishing and operation of the Facility is an “unlisted” action, as that term is defined in the SEQR Act. The Agency also determines that the action will not have a “significant effect” on the environment, and, therefore, an environmental impact statement will not be prepared. This determination constitutes a negative declaration for purposes of SEQR. Notice of this determination shall be filed to the extent required by the applicable regulations under SEQR or as may be deemed advisable by the Chairman or Executive Director of the Agency or counsel to the Agency.

Section 2. In connection with the acquisition, construction, equipping, and furnishing of the Facility the Agency hereby makes the following determinations and findings based upon the Agency’s review of the information provided by the Company with respect to the Facility, including, the Company’s Application, the Requisite Materials and other public information:

- (a) There is a lack of affordable, safe, clean and modern rental housing in the Town of Islip, Suffolk County;
- (b) Such lack of rental housing has resulted in individuals leaving the Town of Islip and therefore adversely affecting employers, businesses, retailers, banks, financial institutions, insurance companies, health and legal services providers and other merchants in the Town of Islip and otherwise adversely impacting the economic health and well-being of the residents of the Town of Islip, employers, and the tax base of the Town of Islip;
- (c) The Facility, by providing such rental housing will enable persons to remain in the Town of Islip and thereby to support the businesses, retailers, banks, and other financial institutions, insurance companies, health care and legal services

providers and other merchants in the Town of Islip which will increase the economic health and well-being of the residents of the Town of Islip, help preserve and increase permanent private sector jobs in furtherance of the Agency's public purposes as set forth in the Act, and therefore the Agency finds and determines that the Facility is a commercial project within the meaning of Section 854(4) of the Act;

- (d) The Facility will provide services, i.e., rental housing, which but for the Facility, would not otherwise be reasonably accessible to the residents of the Town of Islip.

Section 3. The acquisition, construction, equipping and furnishing of the Facility by the Agency, the subleasing and leasing of the Facility to the Company and the provision of financial assistance pursuant to the Act will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the Town of Islip and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act, and the same is, therefore, approved.

Section 4. Subject to the provisions of this resolution, the Agency shall (i) acquire, construct, equip and furnish the Facility, and (ii) lease and sublease the Facility to the Company.

Section 5. The Company hereby agrees to comply with Section 875 of the Act. The Company further agrees that the exemption of sales and use tax provided pursuant to the Act and the appointment of the Company as agent of the Agency pursuant to this resolution is subject to termination and recapture of benefits pursuant to Section 875 of the Act and the recapture provisions of the Lease and Project Agreement, dated a date to be determined (the "**Lease Agreement**"), by and between the Company and the Agency.

Section 6. Counsel to the Agency is authorized and directed to work with Transaction Counsel (Nixon Peabody LLP) to prepare, for submission to the Agency, all documents necessary to affect the transfer of the real estate described in the foregoing resolution.

Section 7. The Chairman, the Executive Director, the Deputy Executive Director and all members of the Agency are hereby authorized and directed (i) to distribute copies of this resolution to the Company, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 8. Any expenses incurred by the Agency with respect to the Facility, including the expenses of Transaction Counsel, shall be paid by the Company. The Company agrees to pay such expenses and further agrees 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 Facility.

Section 9. This resolution shall take effect immediately.

ADOPTED: July 12, 2022

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 foregoing copy of a resolution of the Town of Islip Industrial Development Agency (the "Agency") with the original thereof on file in the office of the Agency, and the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.

Such resolution was passed at a meeting of the Agency duly convened in public session on July 12, 2022, at _____ .m., local time, at Islip Town Hall, 655 Main Street, Islip, New York, at which meeting the following members were:

Present:

Absent:

Also Present:

The question of the adoption of the foregoing resolution was duly put to vote on roll call, which resulted as follows:

Voting Aye

and, therefore, the resolution was declared duly adopted.

The Application is in substantially the form presented to and approved at such meeting.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), (ii) said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand as of July 12, 2022

Assistant Secretary

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Title 1 of Article 18-A of the New York State General Municipal Law will be held by the Town of Islip Industrial Development Agency (the “Agency”) on the ___ day of July, 2022, at _____ a.m., local time, at the Town of Islip, Offices of Economic Development, 40 Nassau Avenue, Islip, New York 11751 in connection with the following matters:

Eastview Apt Development LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Eastview Apt Development LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), has applied to the Town of Islip Industrial Development Agency (the “**Agency**”), to enter into a transaction in which the Agency will assist in the acquisition of an approximately 2.2 acre parcel of land located at Eastview Drive, Central Islip, New York 11722 (SCTM# 0500-229.10-01.00-010.000) (the “**Land**”), the construction of an approximately 28,000 square foot building thereon (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and together with the Land and the Improvements, the “**Facility**”), which Facility will be leased by the Agency to the Company and is to be used as a multi-family housing apartment complex, comprised of two-bedroom units, containing approximately twenty-five (25) total rental apartments, with three (3) rental apartments designated as affordable units (the “**Project**”).

The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Facility, exemptions from sales and use taxes and abatement of real property taxes, consistent with the policies of the Agency.

A representative of the Agency will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. At the hearing, all persons will have the opportunity to review the application for financial assistance filed by the Company with the Agency and an analysis of the costs and benefits of the proposed Facility.

Dated: July ___, 2022

TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY

By: John G. Walser
Title: Executive Director

EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON
JULY [], 2022 at __:__ A.M.

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
(EASTVIEW APT DEVELOPMENT LLC 2022 FACILITY)

Section 1. _____, _____ of the Town of Islip Industrial Development Agency (the “**Agency**”) called the hearing to order.

Section 2. _____ then appointed _____, the _____ of the Agency, the hearing officer of the Agency, to record the minutes of the hearing.

Section 3. The hearing officer then described the proposed transfer of the real estate, the other financial assistance proposed by the Agency and the location and nature of the Facility as follows:

Eastview Apt Development LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Eastview Apt Development LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), has applied to the Town of Islip Industrial Development Agency (the “**Agency**”), to enter into a transaction in which the Agency will assist in the acquisition of an approximately 2.2 acre parcel of land located at Eastview Drive, Central Islip, New York 11722 (SCTM# 0500-229.10-01.00-010.000) (the “**Land**”), the construction of an approximately 28,000 square foot building thereon (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and together with the Land and the Improvements, the “**Facility**”), which Facility will be leased by the Agency to the Company and is to be used as a multi-family housing apartment complex, comprised of two-bedroom units, containing approximately twenty-five (25) total rental apartments, with three (3) rental apartments designated as affordable units (the “**Project**”).

The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Facility, exemptions from sales and use taxes and abatement of real property taxes, consistent with the policies of the Agency.

Section 4. The hearing officer then opened the hearing for comments from the floor for or against the proposed transfer of real estate, the other financial assistance proposed by the Agency and the location and nature of the Facility. The following is a listing of the persons heard and a summary of their views:

Section 5. The hearing officer then asked if there were any further comments, and, there being none, the hearing was closed at _____.

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 foregoing copy of the minutes of a public hearing held by the Town of Islip Industrial Development Agency (the “**Agency**”) on the __ day of July 2022, at [_____] a.m., local time, with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of the minutes in connection with such matter.

IN WITNESS WHEREOF, I have hereunto set my hand as of July __, 2022.

Assistant Secretary

EXHIBIT C

Requisite Materials

EXHIBIT C-1

Benefits Analysis for Town of Islip Industrial Development Agency – Eastview Apt
Development LLC

EXHIBIT C-2

New York Law Journal Article, dated March 22, 2017 on Eligibility of Residential
Developments for IDA Benefits

EXHIBIT C-3

Ryan et al. v. Town of Hempstead Industrial Development Agency et al.

EXHIBIT D

Town of Islip Industrial Development Agency Uniform Tax Exemption Policy

TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JULY 12, 2022

AGENDA ITEM #4

TYPE OF RESOLUTION: INDUCEMENT RESOLUTION

COMPANY: V1 ISP III, LLC.

**PROJECT LOCATION: 2100 SMITHTOWN AVE,
RONKONKOMA**

**JOBS (RETAINED/CREATED): RETAINED - 00 -
CREATE - 20 -**

INVESTMENT: \$42,560,000.00

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING V1 ISP III, LLC, A LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF THE FOREGOING AS AGENT(S) OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, DEMOLISHING, CONSTRUCTING AND EQUIPPING THE FACILITY, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY.

WHEREAS, V1 ISP III, LLC an Illinois limited liability company, on behalf of itself and/or the principals of V1 ISP III, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), has applied to the Town of Islip Industrial Development Agency (the “**Agency**”) to enter into a transaction in which the Agency will assist in the acquisition of an approximately 8.96 acre parcel of land located at 2100 Smithtown Avenue, Ronkonkoma, New York 11779 (the “**Land**”), the demolition of an approximately 112,189 square foot existing building thereon and the construction and equipping thereon of an approximately 127,980 square foot building (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and together with the Land and the Improvements, the “**Facility**”), which Facility will be leased by the Agency to the Company, and subleased by the Company to various tenants (the “**Tenants**”), for use as an industrial warehouse space (the “**Project**”); and

WHEREAS, the Agency will acquire a leasehold interest in the Land and the Improvements and title to the Equipment and will sublease the Facility to the Company, all pursuant to 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**”); 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 contemplates that it will provide financial assistance to the Company, in the form of exemptions from mortgage recording taxes, exemptions from sales and use taxes and abatement of real property taxes on the Facility, consistent with the policies of the Agency, all to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein; 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, prior to the date of the Hearing (defined below), the Agency will have made a determination for financial assistance; and

WHEREAS, prior to the closing of the transaction described herein, a public hearing (the “**Hearing**”) will be held so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency or the location or nature of the Facility can be heard; and

WHEREAS, notice of the Hearing will be given prior to the closing of the transaction described herein, and such notice (together with proof of publication) will be substantially in the form annexed hereto as Exhibit A; and

WHEREAS, the minutes of the Hearing are or will be annexed hereto as Exhibit B; and

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed financial assistance is either an inducement to the Company to maintain the Facility in the Town of Islip or is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the “**SEQR Act**” or “**SEQR**”), the Agency constitutes a “State Agency”; and

WHEREAS, to aid the Agency in determining whether the Facility may have a significant effect upon the environment, the Company has prepared and submitted to the Agency an Environmental Assessment Form and related documents (the “**Questionnaire**”) with respect to the Facility, a copy of which is on file at the office of the Agency; and

WHEREAS, the Questionnaire has been reviewed by the Agency; 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 leasing of the Facility by the Agency to the Company.

NOW, THEREFORE, BE IT RESOLVED by the Town of Islip Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

Section 1. Based upon the Environmental Assessment Form completed by the Company and reviewed by the Agency and other representations and information furnished by the Company regarding the Facility, the Agency determines that the action relating to the acquisition, construction, demolition, equipping, and operation of the Facility is an “Unlisted” Action, as that term is defined in the SEQR Act. The Agency also determines that the action will not have a “significant effect” on the environment, and, therefore, an environmental impact statement will not be prepared. This determination constitutes a negative declaration for purposes of SEQR. Notice of this determination shall be filed to the extent required by the applicable regulations under SEQR or as may be deemed advisable by the Chairman or Executive Director of the Agency or counsel to the Agency.

Section 2. The acquisition, construction and equipping of the Facility by the Agency, the subleasing and leasing of the Facility to the Company and the provision of financial assistance on the Facility pursuant to the Act will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the Town of Islip and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act, and the same is, therefore, approved.

Section 3. Subject to the provisions of this resolution, the Agency shall (i) acquire, construct and equip the Facility, and (ii) lease and sublease the Facility to the Company.

Section 4. The Company is hereby notified that it will be required to comply with Section 875 of the Act. The Company shall be required to agree to the terms of Section 875 pursuant to the Lease and Project Agreement, dated a date to be determined (the "**Lease Agreement**"), by and between the Company and the Agency. The Company is further notified that the tax exemptions and abatements provided pursuant to the Act and the appointment of the Company as agent of the Agency pursuant to this resolution are subject to termination and recapture of benefits pursuant to Sections 859-a and 875 of the Act and the recapture provisions of the Lease Agreement.

Section 5. Counsel to the Agency is authorized and directed to work with Transaction Counsel (Nixon Peabody LLP) to prepare, for submission to the Agency, all documents necessary to affect the transactions described in the foregoing resolution.

Section 6. The Chairman, the Executive Director, the Deputy Executive Director and all members of the Agency are hereby authorized and directed (i) to distribute copies of this resolution to the Company, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 7. Any expenses incurred by the Agency with respect to the Facility, including the expenses of Transaction Counsel, shall be paid by the Company. The Company shall agree to pay such expenses and further agree 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 Facility.

Section 8. This resolution shall take effect immediately.

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

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

I have compared the foregoing copy of a resolution of the Town of Islip Industrial Development Agency (the "Agency") with the original thereof on file in the office of the Agency, and the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.

Such resolution was passed at a meeting of the Agency duly convened in public session on July 12, 2022, at _____ .m., local time, at Islip Town Hall, 655 Main Street, Islip, New York, at which meeting the following members were:

Present:

Absent:

Also Present:

The question of the adoption of the foregoing resolution was duly put to vote on roll call, which resulted as follows:

Voting Aye

and, therefore, the resolution was declared duly adopted.

The Application are in substantially the form presented to and approved at such meeting.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), (ii) said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand as of July 12, 2022.

