



MEETING OF THE TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY

May 10, 2022

Meeting Minutes

1. Call the meeting of the Town of Islip Industrial Development Agency to order. On a motion by Chairwoman Angie M. Carpenter and seconded by Councilman James P. O'Connor, motion approved 5-0.
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 **April 5, 2022**. On a motion by Councilman John C. Cochrane Jr., and seconded by Councilman Jorge Guadron, motion approved 5-0.
3. To consider the adoption of an Amended Inducement Resolution between the Town of Islip Industrial Development Agency and **Venture One Development Services, LLC**. Located at 2950 Veterans Memorial Highway, Bohemia. (0500-14600-0100-001000). On a motion by Councilman James P. O'Connor and seconded by Councilman Jorge Guadron, motion approved 5-0.
4. To consider the adoption of an Inducement resolution between the Town of Islip Industrial Development Agency **Tekweld Solutions Inc**. Located at 85 Nikon Court, Hauppauge. (0500-02400-0100-013001). On a motion by Councilman John C. Cochrane Jr., and seconded by Councilwoman Mary Kate Mullen, said motion approved 5-0.
5. To consider the adoption of a Resolution between the Town of Islip Industrial Development Agency and **45 Rabro Solutions, LLC/Tekweld Solutions, Inc.**, to agreeing to amend the PILOT Agreement. Located at 45 Rabro Drive, Hauppauge. (0500-02300-0200-014000). On a motion by Councilman James O'Connor and seconded by Councilwoman Mary Kate Mullen, said motion approved 5-0.
6. To consider the adoption of an Authorizing Resolution between the Town of Islip Industrial Development Agency and **Courthouse Corporate Center** to approve an Assignment. Located at 320 Carleton Avenue, Central Islip. (0500-18710-0100-004002). 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 a Resolution Agreement between the Town of Islip Industrial Development Agency and **Advanced Supplements** requesting a consent change control of operating company (replacing the existing sole member with a new sole member). Located at 131 Heartland Blvd, Edgewood. (0500-13400-0500-001000). On a motion by Councilwoman Mary Kate Mullen and seconded by Councilman Jorge Guadron, said motion approved 5-0.
8. To consider any other business to come before the Agency, there being none the meeting closed on a motion by Councilman James P. O'Connor and seconded by Councilman John C. Cochrane Jr.

**TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JUNE 14, 2022**

AGENDA ITEM #3

TYPE OF RESOLUTION: INDUCEMENT RESOLUTION

COMPANY: PENNSYLVANIA STEEL COMPANY

PROJECT LOCATION: 10 RANICK ROAD, HAUPPAUGE

**JOBS (RETAINED/CREATED): RETAINED - 36 -
CREATE - 07 -**

INVESTMENT: \$13,300,000.00

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING JBD II ASSOCIATES, LLC, A NEW YORK LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF JBD II ASSOCIATES, LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AND PENNSYLVANIA STEEL COMPANY NEW YORK, INC., A NEW YORK BUSINESS CORPORATION, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF PENNSYLVANIA STEEL COMPANY NEW YORK, INC. 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 MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY.

WHEREAS, Pennsylvania Steel Company New York, 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 Pennsylvania Steel Company New York, Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Applicant**” and “**Sublessee**”) has applied to the Town of Islip Industrial Development Agency (the “**Agency**”), for the Agency’s assistance in (a) the acquisition of an approximately 3.35 acre parcel of land located at 10 Ranick Road, Hauppauge, New York (the “**Land**”), the renovation and equipping of an approximately 40,000 square foot portion of the approximately 60,000 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**”), which Company Facility is to be leased and subleased by the Agency to JBD II Associates, 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 JBD II Associates, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”) and further subleased by the Company to the Sublessee; and (b) the acquisition and installation of certain equipment and personal property, including but not limited to, overhead cranes, racking, and saws (collectively, the “**Equipment**” and, together with the Company Facility, the “**Facility**”), which Equipment is to be leased by the Agency to the Sublessee and which Facility is to be used by Sublessee in its business as a metals service center for warehousing, distribution, saw-cut and delivery of various types of steel and aluminum in bars, tubes and sheets and plates to the manufacturing community (collectively, the “**Project**”); and