Assistant Secretary

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Title 1 of Article 18-A of the New York State General Municipal Law will be held by the Town of Islip Industrial Development Agency (the “Agency”) on the ___ day of _____, 2022, at _____ a.m., local time, at the Town of Islip, Offices of Economic Development, 40 Nassau Avenue, Islip, New York 11751 in connection with the following matters:

V1 ISP III, LLC an Illinois limited liability company, on behalf of itself and/or the principals of V1 ISP III, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), has applied to the Town of Islip Industrial Development Agency (the “**Agency**”) to enter into a transaction in which the Agency will assist in the acquisition of an approximately 8.96 acre parcel of land located at 2100 Smithtown Avenue, Ronkonkoma, New York 11779 (the “**Land**”), the demolition of an approximately 112,189 square foot existing building located thereon and the construction and equipping thereon of an approximately 127,980 square foot building (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and together with the Land and the Improvements, the “**Facility**”), which Facility will be leased by the Agency to the Company, and subleased by the Company to various tenants (the “**Tenants**”), for use as an industrial warehouse space (the “**Project**”). The Facility will be initially owned, operated, and/or managed by the Company.

The Agency contemplates that it will provide financial assistance to the Company in connection with the Project and consistent with the policies of the Agency, in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Project’s exemptions from sales and use taxes and abatement of real property taxes.

A representative of the Agency will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. At the hearing, all persons will have the opportunity to review the application for financial assistance filed by the Company with the Agency and an analysis of the costs and benefits of the proposed Facility.

Dated: _____, 2022

TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY

By: John G. Walser
Title: Executive Director

EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON
JULY [], 2022

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
(V1 ISP III, LLC 2022 FACILITY)

1. _____, _____ of the Town of Islip Industrial Development Agency (the “**Agency**”) called the hearing to order.

2. The _____ then appointed _____, the _____ of the Agency, the hearing officer of the Agency, to record the minutes of the hearing.

3. The hearing officer then described the proposed transfer of the real estate, the other financial assistance proposed by the Agency and the location and nature of the Facility as follows:

V1 ISP III, LLC an Illinois limited liability company, on behalf of itself and/or the principals of V1 ISP III, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), has applied to the Town of Islip Industrial Development Agency (the “**Agency**”) to enter into a transaction in which the Agency will assist in the acquisition of an approximately 8.96 acre parcel of land located at 2100 Smithtown Avenue, Ronkonkoma, New York 11779 (the “**Land**”), the demolition of an approximately 112,189 square foot building thereon and the construction and equipping thereon of an approximately 127,980 square foot building (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and together with the Land and the Improvements, the “**Facility**”), which Facility will be leased by the Agency to the Company, and subleased by the Company to various tenants (the “**Tenants**”), for use as an industrial warehouse space (the “**Project**”). The Facility will be initially owned, operated, and/or managed by the Company.

The Agency will acquire a leasehold interest in the Land and the Improvements and title to the Equipment and will lease and sublease the Facility to the Company. The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from mortgage recording taxes and sales and use taxes and abatement of real property taxes on the Facility, all consistent with the policies of the Agency.

4. The hearing officer then opened the hearing for comments from the floor for or against the proposed transfer of real estate, the other financial assistance proposed by the Agency and the location and nature of the Facility. The following is a listing of the persons heard and a summary of their views:

5. The hearing officer then asked if there were any further comments, and, there being none, the hearing was closed at _____ a.m./p.m.

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 foregoing copy of the minutes of a public hearing held by the Town of Islip Industrial Development Agency (the “Agency”) on the ___ day of July, 2022, at [_____] a.m., local time, with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of the minutes in connection with such matter.

IN WITNESS WHEREOF, I have hereunto set my hand as of July __, 2022.

Assistant Secretary

**TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JULY 12, 2022**

AGENDA ITEM #5

TYPE OF RESOLUTION: INDUCEMENT RESOLUTION

COMPANY: WATER LILIES FOOD, LLC.

PROJECT LOCATION: 1724 5TH AVE, BAY SHORE

**JOBS (RETAINED/CREATED): RETAINED - 420 -
CREATE - 300 -**

INVESTMENT: \$36,113,097.00

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING WATER LILIES FOOD, LLC, ON BEHALF OF ITSELF AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF THE FOREGOING AS AGENT(S) OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, RENOVATING, DEMOLISHING AND EQUIPPING THE FACILITY AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY.

WHEREAS, the Town of Islip Industrial Development Agency (the “**Agency**”) has previously assisted Water Lilies Food, LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”) in the acquisition of a leasehold interest of an approximately 100,780 square foot portion of an approximately 461,000 square foot building (the “**Demised Premises**”) located on an approximately 32.88 acre parcel of land located at 1724 5th Avenue, Bayshore, New York 11706 (the “**Land**”), the renovation of the Demised Premises (the “**Original Improvements**”) and the acquisition and installation therein of certain equipment and personal property (the “**Original Equipment**”; and, together with the Demised Premises, the Land and the Original Improvements, the “**Original Facility**”), which Original Facility is currently leased and subleased by the Agency to the Owner (as defined below) and further sub-subleased to the Company and used by the Company as a manufacturing and distribution facility in the Company’s business as a manufacturer of gourmet Asian foods (the “**Original Project**”); and

WHEREAS, the Company has now applied to the Agency to enter into a transaction in which the Agency will assist in the (i) acquisition of a leasehold interest in an additional approximately 295,260 square foot portion of the Original Facility (the “**Expansion Premises**”; and together with the Demised Premises, the “**Premises**”), (ii) the renovation of the Expansion Premises (the “**2022 Improvements**”, and together with the Original Improvements, the “**Improvements**”), and (iii) the acquisition and installation therein of certain equipment and personal property (the “**2022 Equipment**”; and together with the Original Equipment, the “**Equipment**”, and together with the Improvements, the Land and the Premises, the “**Facility**”), which Facility will continue to be leased and sub-subleased by the Agency to the Company, and used by the Company as a manufacturing and distribution facility in the Company’s business as a manufacturer of gourmet Asian food (the “**Project**”); and

WHEREAS, the Land, the Demised Premises, and the Improvements are currently subleased by Suffolk County Industrial, LLC, a New York limited liability company (the “**Owner**”), to the Company pursuant to an Agreement of Sublease, dated on or about March 1, 2020, including pursuant to the terms of a certain Tenant Agency Compliance Agreement, dated as of March 1, 2020, by and between the Agency and the Company; and

WHEREAS, the Agency will acquire a leasehold interest in the Improvements, the Land, the Premises and title to the Equipment and will sublease and lease the Facility to the Company, all pursuant to 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”); 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 contemplates that it will provide financial assistance to the Company in the form of exemptions from sales and use taxes and abatement of real property taxes on the Facility, consistent with the policies of the Agency, all to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein; and

WHEREAS, as of the date of this resolution, no determination for financial assistance has been made; 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, prior to the date of the Hearing (defined below), the Agency will have made a determination for financial assistance; and

WHEREAS, prior to the closing of the transaction described herein, a public hearing (the “**Hearing**”) will be held so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency or the location or nature of the Facility can be heard; and

WHEREAS, notice of the Hearing will be given prior to the closing of the transaction described herein, and such notice (together with proof of publication) will be substantially in the form annexed hereto as Exhibit A; and

WHEREAS, the minutes of the Hearing are or will be annexed hereto as Exhibit B; and

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed financial assistance is either an inducement to the Company to maintain the Facility in the Town of Islip or is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the “**SEQR Act**” or “**SEQR**”), the Agency constitutes a “State Agency”; and

WHEREAS, to aid the Agency in determining whether the Facility may have a significant effect upon the environment, the Company has prepared and submitted to the Agency an Environmental Assessment Form and related documents (the “**Questionnaire**”) with respect to the Facility, a copy of which is on file at the office of the Agency; and

WHEREAS, the Questionnaire has been reviewed by the Agency; 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 leasing of the Facility by the Agency to the Company.

NOW, THEREFORE, BE IT RESOLVED by the Town of Islip Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

Section 1. Based upon the Environmental Assessment Form completed by the Company and reviewed by the Agency and other representations and information furnished by the Company regarding the Facility, the Agency determines that the action relating to the acquisition, renovation, demolition, equipping, and operation of the Facility is a Type 1 Action, as that term is defined in the SEQRA Act. As such, no further SEQRA review is required under the SEQRA Act.

Section 2. The acquisition, renovation, demolition, and equipping of the Facility by the Agency, the subleasing and leasing of the Facility to the Company and the provision of financial assistance on the Facility pursuant to the Act will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the Town of Islip and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act, and the same is, therefore, approved.

Section 3. Subject to the provisions of this resolution, the Agency shall (i) acquire, renovate, demolish and equip the Facility, and (ii) lease and sublease the Facility to the Company.

Section 4. The Company is hereby notified that it will be required to comply with Section 875 of the Act. The Company shall be required to agree to the terms of Section 875 pursuant to the Lease and Project Agreement, dated a date to be determined (the "**Lease Agreement**"), by and between the Company and the Agency. The Company is further notified that the tax exemptions and abatements provided pursuant to the Act and the appointment of the Company as agent of the Agency pursuant to this resolution are subject to termination and recapture of benefits pursuant to Sections 859-a and 875 of the Act and the recapture provisions of the Lease Agreement.

Section 5. Counsel to the Agency is authorized and directed to work with Transaction Counsel (Nixon Peabody LLP) to prepare, for submission to the Agency, all documents necessary to affect the transactions described in the foregoing resolution.

Section 6. The Chairman, the Executive Director, the Deputy Executive Director and all members of the Agency are hereby authorized and directed (i) to distribute copies of this resolution to the Company, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 7. Any expenses incurred by the Agency with respect to the Facility, including the expenses of Transaction Counsel, shall be paid by the Company. The Company shall agree to pay such expenses and further agree 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 Facility.

Section 8. 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 foregoing copy of a resolution of the Town of Islip Industrial Development Agency (the “Agency”) with the original thereof on file in the office of the Agency, and the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.

Such resolution was passed at a meeting of the Agency duly convened in public session on July 12, 2022, at 40 Nassau Avenue, Islip, New York 11751, at which meeting the following members were:

Present:

Absent:

Also Present:

The question of the adoption of the foregoing resolution was duly put to vote on roll call, which resulted as follows:

Voting Aye

and, therefore, the resolution was declared duly adopted.

The Application is in substantially the form presented to and approved at such meeting.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), (ii) said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand as of July 12, 2022.

Assistant Secretary

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Title 1 of Article 18-A of the New York State General Municipal Law will be held by the Town of Islip Industrial Development Agency on the ___ day of July, 2022, at _____ a.m., local time, at the Town of Islip, Offices of Economic Development, 40 Nassau Avenue, Islip, New York 11751 in connection with the following matters:

The Town of Islip Industrial Development Agency (the “**Agency**”) has previously assisted Water Lilies Food, LLC a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”) in the acquisition of a leasehold interest of an approximately 100,780 square foot portion of an approximately 461,000 square foot building (the “**Demised Premises**”) located on an approximately 32.88 acre parcel of land located at 1724 5th Avenue, Bayshore, New York 11706 (the “**Land**”), the renovation of the Demised Premises (the “**Original Improvements**”) and the acquisition and installation therein of certain equipment and personal property (the “**Original Equipment**”; and, together with the Demised Premises, the Land and the Original Improvements, the “**Original Facility**”), which Original Facility is currently leased and subleased by the Agency to the Owner (as defined below) and further sub-subleased to the Company and used by the Company as a manufacturing and distribution facility in the Company’s business as a manufacturer of gourmet Asian foods (the “**Original Project**”).

The Company has now applied to the Agency to enter into a transaction in which the Agency will assist in the (i) acquisition of a leasehold interest in an additional approximately 295,260 square foot portion of the Original Facility (the “**Expansion Premises**”; and together with the Demised Premises, the “**Premises**”), (ii) the renovation of the Expansion Premises (the “**2022 Improvements**”, and together with the Original Improvements, the “**Improvements**”), and (iii) the acquisition and installation therein of certain equipment and personal property (the “**2022 Equipment**”; and together with the Original Equipment, the “**Equipment**”, and together with the Improvements, the Land and the Premises, the “**Facility**”), which Facility will continue to be leased and sub-subleased by the Agency to the Company, and used by the Company as a manufacturing and distribution facility in the Company’s business as a manufacturer of gourmet Asian food (the “**Project**”).

The Land, the Demised Premises, and the Improvements are currently subleased by Suffolk County Industrial, LLC, a New York limited liability company (the “**Owner**”), to the Company pursuant to an Agreement of Sublease, dated on or about March 1, 2020, including pursuant to the terms of a certain Tenant Agency Compliance Agreement, dated as of March 1, 2020, by and between the Agency and the Company.

The Facility will initially be owned by the Owner, and operated and/or managed by the Company.

The Agency will acquire a leasehold interest in the Improvements, the Land, the Premises and title to the Equipment and will lease and sublease the Facility to the Company. The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from sales and use taxes and abatement of real property taxes on the Facility, all consistent with the policies of the Agency.

A representative of the Agency will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. At the hearing, all persons will have the opportunity to review the application for financial assistance filed by the Company with the Agency and an analysis of the costs and benefits of the proposed Facility.

Dated: July __, 2022

TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY

By: John G. Walser
Title: Executive Director

EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON
JULY [], 2022

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
(WATER LILIES FOOD, LLC 2022 FACILITY)

-
1. _____ of the Town of Islip Industrial Development Agency (the “Agency”) called the hearing to order.
 2. _____ then appointed himself the hearing officer of the Agency, to record the minutes of the hearing.
 3. The hearing officer then described the proposed transfer of the real estate, the other financial assistance proposed by the Agency and the location and nature of the Facility as follows:

The Town of Islip Industrial Development Agency (the “Agency”) has previously assisted Water Lilies Food, LLC a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”) in the acquisition of a leasehold interest of an approximately 100,780 square foot portion of an approximately 461,000 square foot building (the “Demised Premises”) located on an approximately 32.88 acre parcel of land located at 1724 5th Avenue, Bayshore, New York 11706 (the “Land”), the renovation of the Demised Premises (the “Original Improvements”) and the acquisition and installation therein of certain equipment and personal property (the “Original Equipment”; and, together with the Demised Premises, the Land and the Original Improvements, the “Original Facility”), which Original Facility is currently leased and subleased by the Agency to the Owner (as defined below) and further sub-subleased to the Company and used by the Company as a manufacturing and distribution facility in the Company’s business as a manufacturer of gourmet Asian foods (the “Original Project”).

The Company has now applied to the Agency to enter into a transaction in which the Agency will assist in the (i) acquisition of a leasehold interest in an additional approximately 295,260 square foot portion of the Original Facility (the “Expansion Premises”; and together with the Demised Premises, the “Premises”), (ii) the renovation of the Expansion Premises (the “2022 Improvements”, and together with the Original Improvements, the “Improvements”), and (iii) the acquisition and installation therein of certain equipment and personal property (the “2022 Equipment”; and together with the Original Equipment, the “Equipment”, and together

with the Improvements, the Land and the Premises, the “**Facility**”), which Facility will continue to be leased and sub-subleased by the Agency to the Company, and used by the Company as a manufacturing and distribution facility in the Company’s business as a manufacturer of gourmet Asian food (the “**Project**”).

The Land, the Demised Premises, and the Improvements are currently subleased by Suffolk County Industrial, LLC, a New York limited liability company (the “**Owner**”), to the Company pursuant to an Agreement of Sublease, dated on or about March 1, 2020, including pursuant to the terms of a certain Tenant Agency Compliance Agreement, dated as of March 1, 2020, by and between the Agency and the Company.

The Facility will initially be owned by the Owner, and operated and/or managed by the Company.

The Agency will acquire a leasehold interest in the Improvements, the Land, the Premises and title to the Equipment and will lease and sublease the Facility to the Company. The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from sales and use taxes and abatement of real property taxes on the Facility, all consistent with the policies of the Agency.

4. The hearing officer then opened the hearing for comments from the floor for or against the proposed transfer of real estate, the other financial assistance proposed by the Agency and the location and nature of the Facility. The following is a listing of the persons heard and a summary of their views:

5. The hearing officer then asked if there were any further comments, and, there being none, the hearing was closed at _____ a.m./p.m.

TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JULY 12, 2022

AGENDA ITEM #6

**TYPE OF RESOLUTION: AUTHORIZING RESOLUTION
TO EXTEND A PILOT AGREEMENT**

COMPANY: PILGRIM EAST, L.P.2002A FACILITY

PROJECT LOCATION: N/A

**JOBS (RETAINED/CREATED): RETAINED - -
CREATE - -**

INVESTMENT: \$N/A

Date: July 12, 2022

At a meeting of the Town of Islip Industrial Development Agency (the “**Agency**”), held at Islip Town Hall, 655 Main Street, Islip, New York, on the 12th day of July, 2022, the following members of the Agency were:

Present:

Absent:

Also Present:

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider a modification and extension of PILOT benefits in connection with a certain industrial development facility more particularly described below (Pilgrim East L.P. 2002A 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

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE MODIFICATION AND EXTENSION OF THE PILOT BENEFITS OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY FOR PILGRIM EAST L.P. 2002A FACILITY AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENTS TO THE COMPANY LEASE AND THE LEASE AGREEMENT AND THE EXECUTION AND DELIVERY OF DOCUMENTS IN CONNECTION THEREWITH 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 has previously assisted Pilgrim East L.P., a limited partnership duly organized and validly existing under the laws of the State of New York, having an office at 1 Executive Drive, Edgewood, New York 11717 (the “**Company**”), with the acquisition and leasing of an approximately 79.928 acre parcel of land located at the former Pilgrim Psychiatric Hospital, in Brentwood, Town of Islip, Suffolk County, New York and more particularly south of Community College Road, east of the Sagtikos Parkway, east and west of Crooked Hill Road and north of Pilgrim Road, to be used by the Company for future industrial and economic development purposes (the “**Facility**”); and

WHEREAS, the Agency leased the Facility to the Company pursuant to a certain 2002A Facility Lease Agreement, dated as of December 1, 2022, as amended and restated as of December 31, 2012 (collectively, the “**Original Lease Agreement**”), a memorandum of which Original Lease Agreement was to be recorded in the Suffolk County Clerk’s Office; and

WHEREAS, in connection with the leasing of the Facility, the Agency and the Company entered into a 2002A Facility Payment-in-Lieu-of-Tax Agreement, dated as of December 1, 2002, as amended and restated as of December 31, 2012 (collectively, the “**Original PILOT Agreement**”), which provided for the Company to make payments in lieu of real property taxes on the Facility; and

WHEREAS, the Agency and the Company previously entered into a certain 2002A Facility Environmental Compliance and Indemnification Agreement dated as of December 1, 2002, as amended and restated as of December 31, 2012 (collectively, the “**Original Environmental Compliance Agreement**”); and

WHEREAS, the Company previously requested the Agency's consent to an extension of payment-in-lieu-of-tax, exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Facility, and exemptions from sales and use taxes in connection with the demolition of existing buildings, site preparation and the installation of necessary utilities and roadways and the extension; and

WHEREAS, the modification and extension of the current abatement of real property taxes on the Facility were effectuated with an Amended and Restated 2002A Facility Payment-in-Lieu-of-Tax Agreement dated as of December 31, 2012 (the "**Amended and Restated PILOT Agreement**"), and together with the Original PILOT Agreement, the "**Existing PILOT Agreement**"), and between the Company and the Agency; and

WHEREAS, in accordance with such extension of benefits, the parties entered into an Amended and Restated 2002A Facility Lease Agreement dated as of December 31, 2012 (the "**Amended and Restated Lease Agreement**"), and together with the Original Lease Agreement, the "**Existing Lease Agreement**"), by and among the Company and the Agency and an Amended and Restated 2002A Facility Environmental Compliance and Indemnification Agreement dated as of December 31, 2012 (the "**Amended and Restated Environmental Compliance and Indemnification Agreement**"), and together with the Original Environmental Compliance and Indemnification Agreement, the "**Existing Environmental Compliance and Indemnification Agreement**"), by and between the Company and the Agency; and

WHEREAS, the Company has submitted a request for the Agency's consent to a further extension of benefits, including an extension and modification of payment-in-lieu-of-tax benefits (the "**PILOT Benefits**") presently provided under the Existing PILOT Agreement, which extension shall be for an additional period of ten (10) years in connection with the Facility (the "**PILOT Extension**") and in connection therewith, the amendment and restatement of the Existing Lease Agreement and Existing Environmental Compliance and Indemnification Agreement; and

WHEREAS, in connection with the PILOT Extension, the Agency will reconvey title to the Facility to the Company, and will take a leasehold interest in the Facility pursuant to a certain Company Lease Agreement, dated as of July 1, 2022, or such other date as may be determined by the Chairman, Executive Director or counsel to the Agency (the "**Company Lease**"), by and between the Agency and the Company; and

WHEREAS, the Agency will amend and extend its leasehold interest in the Facility pursuant to the Act; and

WHEREAS, in connection with the PILOT Extension, the Agency and the Company will amend and restate the Existing Lease Agreement, the Existing PILOT Agreement, and the Existing Environmental Compliance and Indemnification Agreement pursuant to a Second Amended and Restated Lease and Project Agreement, dated a date to be determined (the "**Second Amended and Restated Lease Agreement**") and together with the Existing Lease Agreement, the Existing PILOT Agreement, and the Existing Environmental

Compliance and Indemnification Agreement, the “**Lease Agreement**”), between the Company and the Agency; and

WHEREAS, the requested PILOT Extension deviates from the Agency’s Uniform Tax Exemption Policy (the “**Policy**”) originally adopted in or around December, 1993, as previously amended, because the PILOT Extension will result in a total term of real property tax abatement of thirty (30) years; and

WHEREAS, the extension of the benefits under the Second Amended and Restated Lease Agreement is necessary to allow the Company to redevelop an important parcel of land in the Town of Islip which redevelopment is expected to promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Islip; and

WHEREAS, a public hearing (the “**Hearing**”) was held on July 6, 2022, so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency or the location or nature of the Facility could be heard; and

WHEREAS, notice of the Hearing was given on [____], and such notice (together with proof of publication) is substantially in the form annexed hereto as Exhibit A; and

WHEREAS, the minutes of the Hearing will be annexed hereto as Exhibit B; 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 extended abatement of real property taxes on the Facility as shown on Exhibit C annexed hereto, all consistent with the policies of the Agency; and

WHEREAS, the Agency has given due consideration to the application of the Company and to the representations by the Company that the actions of the Agency as contemplated by this resolution, and the Second Amended and Restated Lease Agreement are either an inducement to the Company to maintain and expand the Facility in the Town of Islip or are necessary to maintain the competitive positions of the Company in its industry; 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 Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transactions contemplated by the continued leasing 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 continued leasing of the Facility by the Agency to the Company will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Islip and the State of New York and improve their standard of living and thereby serve the public purposes of the Act.
- (d) Based upon representations of the Company and its counsel, 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.
- (e) The Facility and the operations conducted therein do not have a significant effect on the environment, as determined in accordance with Article 8 of the Environmental Conservation Law of the State of New York and the regulations promulgated thereunder.
- (f) The Agency has determined that the proposed PILOT Extension for the Facility will promote and further the purposes of the Act.
- (g) It is desirable and in the public interest for the Agency consent to the PILOT Extension and to continue to lease the Facility to the Company.
- (h) The Second Amended and Restated Lease Agreement will be an effective instrument whereby the Agency and the Company will amend the Existing Lease Agreement, extend the term of the Existing Lease Agreement for a term of up to ten (10) years, set forth the terms and conditions of the PILOT Extension, and amend and restated the Existing PILOT Agreement and the Existing Environmental Compliance and Indemnification Agreement.
- (i) The Project is considered extremely significant and vital to the economic health and well-being of the Town and therefor deviation from the Policy is appropriate.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) reconvey title to the Facility to the Company, (ii) take a leasehold interest in the Facility pursuant to the Company Lease, (iii) amend and restate the Existing Lease Agreement, the Existing PILOT Agreement, and the Existing Environmental Compliance and Indemnification Agreement to reflect the PILOT Extension, and extending the term of the

Lease Agreement for a term of up to ten (10) years, and (vi) execute, deliver and perform the Second Amended and Restated Lease Agreement.

Section 3. Subject to the provisions of this resolution and the Second Amended and Restated Lease Agreement, the Agency is hereby authorized to do all things necessary or appropriate for the execution, delivery and performance of the Agency Documents (as defined below), and such other related documents as may be necessary or appropriate to effect the PILOT Extension for the Facility.

Section 4. Subject to the provisions of this resolution and the Second Amended and Restated Lease Agreement, the Agency is hereby authorized to grant the PILOT Extension for the Facility and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 5. Subject to the provisions of this resolution and the Second Amended and Restated Lease Agreement, the Agency hereby authorizes and approves the following economic benefits to be granted to the Company in the form of extended abatement of real property taxes on the Facility as shown on Exhibit C annexed hereto, all consistent with the policies of the Agency.

Section 6. Subject to the provisions of this resolution and the Second Amended and Restated Lease Agreement:

(a) The Chairman, Executive Director, Deputy Executive Director, or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Company Lease and the Second Amended and Restated Lease Agreement in substantially the form thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Chief Executive Officer, or any member of the Agency shall approve, and 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.

(b) The Chairman, Executive Director, Deputy 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 7. Subject to the provisions of this resolution, the Agency hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the Facility in the form extended abatement of real property taxes on the Facility as shown on Exhibit C annexed hereto, all consistent with the policies of the Agency.

Section 8. Subject to the provisions of this resolution and the Second Amended and Restated 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 9. Any expenses incurred by the Agency with respect to the Facility shall be paid by the Company. The Company has agreed to pay such expenses and further shall agree 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 Facility.

Section 10. This resolution shall take effect immediately.

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Title 1 of Article 18-A of the New York State General Municipal Law will be held by the Town of Islip Industrial Development Agency on the 6th day of July, 2022, at 11:00 a.m., local time, at 40 Nassau Avenue, Islip, New York 11751 in connection with the following matters:

The Agency has previously assisted Pilgrim East L.P., a limited partnership duly organized and validly existing under the laws of the State of New York, having an office at 1 Executive Drive, Edgewood, New York 11717 (the “**Company**”), with the acquisition and leasing of an approximately 372.039 acre parcel of land located at the former Pilgrim Psychiatric Hospital, in Brentwood, Town of Islip, Suffolk County, New York and more particularly in the northerly section of such property south of the Long Island Expressway, west of Crooked Hill Road and west of the Sagtikos Parkway, to be used by the Company for future industrial and economic development purposes (the “**Facility**”). The Facility is owned, operated and/or managed by the Company.