WHEREAS, the Agency will acquire a leasehold interest in the Land and the Improvements and title to the Facility Equipment and the Equipment, will sublease and lease the Company Facility to the Company for further sublease to the Sublessee, and will lease the Equipment to the Sublessee, 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 and the Sublessee 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, 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 prepared a cost/benefit analysis with respect to the proposed 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 will be annexed hereto as Exhibit B; and

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

WHEREAS, the Company and the Sublessee will agree 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 and the Sublessee; 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 and Sublessee have 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.

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 and the Sublessee regarding the Facility, the Agency determines that the action relating to the acquisition, renovation, equipping, and operation of the Facility is a Type II action, as that term is defined in the SEQR Act, and no further SEQR review is required.

Section 2. The acquisition, renovation and equipping of the Facility by the Agency, the subleasing and leasing of the Company Facility to the Company for further subleasing to the Sublessee, the leasing of the Equipment to the Sublessee, 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 3. Subject to the provisions of this resolution, the Agency shall (i) acquire, renovate and equip the Facility; (ii) lease and sublease the Company Facility to the Company for further sublease to the Sublessee; and (iii) lease the Equipment to the Sublessee.

Section 4. The Company and the Sublessee are hereby notified that they 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 Sublessee shall be required to agree to the terms of Section 875 pursuant to the Agency Compliance Agreement, dated a date to be determined (the “**Agency Compliance Agreement**”), by and between the Sublessee and the Agency. The Company and the Sublessee are further notified that the tax exemptions and abatements provided pursuant to the Act and the appointment of the Company and the Sublessee as agents 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 and the Agency Compliance 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 transfer of the real estate 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 the Sublessee, 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 and the Sublessee. The Company and the Sublessee 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 June 14, 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 June 14, 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 June, 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:

Pennsylvania Steel Company New York, 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 Pennsylvania Steel Company New York, Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Applicant**” and “**Sublessee**”) has applied to the Town of Islip Industrial Development Agency (the “**Agency**”), for the Agency’s assistance in (a) the acquisition of an approximately 3.35 acre parcel of land located at 10 Ranick Road, Hauppauge, New York (the “**Land**”), the renovation and equipping of an approximately 40,000 square foot portion of the approximately 60,000 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**”), which Company Facility is to be leased and subleased by the Agency to JBD II Associates, 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 JBD II Associates, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”) and further subleased by the Company to the Sublessee; and (b) the acquisition and installation of certain equipment and personal property, including but not limited to, overhead cranes, racking, and saws (collectively, the “**Equipment**” and, together with the Company Facility, the “**Facility**”), which Equipment is to be leased by the Agency to the Sublessee and which Facility is to be used by Sublessee in its business as a metals service center for warehousing, distribution, saw-cut and delivery of various types of steel and aluminum in bars, tubes and sheets and plates to the manufacturing community (collectively, the “**Project**”). The Facility will initially be owned by the Company, and operated and/or managed by the Sublessee.

The Agency will acquire a leasehold interest in the Land and the Improvements and title to the Facility Equipment and the Equipment, will sublease and lease the Company Facility to the Company for further sublease to the Sublessee, and will lease the Equipment to the Sublessee. The Agency contemplates that it will provide financial assistance to the Company and the Sublessee 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.

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 and the Sublessee 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 and the Sublessee with the Agency and an analysis of the costs and benefits of the proposed Facility.