The Facility is currently leased by the Agency to the Company pursuant to a certain 2002A Facility Lease Agreement, dated as of December 1, 2002 (the “**2002A Facility Lease Agreement**”), as amended and restated pursuant to a certain Amended and Restated Lease Agreement, dated as of December 31, 2012 (the “**Amended and Restated Lease Agreement**”, and together with the 2002A Facility Lease Agreement, the “**Lease Agreement**”), by and between the Company and the Agency.

In connection with the leasing of the Facility, the Company and the Agency entered into a certain 2002A Facility Payment-in-Lieu-of-Tax Agreement, dated as of December 1, 2002 (the “**Original PILOT Agreement**”), as amended and restated pursuant to a certain Amended and Restated Payment-in-Lieu-of-Tax Agreement, dated as of December 31, 2012 (the “**Amended and Restated PILOT Agreement**”, and together with the Original PILOT Agreement, the “**PILOT Agreement**”), by and between the Company and the Agency.

In connection with the leasing of the Facility, the Company and the Agency entered into a certain 2002A Environmental Compliance and Indemnification Agreement, dated as of December 1, 2002 (the “**Original Environmental Compliance and Indemnification Agreement**”), as amended and restated pursuant to a certain Amended and Restated Environmental Compliance and Indemnification Agreement, dated as of December 31, 2012 (the “**Amended and Restated Environmental Compliance and Indemnification Agreement**”, and together with the Original Environmental Compliance and Indemnification Agreement, the “**Environmental Compliance Indemnification Agreement**”) by and between the Company and the Agency.

The Company has now requested the Agency's assistance in connection with the modification and extension of the abatement of real property taxes on the Facility for a term of up to ten (10) additional years (the "**PILOT Extension**").

The Agency contemplates that it will provide financial assistance to the Company consistent with the policies of the Agency, in the form of abatement of real property taxes.

A representative of the Agency will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. At the hearing, all persons will have the opportunity to review the extension of benefits of the proposed Facility.

Dated: July 6, 2022

TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY

By: John G. Walser
Title: Executive Director

EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON
JULY 6, 2022

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
(PILGRIM EAST L.P. 2002A FACILITY)

1. _____ of the Town of Islip Industrial Development Agency (the “**Agency**”) called the hearing to order.

2. The _____ then described the location and nature of the Facility to be financed as follows:

The Agency has previously assisted Pilgrim East L.P., a limited partnership duly organized and validly existing under the laws of the State of New York, having an office at 1 Executive Drive, Edgewood, New York 11717 (the “**Company**”), with the acquisition and leasing of an approximately 372.039 acre parcel of land located at the former Pilgrim Psychiatric Hospital, in Brentwood, Town of Islip, Suffolk County, New York and more particularly in the northerly section of such property south of the Long Island Expressway, west of Crooked Hill Road and west of the Sagtikos Parkway, to be used by the Company for future industrial and economic development purposes (the “**Facility**”). The Facility is owned, operated and/or managed by the Company.

The Facility is currently leased by the Agency to the Company pursuant to a certain 2002A Facility Lease Agreement, dated as of December 1, 2002 (the “**2002A Facility Lease Agreement**”), as amended and restated pursuant to a certain Amended and Restated Lease Agreement, dated as of December 31, 2012 (the “**Amended and Restated Lease Agreement**”), and together with the 2002A Facility Lease Agreement, the “**Lease Agreement**”), by and between the Company and the Agency.

In connection with the leasing of the Facility, the Company and the Agency entered into a certain 2002A Facility Payment-in-Lieu-of-Tax Agreement, dated as of December 1, 2002 (the “**Original PILOT Agreement**”), as amended and restated pursuant to a certain Amended and Restated Payment-in-Lieu-of-Tax Agreement, dated as of December 31, 2012 (the “**Amended and Restated PILOT Agreement**”), and together with the Original PILOT Agreement, the “**PILOT Agreement**”), by and between the Company and the Agency.

In connection with the leasing of the Facility, the Company and the Agency entered into a certain 2002A Environmental Compliance and Indemnification Agreement, dated as of December 1, 2002 (the “**Original Environmental Compliance and**

Indemnification Agreement”), as amended and restated pursuant to a certain Amended and Restated Environmental Compliance and Indemnification Agreement, dated as of December 31, 2012 (the “**Amended and Restated Environmental Compliance and Indemnification Agreement**”, and together with the Original Environmental Compliance and Indemnification Agreement, the “**Environmental Compliance Indemnification Agreement**”) by and between the Company and the Agency.

The Company has now requested the Agency’s assistance in connection with the modification and extension of the abatement of real property taxes on the Facility for a term of up to ten (10) additional years (the “**PILOT Extension**”).

The Agency contemplates that it will provide financial assistance to the Company consistent with the policies of the Agency in the form of abatement of real property taxes.

3. The hearing officer then opened up the hearing for comments from the floor for or against the location and nature of the Facility. The following is a listing of the persons heard and a summary of their views:

4. The _____ then asked if there were any further comments and, there being none, the hearing was closed at _____ .m.

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 foregoing copy of the minutes of a public hearing held by the Town of Islip Industrial Development Agency (the “**Agency**”) on July 6, 2022, at 11:00 a.m. local time, at the Town of Islip Department of Economic Development, the Office of Economic Development Conference Room, 40 Nassau Avenue, Islip, New York with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of the minutes in connection with such matter.

IN WITNESS WHEREOF, I have hereunto set my hand as of July 6, 2022.

Assistant Secretary

EXHIBIT C

PILOT Schedule

Town of Islip, (including any existing incorporated village and any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), Suffolk County, Brentwood School District and Appropriate Special Districts.

Property Address 998 Crooked Hill Road, Brentwood, New York

Tax Map No. 0500-071.00-01.00-013.006

Formula: 10-year abatement starting at 50% of assessed land value decreasing 5% annually¹

Year

- 1 100% normal tax on 50% of the assessed land value
- 2 100% normal tax on 55% of the assessed land value
- 3 100% normal tax on 60% of the assessed land value
- 4 100% normal tax on 65% of the assessed land value
- 5 100% normal tax on 70% of the assessed land value
- 6 100% normal tax on 75% of the assessed land value
- 7 100% normal tax on 80% of the assessed land value
- 8 100% normal tax on 85% of the assessed land value
- 9 100% normal tax on 90% of the assessed land value
- 10 100% normal tax on 95% of the assessed land value
- 11 and beyond 100% normal tax on the assessed land value

¹ PILOT Payments may be stated as fixed figures in Lease and Project Agreement.
4867-0528-9510.3

**TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JULY 12, 2022**

AGENDA ITEM #7

**TYPE OF RESOLUTION: AUTHORIZING RESOLUTION
TO CONSIDER A MODIFICATION & EXTENSION OF
PILOT BENEFITS**

**COMPANY: 22-50 JACKSON AVE ASSOCIATES, L.P.
2002A FACILITY**

PROJECT LOCATION: N/A

**JOBS (RETAINED/CREATED): RETAINED - -
CREATE - -**

INVESTMENT: \$N/A

Date: July 12, 2022

At a meeting of the Town of Islip Industrial Development Agency (the “**Agency**”), held at Islip Town Hall, 655 Main Street, Islip, New York, on the 12th day of July, 2022, the following members of the Agency were:

Present:

Absent:

Also Present:

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider a modification and extension of PILOT benefits in connection with a certain industrial development facility more particularly described below (22-50 Jackson Avenue Associates L.P. 2002B 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

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE MODIFICATION AND EXTENSION OF THE PILOT BENEFITS OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY FOR 22-50 JACKSON AVENUE ASSOCIATES L.P. 2002B FACILITY AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENTS TO THE COMPANY LEASE AND THE LEASE AGREEMENT AND THE EXECUTION AND DELIVERY OF DOCUMENTS IN CONNECTION THEREWITH 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 has previously assisted 22-50 Jackson Avenue Associates L.P., a limited partnership duly organized and validly existing under the laws of the State of New York, having an office at 1 Executive Drive, Edgewood, New York 11717 (the “**Company**”), with the acquisition and leasing of an approximately 372.039 acre parcel of land located at the former Pilgrim Psychiatric Hospital, in Brentwood, Town of Islip, Suffolk County, New York and more particularly in the northerly section of such property south of the Long Island Expressway, west of Crooked Hill Road and west of the Sagtikos Parkway, to be used by the Company for future industrial and economic development purposes (the “**Facility**”); and

WHEREAS, pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended, the Company entered into a tax-deferred exchange (the “**Exchange**”) of certain real property owned by the Company for the premises upon which the Facility was to be located (the “**Facility Land**”); and

WHEREAS, as a condition to the Exchange, Pilgrim LLC (“**Pilgrim**”) acquired the Facility Land; and

WHEREAS, the Agency leased the Facility to Pilgrim pursuant to a certain Lease Agreement, dated as of January 1, 2002 (the “**Original Lease Agreement**”), by and between Pilgrim and the Agency; and

WHEREAS, Pilgrim subleased the Facility to the Company until the Effective Date (as such term is defined in the Assignment, Assumption and Release Agreement defined below) pursuant to a certain Sublease Agreement, dated January 25, 2002 (the “**Sublease**”); and

WHEREAS, pursuant to the Assignment, Assumption and Release Agreement, dated as of January 1, 2002 (the "**Assignment, Assumption and Release Agreement**"), among Pilgrim, the Company and the Agency, Pilgrim assigned to the Company, its rights, title, interest, obligations, liabilities and duties under the Original Lease Agreement, the Payment-in-lieu-of-Tax Agreement, dated as of January 1, 2002 (the "**Original PILOT Agreement**"), among the Company, Pilgrim and the Agency, and the Environmental Compliance and Indemnification Agreement, dated as of January 1, 2002 (the "**Original Environmental compliance and Indemnification Agreement**"), between the Company and the Agency; and

WHEREAS, the Agency and the Company previously agreed to assign to Pilgrim East L.P., a limited partnership duly organized and validly existing under the laws of the State of New York having its principal office at 1 Executive Drive, Edgewood, New York 11717 ("**Pilgrim East**"), that portion of the Original Lease Agreement corresponding to the Facility Land located east of the Sagtikos Parkway (the "**2002A Facility**") pursuant to a Partial Assignment of Lease, dated December 30, 2002 (the "**Partial Assignment of Lease**"), by and between the Company and Pilgrim East, and a 2002A Facility Lease Agreement, dated as of December 1, 2002, (the "**2002A Facility Lease Agreement**"), between the Agency and Pilgrim East; and

WHEREAS, the remainder of the Facility Land (the "**2002B Facility**") was leased by the Agency to the Company pursuant to the Amended and Restated Lease Agreement, dated as of December 1, 2002 (the "**First Amended and Restated Lease Agreement**"), between the Agency and the Company, a memorandum of which Amended and Restated Lease Agreement was to be recorded in the Suffolk County Clerk's Office; and

WHEREAS, in connection with the leasing of the 2002B Facility, the Agency and the Company entered into an Amended and Restated Payment-in-Lieu-of-Tax Agreement, dated as of December 1, 2002 (the "**First Amended and Restated PILOT Agreement**"), which provided for the Company to make payments in lieu of real property taxes on the 2002B Facility; and

WHEREAS, the Agency and the Company previously entered into a certain Amended and Restated Environmental Compliance and Indemnification Agreement dated as of December 1, 2002 (the "**First Amended and Restated Environmental Compliance Agreement**"); and

WHEREAS, the Agency thereafter granted the Company's request for an extension of benefits, including an extension and modification of payment-in-lieu-of-tax benefits provided under the First Amended and Restated PILOT Agreement for an additional period of ten (10) years; and

WHEREAS, in accordance with such extension of benefits, the Agency and the Company entered into a Second Amended and Restated Lease Agreement, dated as of December 31, 2012 (the "**Second Amended and Restated Lease Agreement**"), and together with the Original Lease Agreement and the First Amended and Restated Lease Agreement, the "**Existing Lease Agreement**"), a Second Amended and Restated PILOT Agreement, dated as of December 31, 2012 (the "**Second Amended and Restated PILOT Agreement**"),

and together with the Original PILOT Agreement and the First Amended and Restated PILOT Agreement, the “**Existing PILOT Agreement**”), and a Second Amended and Restated Environmental Compliance and Indemnification Agreement, dated as of December 31, 2012 (the “**Second Amended and Restated Environmental Compliance and Indemnification Agreement**”, and together with the Original Environmental Compliance and Indemnification Agreement and the First Amended and Restated Environmental Compliance and Indemnification Agreement, the “**Existing Environmental Compliance and Indemnification Agreement**”); and

WHEREAS, the Company has submitted a request for the Agency’s consent to a further extension of benefits, including an extension and modification of payment-in-lieu-of-tax benefits (the “**PILOT Benefits**”) presently provided under the Existing PILOT Agreement, for an additional period of ten (10) years (the “**PILOT Extension**”); and

WHEREAS, in connection with the PILOT Extension, the Agency will reconvey title to the 2002B Facility to the Company, and will take a leasehold interest in the 2002B Facility pursuant to a certain Company Lease Agreement, dated as of July 1, 2022, or such other date as may be determined by the Chairman, Executive Director or counsel to the Agency (the “**Company Lease**”), by and between the Agency and the Company; and