Dated: June __, 2022

TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY

By: John G. Walser
Title: Executive Director

EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON
JUNE __, 2022

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
(PENNSYLVANIA STEEL COMPANY NEW YORK, INC. 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:

Pennsylvania Steel Company New York, 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 Pennsylvania Steel Company New York, Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Applicant**” and “**Sublessee**”) has applied to the Town of Islip Industrial Development Agency (the “**Agency**”), for the Agency’s assistance in (a) the acquisition of an approximately 3.35 acre parcel of land located at 10 Ranick Road, Hauppauge, New York (the “**Land**”), the renovation and equipping of an approximately 40,000 square foot portion of the approximately 60,000 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**”), which Company Facility is to be leased and subleased by the Agency to JBD II Associates, 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 JBD II Associates, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”) and further subleased by the Company to the Sublessee; and (b) the acquisition and installation of certain equipment and personal property, including but not limited to, overhead cranes, racking, and saws (collectively, the “**Equipment**” and, together with the Company Facility, the “**Facility**”), which Equipment is to be leased by the Agency to the Sublessee and which Facility is to be used by Sublessee in its business as a metals service center for warehousing, distribution, saw-cut and delivery of various types of steel and aluminum in bars, tubes and sheets and plates to the manufacturing community (collectively, the “**Project**”). The Facility will initially be owned by the Company, and operated and/or managed by the Sublessee.

The Agency will acquire a leasehold interest in the Land and the Improvements and title to the Facility Equipment and the Equipment, will sublease and lease the Company Facility to the Company for further sublease to the Sublessee, and will lease the Equipment to the Sublessee. The Agency contemplates that it will provide financial assistance to the Company and the Sublessee 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.

**TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JUNE 14, 2022**

AGENDA ITEM #4

TYPE OF RESOLUTION: INDUCEMENT RESOLUTION

**COMPANY: 22-50 JACKSON AVE ASSOCIATES.
L.P./PILGRIM EAST, L.P.**

PROJECT LOCATION: N/A

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

INVESTMENT: \$N/A

Date: June 14, 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 14th day of June, 2022, the following members of the Agency were:

Present:

Absent:

Also Present:

After the meeting had been duly called to order, the Chair 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)

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 TAKING OFFICIAL ACTION TOWARDS THE MODIFICATION AND EXTENSION OF THE PILOT BENEFITS OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY FOR 22-50 JACKSON AVENUE ASSOCIATES L.P. 2002B FACILITY AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY

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, 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; and

WHEREAS, 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; and

WHEREAS, 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; and

WHEREAS, 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**"); and

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

WHEREAS, the Agency proposes to provide financial assistance to the Company in the form of the extension and amendment of current abatements of real property taxes; 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 prepared a new PILOT schedule and cost/benefit analysis with respect to the proposed 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 will be annexed hereto as Exhibit B; and

WHEREAS, the Agency has given due consideration to the request 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 Company will agree to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the continued leasing of the Facility by the Agency to the Company; 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 Resolution No. 42, dated November 18, 2014, issued by the Islip Town Board (the “SEQR Resolution”), and the SEQR Findings Statement, dated November 14, 2014, issued by the Islip Town Board (the “SEQR Findings Statement”) with respect to the Facility, copies of which are on file at the office of the Agency; and

WHEREAS, the Agency constitutes an “Involved Agency” (as defined in SEQR); and

WHEREAS, pursuant to the SEQR Resolution, the Lead Agency determined that the Action in connection with the Facility (the “Action”), is a Type 1 Action for SEQR purposes; and

WHEREAS, the Town of Islip Town Board (the “Lead Agency”), reviewed the Facility as Lead Agency, and, following coordinated review, determined that the Facility would have a significant impact on the environment and required the Company to prepare the Generic Environmental Impact Statement (“GEIS”), dated April 24, 2014.

WHEREAS, the Lead Agency reviewed the GEIS, determined that the environmental impacts of the Facility will be mitigated to the maximum extent practicable, and adopted the SEQR Findings Statement, pursuant to the provisions of SEQR; and

WHEREAS, that determination constitutes a SEQR determination for purposes of SEQR and such SEQR determination by the Lead Agency is binding on the Agency; and

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) Based upon representations of the Company, and its counsel, the Facility and 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.

Section 2. Based upon the GEIS and other representations and information furnished regarding the Facility, the Lead Agency determined that the environmental impacts of the Facility will be mitigated to the maximum extent possible and adopted the SEQR

Findings Statement. That determination constitutes a SEQR determination for purposes of SEQR, which is binding on the Agency. The Agency concurs in the determination of the Lead Agency that the changes proposed to the Facility are consistent with the Lead Agency's SEQR determination, which remains binding on the Agency.

Section 3. The continued leasing of the Facility by the Agency 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. 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 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 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 transfer of the real estate described in the foregoing resolution.

Section 6. The Chair, 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 agrees 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.

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 June, 2022, at __:__ 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: June __, 2022

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT
AGENCY

By: John G. Walser
Title: Executive Director

EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON
JUNE [], 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 June [], 2022, at __:__ 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 June __, 2022.

Assistant Secretary

TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JUNE 14, 2022

AGENDA ITEM #5

TYPE OF RESOLUTION: INDUCEMENT RESOLUTION

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

PROJECT LOCATION: N/A

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

INVESTMENT: \$N/A

Date: June 14, 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 14th day of June, 2022, the following members of the Agency were:

Present:

Absent:

Also Present:

After the meeting had been duly called to order, the Chair 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)

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 TAKING OFFICIAL ACTION TOWARDS THE MODIFICATION AND EXTENSION OF THE PILOT BENEFITS OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY FOR PILGRIM EAST L.P. 2002A FACILITY AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY

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 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; and

WHEREAS, 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; and

WHEREAS, 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; and

WHEREAS, 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**”); and

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

WHEREAS, the Agency proposes to provide financial assistance to the Company in the form of the extension and amendment of current abatements of real property taxes; 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 prepared a new PILOT schedule and cost/benefit analysis with respect to the proposed 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 will be annexed hereto as Exhibit B; and

WHEREAS, the Agency has given due consideration to the request 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 Company will agree to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the continued leasing of the Facility by the Agency to the Company; 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 submitted to the Agency Resolution No. 42, dated November 18, 2014, issued by the Islip Town Board (the “**SEQR Resolution**”), and the SEQR Findings Statement, dated November 14, 2014, issued by the Islip Town Board (the “**SEQR Findings Statement**”) with respect to the Facility, copies of which are on file at the office of the Agency; and

WHEREAS, the Agency constitutes an “Involved Agency” (as defined in SEQR); and

WHEREAS, pursuant to the SEQR Resolution, the Lead Agency determined that the Action in connection with the Facility (the “**Action**”), is a Type 1 Action for SEQR purposes; and

WHEREAS, the Town of Islip Town Board (the “**Lead Agency**”), reviewed the Facility as Lead Agency, and, following coordinated review, determined that the Facility would have a significant impact on the environment and required the Company to prepare the Generic Environmental Impact Statement (“**GEIS**”), dated April 24, 2014.

WHEREAS, the Lead Agency reviewed the GEIS, determined that the environmental impacts of the Facility will be mitigated to the maximum extent practicable, and adopted the SEQR Findings Statement, pursuant to the provisions of SEQR; and

WHEREAS, that determination constitutes a SEQR determination for purposes of SEQR and such SEQR determination by the Lead Agency is binding on the Agency; and

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) Based upon representations of the Company, and its counsel, the Facility and 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.

Section 2. Based upon the GEIS and other representations and information furnished regarding the Facility, the Lead Agency determined that the environmental impacts of the Facility will be mitigated to the maximum extent possible and adopted the SEQR Findings Statement. That determination constitutes a SEQR determination for purposes of SEQR, which is binding on the Agency. The Agency concurs in the determination of the

Lead Agency that the changes proposed to the Facility are consistent with the Lead Agency's SEQR determination, which remains binding on the Agency.

Section 3. The continued leasing of the Facility by the Agency 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. 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 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 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 transfer of the real estate described in the foregoing resolution.