WHEREAS, simultaneous with the reconveyance of title to the 2002B Facility and the execution of the Company Lease, and in connection with the PILOT Extension, the Agency and the Company will amend and restate the Existing Lease Agreement, the Existing PILOT Agreement, and the Existing Environmental Compliance and Indemnification Agreement pursuant to a certain Third Amended and Restated Lease and Project Agreement dated as of July 1, 2022, or such other date as may be determined by the Chairman, Executive Director or counsel to the Agency (the “**Third Amended and Restated Lease Agreement**”), which Third Amended and Restated Lease Agreement shall extend the term of such lease up to ten (10) additional years, and also provide for the recapture of certain economic benefits; and

WHEREAS, the requested PILOT Extension deviates from the Agency’s Uniform Tax Exemption Policy (the “**Policy**”) originally adopted in or around December, 1993, as previously amended, because the PILOT Extension will result in a total term of real property tax abatement of thirty (30) years; and

WHEREAS, the extension of the benefits under the Third Amended and Restated Lease Agreement is necessary to allow the Company to redevelop an important parcel of land in the Town of Islip which redevelopment is expected to promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Islip; and

WHEREAS, a public hearing (the “**Hearing**”) was held on July 6, 2022, so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency or the location or nature of the 2002B Facility could be heard; and

WHEREAS, notice of the Hearing was given on [____], and such notice (together with proof of publication) is substantially in the form annexed hereto as Exhibit A; and

WHEREAS, the minutes of the Hearing will be annexed hereto as Exhibit B; 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 extended abatement of real property taxes on the 2002B Facility as shown on Exhibit C annexed hereto, all consistent with the policies of the Agency; and

WHEREAS, the Agency has given due consideration to the application of the Company and to the representations by the Company that the actions of the Agency as contemplated by this resolution, and the Third Amended and Restated Lease Agreement are either an inducement to the Company to maintain and expand the 2002B Facility in the Town of Islip or are necessary to maintain the competitive positions of the Company in its industry; and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the 2002B 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 Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transactions contemplated by the continued leasing of the 2002B 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 2002B Facility continues to constitute a “project”, as such term is defined in the Act.
- (c) The continued leasing of the 2002B Facility by the Agency to the Company will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Islip and the State of New York and improve their standard of living and thereby serve the public purposes of the Act.
- (d) Based upon representations of the Company and its counsel, the 2002B 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 2002B Facility is located.

- (e) The 2002B Facility and the operations conducted therein do not have a significant effect on the environment, as determined in accordance with Article 8 of the Environmental Conservation Law of the State of New York and the regulations promulgated thereunder.
- (f) The Agency has determined that the proposed PILOT Extension for the 2002B Facility will promote and further the purposes of the Act.
- (g) It is desirable and in the public interest for the Agency consent to the PILOT Extension and to continue to lease the 2002B Facility to the Company.
- (h) The Third Amended and Restated Lease Agreement will be an effective instrument whereby the Agency and the Company will amend the Existing Lease Agreement, extend the term of the Existing Lease Agreement for a term of up to ten (10) years, set forth the terms and conditions of the PILOT Extension, and amend and restate the Existing PILOT Agreement and the Existing Environmental Compliance and Indemnification Agreement.
- (i) The Project is considered extremely significant and vital to the economic health and well-being of the Town and therefor deviation from the Policy is appropriate.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) reconvey title to the 2002B Facility to the Company, (ii) take a leasehold interest in the 2002B Facility pursuant to the Company Lease, (iii) amend and restate the Existing Lease Agreement, the Existing PILOT Agreement, and the Existing Environmental Compliance and Indemnification Agreement to reflect the PILOT Extension, and extending the term of the Existing Lease Agreement for a term of up to ten (10) years, and (vi) execute, deliver and perform the Third Amended and Restated Lease Agreement.

Section 3. Subject to the provisions of this resolution and the Third Amended and Restated Lease Agreement, the Agency is hereby authorized to do all things necessary or appropriate for the execution, delivery and performance of the Agency Documents (as defined below), and such other related documents as may be necessary or appropriate to effect the PILOT Extension for the 2002B Facility.

Section 4. Subject to the provisions of this resolution and the Third Amended and Restated Lease Agreement, the Agency is hereby authorized to grant the PILOT Extension for the 2002B Facility and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 5. Subject to the provisions of this resolution and the Third Amended and Restated Lease Agreement, the Agency hereby authorizes and approves the following economic benefits to be granted to the Company in the form of extended abatement of real

property taxes on the 2002B Facility as shown on Exhibit C annexed hereto, all consistent with the policies of the Agency.

Section 6. Subject to the provisions of this resolution and the Lease Agreement:

(a) The Chairman, Executive Director, Deputy Executive Director, or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Company Lease and the Third Amended and Restated Lease Agreement in substantially the form thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Chief Executive Officer, or any member of the Agency shall approve, and 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.

(b) The Chairman, Executive Director, Deputy 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 7. Subject to the provisions of this resolution, the Agency hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the 2002B Facility in the form extended abatement of real property taxes on the 2002B Facility as shown on Exhibit C annexed hereto, all consistent with the policies of the Agency.

Section 8. Subject to the provisions of this resolution and the Third Amended and Restated 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 9. Any expenses incurred by the Agency with respect to the 2002B Facility shall be paid by the Company. The Company has agreed to pay such expenses and further shall agree 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 2002B Facility.

Section 10. 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 July 12, 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 is 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 12th day of July, 2022.

By: _____
 Assistant Secretary

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Title 1 of Article 18-A of the New York State General Municipal Law will be held by the Town of Islip Industrial Development Agency on the 6th day of July, 2022, at 10:30 a.m., local time, at 40 Nassau Avenue, Islip, New York 11751 in connection with the following matters:

The Agency has previously assisted 22-50 Jackson Avenue Associates L.P., a limited partnership duly organized and validly existing under the laws of the State of New York, having an office at 1 Executive Drive, Edgewood, New York 11717 (the “**Company**”), with the acquisition and leasing of an approximately 372.039 acre parcel of land located at the former Pilgrim Psychiatric Hospital, in Brentwood, Town of Islip, Suffolk County, New York and more particularly in the northerly section of such property south of the Long Island Expressway, west of Crooked Hill Road and west of the Sagtikos Parkway, to be used by the Company for future industrial and economic development purposes (the “**Facility**”). The Facility is owned, operated and/or managed by the Company.

The Facility is currently leased by the Agency to the Company pursuant to a certain Amended and Restated Lease Agreement, dated as of December 1, 2002 (the “**Original Lease Agreement**”), as amended and restated pursuant to a certain Second Amended and Restated Lease Agreement, dated as of December 31, 2012 (the “**Second Amended and Restated Lease Agreement**”), and together with the Original Lease Agreement, the “**Lease Agreement**”), by and between the Company and the Agency.

In connection with the leasing of the Facility, the Company and the Agency entered into a certain Amended and Restated Payment-in-Lieu-of-Tax Agreement, dated as of December 1, 2002 (the “**Original PILOT Agreement**”), as amended and restated pursuant to a certain Second Amended and Restated Payment-in-Lieu-of-Tax Agreement, dated as of December 31, 2012 (the “**Second Amended and Restated PILOT Agreement**”), and together with the Original PILOT Agreement, the “**PILOT Agreement**”), by and between the Company and the Agency.

In connection with the leasing of the Facility, the Company and the Agency entered into a certain Amended and Restated Environmental Compliance and Indemnification Agreement, dated as of December 1, 2002 (the “**Original Environmental Compliance and Indemnification Agreement**”), as amended and restated pursuant to a certain Second Amended and Restated Environmental Compliance and Indemnification Agreement, dated as of December 31, 2012 (the “**Second Amended and Restated Environmental Compliance and Indemnification Agreement**”), and together with the Original Environmental Compliance and Indemnification Agreement, the “**Environmental Compliance Indemnification Agreement**”) by and between the Company and the Agency.

The Company has now requested the Agency's assistance in connection with the modification and extension of the abatement of real property taxes on the Facility for a term of up to ten (10) additional years (the "**PILOT Extension**").

The Agency contemplates that it will provide financial assistance to the Company consistent with the policies of the Agency, in the form of abatement of real property taxes.

A representative of the Agency will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. At the hearing, all persons will have the opportunity to review the extension of benefits of the proposed Facility.

Dated: July 6, 2022

TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY

By: John G. Walser
Title: Executive Director

EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON
JULY 6, 2022

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
(22-50 JACKSON AVENUE ASSOCIATES L.P. 2002B FACILITY)

1. _____, _____ of the Town of Islip Industrial Development Agency (the “Agency”) called the hearing to order.

2. The _____ then described the location and nature of the Facility to be financed as follows:

The Agency has previously assisted 22-50 Jackson Avenue Associates L.P., a limited partnership duly organized and validly existing under the laws of the State of New York, having an office at 1 Executive Drive, Edgewood, New York 11717 (the “Company”), with the acquisition and leasing of an approximately 372.039 acre parcel of land located at the former Pilgrim Psychiatric Hospital, in Brentwood, Town of Islip, Suffolk County, New York and more particularly in the northerly section of such property south of the Long Island Expressway, west of Crooked Hill Road and west of the Sagtikos Parkway, to be used by the Company for future industrial and economic development purposes (the “Facility”). The Facility is owned, operated and/or managed by the Company.

The Facility is currently leased by the Agency to the Company pursuant to a certain Amended and Restated Lease Agreement, dated as of December 1, 2002 (the “**Original Lease Agreement**”), as amended and restated pursuant to a certain Second Amended and Restated Lease Agreement, dated as of December 31, 2012 (the “**Second Amended and Restated Lease Agreement**”), and together with the Original Lease Agreement, the “**Lease Agreement**”), by and between the Company and the Agency.

In connection with the leasing of the Facility, the Company and the Agency entered into a certain Amended and Restated Payment-in-Lieu-of-Tax Agreement, dated as of December 1, 2002 (the “**Original PILOT Agreement**”), as amended and restated pursuant to a certain Second Amended and Restated Payment-in-Lieu-of-Tax Agreement, dated as of December 31, 2012 (the “**Second Amended and Restated PILOT Agreement**”), and together with the Original PILOT Agreement, the “**PILOT Agreement**”), by and between the Company and the Agency.

In connection with the leasing of the Facility, the Company and the Agency entered into a certain Amended and Restated Environmental Compliance and Indemnification

Agreement, dated as of December 1, 2002 (the “**Original Environmental Compliance and Indemnification Agreement**”), as amended and restated pursuant to a certain Second Amended and Restated Environmental Compliance and Indemnification Agreement, dated as of December 31, 2012 (the “**Second Amended and Restated Environmental Compliance and Indemnification Agreement**”, and together with the Original Environmental Compliance and Indemnification Agreement, the “**Environmental Compliance Indemnification Agreement**”) by and between the Company and the Agency.

The Company has now requested the Agency’s assistance in connection with the modification and extension of the abatement of real property taxes on the Facility for a term of up to ten (10) additional years (the “**PILOT Extension**”).

The Agency contemplates that it will provide financial assistance to the Company consistent with the policies of the Agency in the form of abatement of real property taxes.

3. The hearing officer then opened up the hearing for comments from the floor for or against the location and nature of the Facility. The following is a listing of the persons heard and a summary of their views:

4. The _____ then asked if there were any further comments and, there being none, the hearing was closed at _____ .m.

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 foregoing copy of the minutes of a public hearing held by the Town of Islip Industrial Development Agency (the “**Agency**”) on July 6, 2022, at 10:30 a.m. local time, at the Town of Islip Department of Economic Development, the Office of Economic Development Conference Room, 40 Nassau Avenue, Islip, New York with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of the minutes in connection with such matter.

IN WITNESS WHEREOF, I have hereunto set my hand as of July 6, 2022.

Assistant Secretary

EXHIBIT C

PILOT Schedule

Town of Islip, (including any existing incorporated village and any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), Suffolk County, Brentwood School District and Appropriate Special Districts.

Property Address 998 Crooked Hill Road, Brentwood, New York

Tax Map No. 0500-071.00-01.00-010.008

Formula: 10-year abatement starting at 50% of assessed land value decreasing 5% annually¹

Year

- 1 100% normal tax on 50% of the assessed land value
- 2 100% normal tax on 55% of the assessed land value
- 3 100% normal tax on 60% of the assessed land value
- 4 100% normal tax on 65% of the assessed land value
- 5 100% normal tax on 70% of the assessed land value
- 6 100% normal tax on 75% of the assessed land value
- 7 100% normal tax on 80% of the assessed land value
- 8 100% normal tax on 85% of the assessed land value
- 9 100% normal tax on 90% of the assessed land value
- 10 100% normal tax on 95% of the assessed land value
- 11 and beyond 100% normal tax on the assessed land value

¹ PILOT Payments may be stated as fixed figures in Lease and Project Agreement.
4890-6398-9282.3

TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JULY 12, 2022

AGENDA ITEM #7

TYPE OF RESOLUTION: AUTHORIZING RESOLUTION

COMPANY: RG 158 CANDLEWOOD, LLC.

**PROJECT LOCATION: 158 CANDLEWOOD DRIVE, BAY
SHORE**

**JOBS (RETAINED/CREATED): RETAINED - 50 -
CREATE - 20 -**

INVESTMENT: \$5,475,000.00

Date: July 12, 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 12th day of July, 2022 the following members of the Agency were:

Present

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 the acquisition of a leasehold and subleasehold interest in a certain industrial development facility more particularly described below (RG 158 Candlewood LLC/Central National-Gottesman Inc./Duro Dyne National Corp. 2022 Facility) and the leasing of the facility to RG 158 Candlewood LLC for subleasing by RG 158 Candlewood LLC to Central National-Gottesman Inc. and Duro Dyne National Corp.

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

Voting Aye

Voting Nay

Abstain

and, therefore, the resolution was declared duly adopted.

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ACQUISITION, RENOVATION AND EQUIPPING OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY AND APPROVING THE APPOINTMENT OF RG 158 CANDLEWOOD LLC, A DELAWARE LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF RG 158 CANDLEWOOD LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AND CENTRAL NATIONAL-GOTTESMAN INC., A NEW YORK BUSINESS CORPORATION, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF CENTRAL NATIONAL-GOTTESMAN INC. AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AND DURO DYNE NATIONAL CORP., A NEW YORK BUSINESS CORPORATION, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF DURO DYNE NATIONAL CORP. AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS AGENT(S) OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, RENOVATING AND EQUIPPING AN INDUSTRIAL DEVELOPMENT FACILITY AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF 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 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 the acquisition of certain industrial development projects as authorized by the Act; 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 previously provided its assistance to Paradise Lane Realty LLC, a New York limited liability company (the "**Paradise Lane**"), in the acquisition of an approximately 13.15 acre parcel of land located at 158 Candlewood Road, Bay Shore, New York 11706 (the "**Land**"), the construction and equipping of an approximately 197,248 square foot building to be located thereon, together with driveways, parking lots, landscaping and including, but not limited to, the purchase of racks for storage and related equipment such as high-lows, side-loaders, swing trucks, pickers and power tractors (the "**Original Improvements**" and "**Original Equipment**"; and together with the Land, the "**Original Facility**"), all leased by the Agency to Paradise Lane for subsequent sublease by Paradise Lane to, and used by Rubie's Costume Company, Inc., a New York business corporation (the "**Rubie's**"), as a warehouse and distribution center for costumes; and

WHEREAS, the Agency previously acquired title to the Original Facility with a Bargain and Sale Deed from Paradise Lane, dated December 19, 2012 (the "**Deed**"); and

WHEREAS, the Agency leased the Original Facility to Paradise Lane pursuant to a certain Lease Agreement, dated as of December 1, 2012 (the "**Original Lease Agreement**"), by and between the Agency and Paradise Lane, a memorandum of which was to be recorded in the Suffolk County Clerk's office; and

WHEREAS, the Agency, Paradise Lane and Rubie's previously entered into a certain Payment-in-Lieu-of-Tax Agreement, dated as of December 1, 2012 (the "**PILOT Agreement**"), by and among the Agency, Paradise Lane and Rubie's; and

WHEREAS, the Agency, Paradise Lane and Rubie's previously entered into a certain Environmental Compliance and Indemnification Agreement, dated as of December 1, 2012 (the "**ECIA**"), by and among the Agency, Paradise Lane and Rubie's; and

WHEREAS, the Agency and Rubie's previously entered into a certain Agency Compliance Agreement, dated as of December 1, 2012 (the "**Rubie's Agency Compliance Agreement**"), by and among the Agency and Rubie's; and

WHEREAS, RG 158 Candlewood LLC, a limited liability company organized and existing under the laws of the State of Delaware or another entity formed or to be formed by RG 158 Candlewood LLC or the principals thereof (collectively, the "**Company**"), previously requested the Agency's consent to the assignment by Paradise Lane of all of its rights, title, interest and obligations under the Original Lease Agreement, the PILOT Agreement, the ECIA and certain other agreements in connection with the Original Facility to, and the assumption by, the Company of all of such rights, title, interest and obligations of Paradise Lane, and the release of Paradise Lane from any further liability with respect to the Original Facility subject to certain requirements of the Agency, all pursuant to the terms of an Assignment, Assumption and Amendment Agreement, dated as of December 17, 2021 (the "**Assignment, Assumption and Amendment Agreement**"), by and among the Agency, Paradise Lane and the Company; and

WHEREAS, the Agency reconveyed title to the Facility to Paradise Lane pursuant to a Quitclaim Deed, dated December 17, 2021 (the "**Assignment Deed**"), from the Agency to Paradise Lane; and

WHEREAS, Paradise Lane subsequently conveyed title to the Facility to the Company on December 17, 2021; and

WHEREAS, the Agency acquired a leasehold interest in the Land and the Improvements from the Company pursuant to a certain Company Lease Agreement, dated as of December 1, 2021 (the "**Company Lease**"), by and between the Company and the Agency; and

WHEREAS, the Original Lease Agreement was assigned by Paradise Lane and assumed by the Company, pursuant to a certain Assignment and Assumption of Lease

Agreement, dated as of December 17, 2021 (the “**Assignment of Lease Agreement**”), by and between Paradise Lane and the Company, and consented to by the Agency; and

WHEREAS, the Company, Central National-Gottesman Inc., a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Central National-Gottesman Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, “**CNG**”) and Duro Dyne National Corp., a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Duro Dyne National Corp. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, “**Duro Dyne**”; and, together with CNG, the “**Sublessees**”) have applied to the Agency, for the Agency’s assistance in (a) [the acquisition of the Land], the renovation and equipping of an approximately 197,248 square foot building located on the Land (the “**Improvements**”), and the acquisition and installation of certain equipment and personal property not part of the Equipment (as such term is defined herein) (collectively, the “**Facility Equipment**” and; together with the Land and the Improvements, the “**Company Facility**”) and (b)(i) the acquisition and installation of certain equipment and personal property, including but not limited to, cutting machinery, racking equipment, office furniture and fixtures, IT infrastructure (collectively, the “**CNG Equipment**”), which CNG Equipment is to be leased by the Agency to CNG, and (ii) the acquisition and installation of certain equipment and personal property, including but not limited to, racking, IT infrastructure, material handling equipment, upgraded electrical and lighting and modular office equipment (collectively, the “**Duro Dyne Equipment**”, and, together with the CNG Equipment, the “**Equipment**”) (the Equipment and the Company Facility, the “**Facility**”), which Duro Dyne Equipment is to be leased by the Agency to Duro Dyne, and which Company Facility is to be leased and subleased by the Agency to the Company and further subleased by the Company of (i) approximately 115,920 square feet of space to CNG and used by CNG in its business of distribution, warehousing, fulfillment and light manufacturing (the “**CNG Premises**”) and (ii) approximately 81,328 square feet of space to Duro Dyne and used by Duro Dyne in its business as a manufacturer of sheet metal components for the HVAC industry (“**Duro Dyne Premises**”; and together with the CNG Premises, collectively, the “**Project**”); and

WHEREAS, the Agency, by resolution duly adopted on June 14, 2022 (the “**Inducement Resolution**”), decided to proceed under the provisions of the Act; and

WHEREAS, the Agency will acquire a leasehold interest in the Land and a fee interest in the Improvements pursuant to a certain Company Lease Agreement, dated as of July 1, 2022, or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the “**Company Lease**”), by and between the Company and the Agency; and

WHEREAS, the Agency will acquire title to the Facility Equipment pursuant to a certain Bill of Sale, dated the Closing Date (as defined in the hereinafter defined Lease Agreement) (the “**Bill of Sale**”), from the Company to the Agency; and

WHEREAS, the Agency will sublease and lease the Company Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of July 1, 2022 or such

other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the "**Lease Agreement**"), by and between the Agency and the Company; and

WHEREAS, the Agency will acquire title to the CNG Equipment pursuant to a certain Equipment Bill of Sale (the "**CNG Equipment Bill of Sale**"), from CNG to the Agency; and

WHEREAS, the Agency will lease the CNG Equipment to CNG pursuant to a certain Equipment Lease Agreement, dated as of July 1, 2022 or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the "**CNG Equipment Lease Agreement**"), by and between the Agency and CNG; and

WHEREAS, in connection with the subleasing of the CNG Premises to CNG, CNG and the Agency will enter into a certain Agency Compliance Agreement, dated as of July 1, 2022 or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the "**CNG Agency Compliance Agreement**"), whereby CNG will provide certain assurances to the Agency with respect to the CNG Premises; and

WHEREAS, the Agency will acquire title to the Duro Dyne Equipment pursuant to a certain Equipment Bill of Sale (the "**Duro Dyne Equipment Bill of Sale**"; and, together with the CNG Equipment Bill of Sale, the "**Equipment Bills of Sale**"), from Duro Dyne to the Agency; and

WHEREAS, the Agency will lease the Duro Dyne Equipment to Duro Dyne pursuant to a certain Equipment Lease Agreement, dated as of July 1, 2022 or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the "**Duro Dyne Equipment Lease Agreement**"; and, together with the CNG Equipment Lease Agreement, the "**Equipment Lease Agreements**"), by and between the Agency and Duro Dyne; and

WHEREAS, in connection with the subleasing of the Duro Dyne Premises to Duro Dyne, Duro Dyne and the Agency will enter into a certain Agency Compliance Agreement, dated as of July 1, 2022 or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the "**Duro Dyne Agency Compliance Agreement**"; and, together with the CNG Agency Compliance Agreement, the "**Agency Compliance Agreements**"), whereby Duro Dyne will provide certain assurances to the Agency with respect to the Duro Dyne Premises; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company and the Sublessees, consistent with the policies of the Agency, in the form of: (i) exemptions from sales and use taxes in an amount not to exceed \$472,218.75, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof), all consistent with the policies of the Agency; and

WHEREAS, CNG has represented to the Agency that the approval of the Facility will result in the closure of a plant located at 31 Windsor Place, Central Islip, New York 11772

and unless an exception applies the Agency would otherwise be prohibited from granting benefits pursuant to the provisions of Section 862 of the Act; and

WHEREAS, based upon the representations of CNG in the Application for Financial Assistance, dated May 24, 2022 (the “**Application**”), the closure of the plant is reasonably necessary for CNG to maintain its competitive position in its industry by enabling CNG to utilize a larger facility and to reduce its total costs of service to customers and is therefore not subject to the prohibitions contained in Section 862 of the Act; and

WHEREAS, in accordance with Section 859-a(5)(d) of the Act, the Agency has notified the chief executive officers of Central Islip and Suffolk County of the removal of CNG’s facility in Central Islip, New York and its relocation to Bay Shore, Town of Islip, Suffolk County, New York; and

WHEREAS, the Agency has given due consideration to the application of the Company and the Sublessees to representations by the Company and the Sublessees that the proposed transaction is necessary to maintain the competitive position of the Company and the Sublessees in their respective industries; and

WHEREAS, the Company and the Sublessees have agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the leasing of the Facility by the Agency to the Company for further subleasing by the Company to the Sublessees.

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

Section 1. The Agency 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; and

(b) The Facility constitutes a “project”, as such term is defined in the Act; and

(c) The Facility preserves the public purposes of the Act by preserving or increasing the number of permanent private sector jobs in the Town of Islip. The Company and the Sublessees have represented to the Agency that they intend to provide a total of sixty (60) full time employees within the second year after completion of the Facility; and

(d) The acquisition, renovation and equipping of the Facility, the leasing of the Company Facility to the Company for further subleasing to the Sublessees, and the leasing of the Equipment to the Sublessees, will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of Town of Islip, and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(e) Based upon the representations of CNG, the transactions contemplated by the CNG Equipment Lease Agreement and related documents shall result in the removal of a plant from one area of the State to another area of the State, but the Project and the related financial assistance is reasonably necessary for CNG to maintain its competitive position in its industry by enabling CNG to utilize a larger facility and to reduce its total costs of service to customers and is therefore not subject to the prohibitions contained in Section 862 of the Act; and

(f) The acquisition, renovation and equipping of the Facility by the Agency is reasonably necessary to induce the Company and the Sublessees to maintain and expand their respective business operations in the Town of Islip; and

(g) Based upon representations of the Company, the Sublessees and respective counsel to the Company and the Sublessees, the Facility conforms 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; and

(h) It is desirable and in the public interest for the Agency to sublease the Land and the Improvements and to lease the Facility Equipment to the Company and to lease the Equipment to the Sublessees; and

(i) The Company Lease will be an effective instrument whereby the Agency leases the Land and the Improvements from the Company; and

(j) The Lease Agreement will be an effective instrument whereby the Agency subleases and leases the Company Facility to the Company, the Agency and the Company set forth the terms and conditions of their agreement regarding payments-in-lieu of taxes, the Company agrees to comply with all Environmental Laws (as defined therein) applicable to the Facility and will describe the circumstances in which the Agency may recapture some or all of the benefits granted to the Company; and

(k) The Equipment Lease Agreements will be an effective instrument whereby the Agency leases the respective Equipment to the Sublessees; and

(l) The Agency Compliance Agreements will be an effective instrument whereby the Sublessees will provide certain assurances to the Agency with respect to the Facility.

Section 2. The Agency has assessed all material information included in connection with the Company's and the Sublessees' application for financial assistance, including but not limited to, the cost-benefit analysis prepared by the Agency and such information has provided the Agency a reasonable basis for its decision to provide the financial assistance described herein to the Company and the Sublessees.

Section 3. In consequence of the foregoing, the Agency hereby determines to: (i) lease the Land and the Improvements from the Company pursuant to the Company Lease, (ii) execute, deliver and perform the Company Lease, (iii) sublease and lease the Company Facility to the Company pursuant to the Lease Agreement, (iv) execute, deliver and perform the Lease Agreement, (v) lease the Equipment to the Sublessees pursuant to the Equipment

Lease Agreements, (vi) execute, deliver and perform the Equipment Lease Agreements, and (vii) execute and deliver the Agency Compliance Agreements.