Section 6. The Chair, 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 agrees 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.

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 June, 2022, at __:__ 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: June __, 2022

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT
AGENCY

By: John G. Walser
Title: Executive Director

EXHIBIT B
MINUTES OF PUBLIC HEARING HELD ON
JUNE [], 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.

**TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JUNE 14, 2022**

AGENDA ITEM #6

TYPE OF RESOLUTION: INDUCEMENT RESOLUTION

COMPANY: RG158 CANDLEWOOD, LLC.

**PROJECT LOCATION: 158 CANDLEWOOD DR. BAY
SHORE**

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

INVESTMENT: \$5,475,000.00

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING 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 THE FACILITY AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY.

WHEREAS, RG 158 Candlewood LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, 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 Town of Islip Industrial Development Agency (the “**Agency**”), for the Agency’s assistance in (a) the acquisition of an approximately 13.15 acre parcel of land located at 158 Candlewood Road, Bay Shore, New York 11706 (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 will acquire a leasehold interest in the Land and the Improvements and title to the Facility Equipment and the Equipment, will sublease and lease the Company Facility to the Company for further sublease to each Sublessee, and will lease the Equipment to each Sublessee, 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 and the Sublessees in connection with the Facility, consistent with the policies of the Agency, in the form of exemptions from sales and use taxes and abatement of real property taxes, 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 prepared a cost/benefit analysis with respect to the proposed 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 will be annexed hereto as Exhibit B; and

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

WHEREAS, the Company and the Sublessees will agree 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 and the Sublessees; 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 and Sublessees have 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.

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 and the Sublessees regarding the Facility, the Agency determines that the action relating to the acquisition, renovation, equipping, and operation of the Facility is a Type II action, as that term is defined in the SEQR Act, and no further SEQR review is required.

Section 2. The acquisition, renovation and equipping of the Facility by the Agency, the subleasing and leasing of the Company Facility to the Company for further subleasing to the Sublessees, the leasing of the Equipment to the Sublessee, 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 3. Subject to the provisions of this resolution, the Agency shall (i) acquire, renovate and equip the Facility; (ii) lease and sublease the Company Facility to the Company for further sublease to the Sublessees; and (iii) lease the Equipment to the Sublessees.

Section 4. The Company and the Sublessees are hereby notified that they 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 Sublessees shall be required to agree to the terms of Section 875 pursuant to the respective Agency Compliance Agreements, dated a date to be determined (the “Agency Compliance Agreement”), by and between each Sublessee and the Agency. 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 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 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 transfer of the real estate described in the foregoing resolution.

Section 6. The Chair, 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 the Sublessees, 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 and the Sublessees. The Company and the Sublessees 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 June 14, 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 June 14, 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 June, 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:

RG 158 Candlewood LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, 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 Town of Islip Industrial Development Agency (the "**Agency**"), for the Agency's assistance in (a) the acquisition of an approximately 13.15 acre parcel of land located at 158 Candlewood Road, Bay Shore, New York 11706 (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**"); The Facility will initially be owned by the Company, the CNG Premises will be operated and/or managed by CNG and the Duro Dyne Premises will be operated and/or managed by Duro Dyne.

The Agency will acquire a leasehold interest in the Land and the Improvements and title to the Facility Equipment and the Equipment, will sublease and lease the Company Facility to the Company for further sublease to each Sublessee, and will lease the Equipment to the Sublessees. The Agency contemplates that it will provide financial assistance to the Company

and the Sublessees 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 and the Sublessees 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 and the Sublessees with the Agency and an analysis of the costs and benefits of the proposed Facility.