Section 4. The Agency is hereby authorized to acquire the real property and personal property described in Exhibit A and Exhibit B, respectively, to the Lease Agreement, and the personal property described in Exhibit A to each Equipment Lease Agreement, and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 5. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the acquisition, renovation and equipping of the Facility in the form of (i) exemptions from sales and use taxes in an amount not to exceed \$472,218.75, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof), all consistent with the policies of the Agency.

Section 6. Subject to the provisions of this resolution, the Company and the Sublessees are herewith and hereby appointed the agents of the Agency to acquire, renovate and equip the Facility. The Company and the Sublessees are hereby empowered to delegate their respective status as agents of the Agency to their respective agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company and the Sublessees may choose in order to acquire, renovate and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company and the Sublessees as agents of the Agency solely for purposes of making sales or leases of goods, services and supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company and the Sublessees, as agents of the Agency, shall be deemed to be on behalf of the Agency and for the benefit of the Facility. This agency appointment expressly excludes the purchase by the Company or the Sublessees of any motor vehicles, including any cars, trucks, vans or buses which are licensed by the Department of Motor Vehicles for use on public highways or streets. The Company and the Sublessees shall indemnify the Agency with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company and the Sublessees, as agents of the Agency. The aforesaid appointment of the Company and the Sublessees as agents of the Agency to acquire, renovate and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, (b) a date which the Agency designates, or (c) the date on which the Company and the Sublessees have received exemptions from sales and use taxes in an amount not to exceed \$472,218.75, in connection with the purchase or lease of equipment, building materials, services or other personal property; provided however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company and/or the Sublessees, if such activities and improvements are not completed by such time. The aforesaid appointment of the Company and the Sublessees is subject to the execution of the documents contemplated by this resolution.

Section 7. The Company and the Sublessees are hereby notified that they will be required to comply with Section 875 of the Act. The Company and the Sublessees shall be required to agree to the terms of Section 875 pursuant to the Lease Agreement and the Agency Compliance Agreements. The Company and the Sublessees are further notified that the tax exemptions and abatements provided pursuant to the Act and the appointment of the Company and the Sublessees, as agents of the Agency pursuant to this Authorizing Resolution, are subject to termination and recapture of benefits pursuant to Sections 859-a and 875 of the Act and the recapture provisions of the Lease Agreement and the Agency Compliance Agreements.

Section 8. The form and substance of the Company Lease, the Lease Agreement, the Equipment Lease Agreements and the Agency Compliance Agreements (each in substantially the forms presented to or approved by the Agency and which, prior to the execution and delivery thereof, may be redated and renamed) are hereby approved

Section 9.

(a) The Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Company Lease, the Lease Agreement, the Equipment Lease Agreements, the Agency Compliance Agreements, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “**Agency Documents**”). The execution thereof by the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Vice Chairman, Executive Director, or any member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

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 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. 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 July 12, 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 is 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 12th day of July, 2022.

Assistant Secretary

EXHIBIT A

Proposed PILOT Benefits

Formula for In-Lieu-of-Taxes Payment: The Town of Islip (including any existing incorporated village and any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), Brentwood School District, Suffolk County and Appropriate Special Districts.

Property Address: 158 Candlewood Road, Bay Shore, New York

Tax Map No.: 0500-181.00-02.00-043.003

School District: Brentwood School District

Definitions

Normal Tax Due = Those payments for taxes and assessments, other than special ad valorem levies, special assessments and service charges against real property located in the Town of Islip, Brentwood School District, Suffolk County (including any existing incorporated village or any village which may be incorporated after the date thereof, within which the Facility is wholly or partially located) which are or may be imposed for special improvements or special district improvements, that the Company would pay without exemption.

10-year abatement starting at 50% of assessed value decreasing 5% annually

<u>Tax Year</u>	<u>Payment Formula</u>
1	100% Normal Tax Due on X and 50% Normal Tax Due on Y
2	100% Normal Tax Due on X and 55% Normal Tax Due on Y
3	100% Normal Tax Due on X and 60% Normal Tax Due on Y
4	100% Normal Tax Due on X and 65% Normal Tax Due on Y
5	100% Normal Tax Due on X and 70% Normal Tax Due on Y
6	100% Normal Tax Due on X and 75% Normal Tax Due on Y
7	100% Normal Tax Due on X and 80% Normal Tax Due on Y
8	100% Normal Tax Due on X and 85% Normal Tax Due on Y
9	100% Normal Tax Due on X and 90% Normal Tax Due on Y
10	100% Normal Tax Due on X and 95% Normal Tax Due on Y
11 and thereafter	100% Normal Tax Due on X and 100% Normal Tax Due on Y

**TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JULY 12, 2022**

AGENDA ITEM #8

**TYPE OF RESOLUTION: RESOLUTION TO AMEND THE
2020 AUTHORIZING RESOLUTION**

COMPANY: DURODYNE SPENCE, LLC.

**PROJECT LOCATION: 81 SPENCE STREET, BAY
SHORE**

**JOBS (RETAINED/CREATED): RETAINED - -
CREATE - -**

INVESTMENT: \$N/A

Date: July 12, 2022

At a meeting of the Town of Islip Industrial Development Agency (the “**Agency**”), held in public session on July 12, 2022, at 40 Nassau Avenue, Islip, New York 11751, at which meeting the following members were:

Present:

Absent:

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 the amendment of an authorizing resolution to a certain industrial development facility more particularly described below (Duro Dyne National Corp. 2022 Facility).

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

Voting Aye

Voting Nay

AMENDED RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING DURO DYNE NATIONAL CORP., A NEW YORK BUSINESS CORPORATION ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF DURO DYNE NATIONAL CORP. AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING, AS AGENT(S) OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, RENOVATING AND EQUIPPING THE FACILITY AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF 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 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 the acquisition of certain industrial development projects as authorized by the Act; 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, Duro Dyne Spence LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Duro Dyne Spence LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Original Company”) and Duro Dyne National Corp., a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Duro Dyne National Corp. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Sublessee”), previously submitted their Application for Financial Assistance, dated April 27, 2020 (the “Original Application”), to the Agency, to enter into a transaction in which the Agency will assist in the acquisition of an approximately 5.36 acre parcel of land located at 81 Spence Street Bay Shore, New York (the “Land”), and the renovation of an approximately 130,000 square foot building located thereon (the “Improvements”), and the acquisition and installation therein of certain equipment and personal property (the “Equipment”; and together with the Land and the Improvements, the “Facility”), which Facility is to be leased by the Agency to the Company and further subleased by the Company to the Sublessee to be used for manufacturing in its business of a manufacturer and distributor of HVAC products (the “Original Project”); and

WHEREAS, the Agency, by resolution duly adopted on June 16, 2020 (the “Original Authorizing Resolution”), authorized the acquisition, renovation and equipping of such facility and the execution and delivery of the Agency Documents (as defined therein); and

WHEREAS, subsequent to the Original Authorizing Resolution, the Sublessee submitted an amended Application for Financial Assistance, dated June 23, 2022 (the

“Amended Application”; and, together with the Original Application, the **“Application”**), to the Agency, which Amended Application reflected that (i) the Original Company would not be a part of the Project and that the Sublessee would now be the Company in connection with the Project, (ii) the estimated sales and use tax originally approved in the amount of \$40,561, was increased to \$46,602, due to an increased in the costs of the Project, and (iii) the Land is now owned by AG-MRA 81 Spence Street, LLC, a Delaware limited liability company (the **“Owner”**) and the Owner will lease the Facility to the Company for further subleasing by the Company to the Agency; and

WHEREAS, the Agency intends to amend its Original Authorizing Resolution in order to reflect (i) the amended description of the Project, and (ii) the increase in sales tax benefits up to \$46,602 to include the acquisition, renovation and equipping of the Facility; and

WHEREAS, in connection with such amendment to the Original Authorizing Resolution, the Original Project is now described as: Duro Dyne National Corp., a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Duro Dyne National Corp. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the **“Company”**), has requested the Agency, to enter into a transaction in which the Agency will assist in the acquisition of an approximately 5.36 acre parcel of land located at 81 Spence Street Bay Shore, New York (the **“Land”**), and the renovation of an approximately 130,000 square foot building located thereon (the **“Improvements”**), and the acquisition and installation therein of certain equipment and personal property (the **“Equipment”**); and together with the Land and the Improvements, the **“Facility”**), which Facility is to be sub-subleased by the Agency to the Company to be used for manufacturing in its business of a manufacturer and distributor of HVAC products (the **“Project”**); and

WHEREAS, the Owner will lease the Facility to the Company pursuant to a lease agreement, to be dated a date to be determined (the **“Ground Lease”**), between the Owner and the Company; and

WHEREAS, the Company will sublease the Facility to the Agency pursuant to the Company Lease Agreement, dated as of July 1, 2022, or such other date as may be determined by the Agency and counsel to the Agency (the **“Company Lease”**), between the Company and the Agency; and

WHEREAS, the Agency will sub-sublease the Facility to the Company pursuant to the Lease and Project Agreement, dated as of July 1, 2022, or such other date as may be determined by the Agency and counsel to the Agency (the **“Lease Agreement”**), between the Agency and the Company; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company, in the form of exemptions from sales and use taxes in an amount not to exceed \$46,602, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, all consistent with the policies of the Agency; 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 ratifies and confirms all terms contemplated under the Original Authorizing Resolution, as amended by this Amended Authorizing Resolution, including the Agency Documents (as defined therein); 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 leasing of the Facility by the Agency to the Company

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

Section 1. The Agency hereby amends the Original Authorizing Resolution to (i) amend the description of the Original Project, (ii) to reflect an increase in the amount of sales tax exemption, such that any reference to the sales tax exemption in the amount of \$40,561 therein is hereby amended to read \$46,602, and (iii) the Owner holds fee title to the Facility.

Section 2. Any expenses incurred by the Agency with respect to amendment of the Original Project shall be paid by the Company. The Company shall agree to pay such expenses and further agrees 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 amendment of the Original Project and the increase of sales and use tax benefits for the Facility.

Section 3. In connection with the Facility, the Agency hereby authorizes and approves the following benefits to be granted to the Company in connection with the acquisition, renovation and equipping of the Facility in the form of exemptions from sales and use taxes in an amount not to exceed \$46,602, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, consistent with the policies of the Agency.

Section 4. The Agency hereby ratifies and confirms all terms contemplated by the Original Authorizing Resolution, as amended by this Amended Authorizing Resolution, including the Agency Documents.

Section 5. 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 12th day of July, 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 (i) all members of the Agency had due notice of said meeting, pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), (ii) said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand as of July 12, 2022.

By: _____
Assistant Secretary

**TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JULY 12, 2022**

AGENDA ITEM #9

**TYPE OF RESOLUTION: RESOLUTION TO RELEASE
LAND**

**COMPANY: 55 PARADISE LANE REALTY, LLC 2019
FACILITY**

PROJECT LOCATION: 40 HAROLD CT, BAY SHORE

**JOBS (RETAINED/CREATED): RETAINED - -
CREATE - -**

INVESTMENT: \$N/A

Date: July 12, 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 12th day of July, 2022 the following members of the Agency were:

Present:

Absent:

Also Present:

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to take action on certain matters pertaining to the release of a certain parcel of land in connection with the Agency’s 55 Paradise Lane Realty LLC 2019 Facility, the execution and delivery of documents with respect thereto.

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

Voting Aye

Voting Nay

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE RELEASE OF A CERTAIN PARCEL OF LAND AND THE EXECUTION AND DELIVERY OF DOCUMENTS IN CONNECTION THEREWITH FOR THE 55 PARADISE LANE REALTY LLC 2019 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 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 the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, the Agency previously assisted 55 Paradise Lane Realty LLC, a New York limited liability company (the “**Company**”), in the acquisition of an approximately 10.75 acre parcel of land located at 40 Harold Court, Bay Shore, New York 11706 (the “**Land**”), the construction of an approximately 180,000 square foot building with an option to include an approximately 34,560 square foot mezzanine, for a total of up to 214,560 square feet of leasable space thereon (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and together with the Land and the Improvements, the “**Facility**”), which Facility will be leased by the Agency to the Company, and subleased by the Company to various future tenants (the “**Tenants**”), for use as warehouse and manufacturing space (the “**Project**”); and

WHEREAS, the Agency acquired a leasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of March 1, 2019 (the “**Original Company Lease**”), by and between the Company and the Agency, a memorandum of which was to be recorded in the Suffolk County Clerk’s office; and

WHEREAS, the Agency acquired title to the Equipment pursuant to a certain Bill of Sale, dated the Closing Date (as defined in the hereinafter defined Lease Agreement) (the “**Bill of Sale**”), from the Company to the Agency; and

WHEREAS, the Agency subleased and leased the Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of March 1, 2019 (the “**Original Lease Agreement**”), by and between the Agency and the Company, a memorandum of which was to be recorded in the Suffolk County Clerk’s office; and

WHEREAS, pursuant to Section 5.1(c) of the Original Lease Agreement, the Company was required to make PILOT Payments (as such term is defined therein) on the Facility commencing with the 2020/2021 Tax Year; and

WHEREAS, the Company previously requested the Agency's consent to the delay of the commencement of PILOT Payments on the Facility until the 2022/2023 Tax Year (the "**PILOT Commencement Delay**"); and

WHEREAS, the Agency will consented to the PILOT Commencement Delay and the Original Lease Agreement will be amended pursuant to a certain Amendment of Lease and Project Agreement, dated as of December 29, 2020 (the "**Lease Amendment**"), by and between the Agency and the Company; and