Dated: June __, 2022

TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY

By: John G. Walser
Title: Executive Director

EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON
JUNE __, 2022

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
(CENTRAL NATIONAL-GOTTESMAN INC. 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:

RG 158 Candlewood LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, 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 Town of Islip Industrial Development Agency (the “**Agency**”), for the Agency’s assistance in (a) the acquisition of an approximately 13.15 acre parcel of land located at 158 Candlewood Road, Bay Shore, New York 11706 (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**”); The Facility will initially be owned by the Company, the CNG Premises will be operated and/or managed by CNG and the Duro Dyne Premises will be operated and/or managed by Duro Dyne.

The Agency will acquire a leasehold interest in the Land and the Improvements and title to the Facility Equipment and the Equipment, will sublease and lease the Company Facility to the Company for further sublease to each Sublessee, and will lease the Equipment to the Sublessees. The Agency contemplates that it will provide financial assistance to the Company and the Sublessees 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. The Agency will acquire a leasehold interest in the Land and the Improvements and title to the Facility Equipment and the Equipment, will sublease and lease the Company Facility to the Company for further sublease to the Sublessee, and will lease the Equipment to the Sublessee. The Agency contemplates that it will provide financial assistance to the Company and the Sublessee 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 June __, 2022, at __ a.m., local time, at Town of Islip, Offices of Economic Development, 40 Nassau Avenue, Islip, New York 11751, 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 June __, 2022.

Assistant Secretary

TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JUNE 14, 2022

AGENDA ITEM #7

TYPE OF RESOLUTION: TEKWELD SOLUTION, INC.

COMPANY: TEKWELD SOLUTIONS, INC.

PROJECT LOCATION: 85 NICON COURT, HAUPPAUGE

JOBS (RETAINED/CREATED): RETAINED - 242 -
CREATE - 95 -

INVESTMENT: \$750,000.00

Date: June 14, 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 14th day of June, 2022 the following members of the Agency were:

Present

Excused Absence:

Also Present

After the meeting had been duly called to order, the Chair 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 (Tekweld Solutions, Inc. 2022 Facility) and the leasing of the facility to Tekweld Solutions, Inc.

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 TEKWELD SOLUTIONS, INC., A NEW YORK BUSINESS CORPORATION, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF TEKWELD SOLUTIONS, INC. AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS AGENT 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, Tekweld Solutions, Inc., a New York business corporation, on behalf of itself and/or the principals of Tekweld Solutions, Inc. 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 6.1 acre parcel of land located at 85 Nikon Court, Hauppauge, New York 11788 (the “**Land**”), the renovation and equipping thereon of two buildings totaling approximately 166,000 square feet (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property including but not limited to racking, construction materials, furniture, fixtures and equipment (the “**Equipment**”; and together with the Land and the Improvements, the “**Facility**”), which Facility will be leased by the Agency to the Company for use as office, manufacturing and warehouse space for the distribution of promotional products (the “**Project**”); and

WHEREAS, the Agency, by resolution duly adopted on May 10, 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 June 1, 2022, or such other date as the Chair 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 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 Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of June 1, 2022, or such other date as the Chair 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 Company may lease all or part of the Facility to its affiliate, Promotional Solutions, Inc. (“**Promotional Solutions**”), for its use in its business as a manufacturer of displays, packaging, and gift items; and

WHEREAS, as a condition of the Agency’s consent to Promotional Solutions leasing all or part of the Facility, the Agency and Promotional Solutions shall enter into a Tenant Agency Compliance Agreement (the “**Tenant Agency Compliance Agreement**”), dated as of June 1, 2022 or such other date as the Chair or Executive Director of the Agency and counsel to the Agency shall agree; and

WHEREAS, the Facility is intended to function as a part of a campus together with a facility located at 45 Rabro Drive, Hauppauge, New York 11788 (the “**45 Rabro Facility**”), which 45 Rabro Facility, which is currently operated by the Company and is subject to a separate Company Lease Agreement and Lease Agreement by and between the 45 Rabro Solutions, LLC and 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: (i) exemptions from sales and use taxes in an amount not to exceed \$47,437.50, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility and the 45 Rabro 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, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed transaction is necessary to maintain the competitive position of the Company in its industry; 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 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 has represented to the Agency that it intends to provide three hundred and thirty-seven (337) full time employees at the Facility and the 45 Rabro Facility within the second year after completion of the Facility; and

(d) The acquisition, construction and equipping of the Facility, the subleasing and leasing of the Facility 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.