WHEREAS, RG 55 Paradise LLC, a limited liability company organized and existing under the laws of the State of Delaware (the "**Assignee**"), thereafter requested the Agency's consent to the assignment by the Company of all of its rights, title, interest and obligations under the Company Lease, the Lease Agreement and certain other agreements in connection with the Facility to, and the assumption by, the Assignee of all of such rights, title, interest and obligations of the Company, and the release of the Company from any further liability with respect to the Facility subject to certain requirements of the Agency, all pursuant to the terms of an Assignment, Assumption and Amendment Agreement, dated as of December 1, 2020 (the "**Assignment, Assumption and Amendment Agreement**"), by and among the Agency, the Company and the Assignee; and

WHEREAS, the Original Company Lease was assigned by the Company and assumed by the Assignee, pursuant to a certain Assignment and Assumption of Company Lease Agreement, dated as of December 1, 2020 (the "**Assignment of Company Lease Agreement**"), and together with the Original Company Lease and the Assignment, Assumption, and Amendment Agreement, the "**Company Lease**"), by and between the Company and the Assignee and consented to by the Agency; and

WHEREAS, the Original Lease Agreement was assigned by the Company and assumed by the Assignee, pursuant to a certain Assignment and Assumption of Lease Agreement, as of December 1, 2020 (the "**Assignment of Lease Agreement**"), and together with the Original Lease Agreement and the Assignment, the Amendment Agreement, and the Assignment, Assumption, and Amendment Agreement, the "**Lease Agreement**"), by and between the Company and the Assignee, and consented to by the Agency; and

WHEREAS, the Town of Islip (the "**Town**"), is requesting that the Assignee dedicate a small portion of the Land by conveying title to such portion to the Town for the improvement of a Town road; and

WHEREAS, in connection with such dedication, the Assignee has now requested that the Agency consent to the release a portion of the Land from the Facility (the "**Released Property**"); and

WHEREAS, in connection with such Released Property, the Agency and the Assignee agree to modify the description of the Land conveyed by the Company Lease and the Lease Agreement; and

WHEREAS, it is the intent of the parties hereto to amend the definition of the Facility in the Company Lease and the Lease Agreement to exclude the Released Property therefrom pursuant to a certain Amendment and Modification Agreement, to be dated as of July 1, 2022, or such other date as may be approved by the Chair, the Executive Director of the Agency and counsel to the Agency (the “**Amendment and Modification Agreement**”); and

WHEREAS, the Assignee 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 release of the Released Property from 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; and

(b) The Facility constitutes a “project”, as such term is defined in the Act; and

(c) The acquisition, demolition, construction, equipping and operation of the Facility by the Assignee will continue to promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Islip and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(d) The Amendment and Modification Agreement will be an effective instrument whereby the Agency provides for the release of the Released Property from the Company Lease and the Lease Agreement.

Section 2. In consequence of the foregoing, the Agency hereby determines to execute and deliver the Amendment and Modification Agreement and any other documents required to release the Released Property from the Facility.

Section 3. The form and substance of the Amendment and Modification Agreement (in substantially the form presented to the Agency or in such form as the Chair, the Executive Director, counsel to the Agency or any member of the Agency shall approve, and which, prior to the execution and delivery thereof, may be redated) is hereby approved.

Section 4. The Chair, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Amendment and Modification Agreement and any other documents required to release the Released Property from the Facility in substantially the form presented to this meeting or in such forms as the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and counsel to the Agency,

necessary or appropriate to effect the transactions contemplated by this resolution (collectively, the “**Agency Documents**”). The execution thereof by the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency shall constitute conclusive evidence of such approval.

Section 8. 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 9. 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 July 12, 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 is 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 12th day of July, 2022.

Assistant Secretary

**TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JULY 12, 2022**

AGENDA ITEM #10

**TYPE OF RESOLUTION: RESOLUTION TO APPROVE AN
ASSIGNMENT OF AN IDA TRANSACTION**

**COMPANY: VMH PROPERTIES, LLC/WHITSON'S
FOOD SERVICE (BRONX) CORP 2020 FACILITY**

**PROJECT LOCATION: 3300 VETERANS MEMORIAL
HWY, BOHEMIA**

**JOBS (RETAINED/CREATED): RETAINED - -
CREATE - -**

INVESTMENT: \$N/A

Date: July 12, 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 12th day of July, 2022, the following members of the Agency were:

Present:

Absent:

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 the assignment and assumption of the Agency’s VMH Properties, LLC/Whitsons Food Service (Bronx) Corp. 2020 Facility, the execution and delivery of documents with respect thereto and the sale of the Facility to Sterling Investors Holdings LLC.

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

Voting Aye

Voting Nay

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ASSIGNMENT AND ASSUMPTION OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY TO STERLING INVESTORS HOLDINGS LLC, A DELAWARE LIMITED LIABILITY COMPANY OR ANOTHER ENTITY FORMED OR TO BE FORMED BY STERLING INVESTORS HOLDINGS LLC, OR THE PRINCIPALS THEREOF AS AGENT(S) OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, THE FACILITY AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF 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 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 the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, the Agency has previously provided its assistance to VMH Properties, LLC, a limited liability company organized and existing under the laws of the State of New York (the “**Original Company**”), in connection with the acquisition of an approximately 6.4 acre parcel of land located at 3300 Veterans Memorial Highway, Bohemia, New York (the “**Land**”), the renovation of an approximately 43,600 square foot building located on the Land (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and together with the Land and the Improvements, the “**Facility**”), which Facility is leased by the Agency to the Company and subleased, in part, by the Original Company to Whitsons Food Service (Bronx) Corp., a New York business corporation (the “**Sublessee**”), and is used by the Original Company and the Sublessee for administrative offices and warehousing of packaged food products for distribution (the “**Project**”); and

WHEREAS, the Original Company leased the Land and the Improvements to the Agency pursuant to the terms of a certain Company Lease Agreement, dated as of December 1, 2020 (the “**Original Company Lease**”), by and between the Original Company and the Agency; and

WHEREAS, the Original Company transferred title to the Facility Equipment to the Agency pursuant to a certain Bill of Sale, dated December 1, 2020 (the “**Bill of Sale**”); and

WHEREAS, the Agency is currently subleasing and leasing the Company Facility to the Original Company, pursuant to a Lease and Project Agreement, dated as of December 1, 2020 (the “**Original Lease Agreement**”); and

WHEREAS, the Original Company sub-subleased a portion of the Facility pursuant to the terms of a certain Sublease Agreement, dated December 1, 2020 (the “**Sublease**

Agreement”), by and between the Original Company, as sublessor, and the Sublessee, as sublessee; and

WHEREAS, Sterling Investors Holdings LLC, a limited liability company organized under the laws of the State of Delaware and authorized to transact business in the State of New York (the “**Assignee**”) has requested the Agency’s consent to the assignment by the Original Company of all of its rights, title, interest and obligations under the Original Company Lease, the Original Lease Agreement and certain other agreements in connection with the Facility to, and the assumption by, the 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, all pursuant to the terms of an Assignment, Assumption and Amendment Agreement, to be dated as of July 1, 2022, or such other date as may be determined by the Chairman, Executive Director and counsel to the Agency (the “**Assignment, Assumption and Amendment Agreement**”), by and among the Agency, the Original Company and the Assignee; and

WHEREAS, the Original Company Lease will be assigned by the Original Company and assumed by the Assignee, pursuant to a certain Assignment and Assumption of Company Lease Agreement, to be dated as of July 1, 2022, or such other date as may be determined by the Chairman, Executive Director and counsel to the Agency (the “**Assignment of Company Lease Agreement**”), by and between the Original Company and the Assignee and consented to by the Agency; and

WHEREAS, the Original Lease Agreement will be assigned by the Original Company and assumed by the Assignee, pursuant to a certain Assignment and Assumption of Lease Agreement, to be dated as of July 1, 2022, or such other date as may be determined by the Chairman, Executive Director and counsel to the Agency (the “**Assignment of Lease Agreement**”), by and between the Original Company and the Assignee, and consented to by the Agency; and

WHEREAS, the Agency and the Assignee will enter into such other documents upon advice of counsel, in both form and substance, as may be reasonably required to effectuate the assignment and assumption of the Facility (together with the Assignment, Assumption and Amendment Agreement, the Assignment of Company Lease Agreement and the Assignment of Lease Agreement, collectively, the “**Assignment Documents**”); and

WHEREAS, pursuant to Section 9.3 of the Original Lease Agreement, the Facility may be assigned, in whole or in part, with the prior written consent of the Agency; 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 continued abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof), all consistent with the policies of the Agency; and

WHEREAS, the Original Company and the Assignee have agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the sublease 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; and

(b) The Facility constitutes a “project”, as such term is defined in the Act; and

(c) The leasing of the Facility to the Assignee 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; and

(d) The leasing of the Facility is reasonably necessary to induce the Assignee to maintain and expand its business operations in the State of New York; and

(e) Based upon representations of the Assignee and counsel to the Assignee, the Facility conforms with the local zoning laws and planning regulations of the Town of Islip, Suffolk County and all regional and local land use plans for the area in which the Facility is located; and

(f) It is desirable and in the public interest for the Agency to lease the Facility to the Assignee; and

(g) It is desirable and in the public interest for the Agency to consent to the transfer of the interest in the Facility from the Original Company to the Assignee; and

(h) The Assignment Documents to which the Agency is a party will be effective instruments whereby the Agency, the Assignee and the Original Company will effectuate the assignment and assumption of the Facility; and

Section 11. The Agency has assessed all material information included in connection with the Assignee’s application for financial assistance, including but not limited to, the cost-benefit analysis prepared by the Agency and such information has provided the Agency a reasonable basis for its decision to provide the financial assistance described herein to the Assignee.

Section 12. In consequence of the foregoing, the Agency hereby determines to: (i) consent to the assignment and assumption of the Facility from the Original Company to and by the Assignee pursuant to the Assignment, Assumption and Amendment Agreement, (ii) execute, deliver and perform the Assignment, Assumption and Amendment Agreement, (iii)

consent to the assignment of the Original Company Lease pursuant to the Assignment of Company Lease; (iv) execute, deliver and perform the Assignment of Company Lease; (v) consent to the assignment and assumption of the Original Lease Agreement pursuant to the Assignment of Lease Agreement; (vi) execute, deliver and perform the Assignment of Lease Agreement; and (vii) execute and deliver the other Assignment Documents.

Section 13. The Agency is hereby authorized to consent to the assignment and assumption of the Facility by the Assignee and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such assignment and assumption are hereby approved, ratified and confirmed.

Section 14. The Agency hereby authorizes and approves the following economic benefits to be granted to the Assignee in connection with the acquisition of the Facility in the form of the continued abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof).

Section 15. The Assignee is hereby notified that it will be required to comply with Section 875 of the Act. The Assignee shall be required to agree to the terms of Section 875 pursuant to the Lease Agreement. The Assignee is further notified that the continued abatements provided pursuant to the Act are subject to termination and recapture of benefits pursuant to Sections 859-a and 875 of the Act and the recapture provisions of the Original Lease Agreement, as assigned.

Section 7. The form and substance of the Assignment, Assumption and Amendment Agreement and the other Assignment Documents, to which the Agency is a party (each in substantially the forms presented to or approved by the Agency and which, prior to the execution and delivery thereof, may be redated and renamed) are hereby approved.

Section 8.

(a) The Chairman, Vice Chairman, Executive Director or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Assignment, Assumption and Amendment Agreement and the other Assignment Documents to which the Agency is a party, in the form the Chairman, Vice Chairman, Executive Director, or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman, Vice Chairman, Executive Director, or any member and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “**Agency Documents**”). The execution thereof by Chairman, Vice Chairman, Executive Director, or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Vice Chairman, Executive Director or any member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Original Lease Agreement).

Section 9. 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 10. This resolution shall take effect immediately.

EXHIBIT A

PILOT Schedule

Formula of PILOT Payments: Town of Islip (including any existing incorporated village and any village which may be incorporated after the date thereof, within which the facility is wholly or partially located), Connetquot School District, Suffolk County and Appropriate Special Districts:

Normal Tax Due = Those payments for taxes and assessments, and other special ad valorem levies, special assessments and service charges against real property located in the Town of Islip (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located) which are or may be imposed for special improvements or special district improvements, that the Company would pay without exemption.

<u>Tax Year</u>	<u>PILOT Payments</u>
2021/2022	50% Normal Tax Due on the taxable assessed value
2022/2023	55% Normal Tax Due on the taxable assessed value
2023/2024	60% Normal Tax Due on the taxable assessed value
2024/2025	65% Normal Tax Due on the taxable assessed value
2025/2026	70% Normal Tax Due on the taxable assessed value
2026/2027	75% Normal Tax Due on the taxable assessed value
2027/2028	80% Normal Tax Due on the taxable assessed value
2028/2029	85% Normal Tax Due on the taxable assessed value
2029/2030	90% Normal Tax Due on the taxable assessed value
2030/2031	95% Normal Tax Due on the taxable assessed value
And thereafter: 100% Normal Tax Due on the full taxable assessed value	

PILOT Payments shall be allocated among the Taxing Authorities in proportion to the amount of real property tax and other taxes which would have been received by each Taxing Authority if the Facility was owned by the Company exclusive of the Agency's leasehold interest.

All annual PILOT Payments as described above shall be payable in two equal semi-annual installments on or prior to January 10 and May 31 of each year of the Lease Term or on such other due dates as may be established from time to time during the Lease Term.