(e) The acquisition, renovation and equipping of the Facility by the Agency is reasonably necessary to induce the Company to maintain and expand its business operations in the Town of Islip.

(f) Based upon representations of the Company and counsel to the Company, 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.

(g) It is desirable and in the public interest for the Agency to sublease and lease the Facility to the Company; and

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

(i) The Lease Agreement will be an effective instrument whereby the Agency subleases and leases the 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

Section 2. The Agency has assessed all material information included in connection with the Company’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 Company.

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 Facility to

the Company pursuant to the Lease Agreement, (iv) execute, deliver and perform the Lease Agreement, (v) consent to the leasing of the Facility to Promotional Solutions pursuant to the Tenant Agency Compliance Agreement, and (vi) execute, deliver and perform the Tenant Agency Compliance Agreement.

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 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 \$47,437.50, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility and the 45 Rabro 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 is herewith and hereby appointed the agent of the Agency to acquire, renovate and equip the Facility. The Company is hereby empowered to delegate its status as agent of the Agency to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company 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 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, as agent 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 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 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, as agent of the Agency. The aforesaid appointment of the Company as agent 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 has received exemptions from sales and use taxes in an amount not to exceed \$47,437.50, 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 if such activities and improvements are not completed by such time. The aforesaid appointment of the Company is subject to the execution of the documents contemplated by this resolution.

Section 7. 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 Agreement. 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 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.

Section 8. The form and substance of the Company Lease, the Lease Agreement, and the Tenant Agency Compliance Agreement 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 9.

(a) The Chair, Vice Chair, 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, and the Tenant Agency Compliance Agreement to which the Agency is a party, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chair, Vice Chair, 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 Chair 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 Chair, Vice Chair, Executive Director, Deputy Executive Director or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chair, Vice Chair, 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.

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), Hauppauge School District, Suffolk County and Appropriate Special Districts.

85 Nicon Court, Hauppauge, New York 11788

Tax Map No. 0500-024.00-01.00-013.001

Formula: 12-year abatement starting at 40% of assessed value decreasing 5% annually

Year

- | | |
|----|---|
| 1 | 100% normal tax on 40% of the taxable assessed value |
| 2 | 100% normal tax on 45% of the taxable assessed value |
| 3 | 100% normal tax on 50% of the taxable assessed value |
| 4 | 100% normal tax on 55% of the taxable assessed value |
| 5 | 100% normal tax on 60% of the taxable assessed value |
| 6 | 100% normal tax on 65% of the taxable assessed value |
| 7 | 100% normal tax on 70% of the taxable assessed value |
| 8 | 100% normal tax on 75% of the taxable assessed value |
| 9 | 100% normal tax on 80% of the taxable assessed value |
| 10 | 100% normal tax on 85% of the taxable assessed value |
| 11 | 100% normal tax on 90% of the taxable assessed value |
| 12 | 100% normal tax on 95% of the taxable assessed value |
| 13 | and beyond 100% normal tax on the full assessed value |

TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR JUNE 14, 2022

AGENDA ITEM #8

**TYPE OF RESOLUTION: AUTHORIZING RESOLUTION
(FOR A PILOT EXTENSION)**

**COMPANY: 45 RABRO SOLUTIONS, LLC/TEKWELD
SOLUTIONS, INC. 2014 FACILITY**

PROJECT LOCATION: 45 RABRO DRIVE, HAUPPAUGE

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

INVESTMENT: \$N/A

Date: June 14, 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 14th day of June, 2022 the following members of the Agency were:

Present:

Absent:

Also Present:

After the meeting had been duly called to order, the Chair announced that among the purposes of the meeting was to consider and take action pertaining to the modification and extension of certain payment-in-lieu-of tax benefits and provision of sales tax benefits for a certain industrial development facility more particularly described below (45 Rabro Solutions, LLC/Tekweld Solutions, Inc. 2014 Facility).

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 45 RABRO SOLUTIONS, LLC 2014 FACILITY, AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENTS TO THE COMPANY LEASE, THE LEASE AGREEMENT, THE PILOT AGREEMENT, THE RECAPTURE AGREEMENT, THE ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT, THE EQUIPMENT LEASE, AND THE AGENCY COMPLIANCE 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 (the “**State**”), as amended, and Chapter 47 of the Laws of 1974 of the State, as amended (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 assisted 45 Rabro Solutions, LLC, a limited liability company, organized and validly existing under the laws of the State of New York (the “**Company**”) in the (a) the acquisition of an approximately 4.08 acre parcel of land located at 45 Rabro Drive, Hauppauge, New York 11788 (the “**Land**”), the renovation of an approximately 62,000 square foot building located thereon (the “**Improvements**”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “**Original Facility Equipment**”; and, together with the Land and the Improvements, the “**Original Company Facility**”), which Company Facility is leased by the Agency to the Company and subleased by the Company to Tekweld Solutions, Inc., a business corporation duly organized and validly existing under the laws of the State of New York, having its principal office at 180 Central Avenue, Farmingdale, New York 11735 (the “**Sublessee**”) and (b) the acquisition and installation of certain equipment and personal property (the “**Original Equipment**”), which Equipment is leased by the Agency to the Sublessee for its primary use in the manufacturing, warehousing and distribution of health and beauty type promotional products and the distribution thereof (the Original Company Facility and the Original Facility Equipment are collectively referred to herein as the “**Original Facility**”); and

WHEREAS, the Company leased the Land and Improvements to the Agency pursuant to a certain Company Lease Agreement, dated as of November 1, 2014 (the “**Original Company Lease**”), a memorandum of which was presented to the Suffolk County Clerk’s office for recording; and

WHEREAS, the Agency leased the Original Facility to the Company pursuant to a Lease Agreement, dated as of November 1, 2014 (the “**Original Lease Agreement**”), a memorandum

of such Original Lease Agreement was presented to the Suffolk County Clerk's office for recording; and

WHEREAS, the Company agreed to sub-lease the Original Company Facility to the Sublessee, pursuant to a certain Sublease Agreement, dated November 1, 2014 (the "**Sublease Agreement**"), by and between the Company, as sublessor and the Sublessee, a memorandum of such Sublease Agreement was presented to the Suffolk County Clerk's office for recording; and

WHEREAS, as a condition and as an inducement for the Agency to enter into and perform the transactions contemplated by the Lease Agreement, the Agency required the Company to enter into a certain Environmental Compliance and Indemnification Agreement, dated as of November 1, 2014 (the "**Original Environmental Compliance and Indemnification Agreement**"); and

WHEREAS, in connection with the leasing of the Facility, the Agency and the Company entered into a certain Payment-in-Lieu-of-Tax Agreement, dated as of November 1, 2014 (the "**Original PILOT Agreement**"), between the Agency and the Company, which provided for payments in lieu of taxes with respect to the Facility; and

WHEREAS, in connection with the leasing and the subleasing of the Original Facility, the Agency, the Company and the Sublessee will enter into a certain Recapture Agreement, dated as of November 1, 2014 (the "**Original Recapture Agreement**"), among the Agency, the Company and the Sublessee; and

WHEREAS, the Agency leased the Original Equipment to the Sublessee pursuant to a certain Equipment Lease Agreement, dated as of November 1, 2014 (the "**Original Equipment Lease Agreement**"), by and between the Agency and the Sublessee; and

WHEREAS, the Agency and the Sublessee entered into an Agency Compliance Agreement, dated as of November 1, 2014 (the "**Original Agency Compliance Agreement**"), wherein the Agency and the Sublessee set forth certain representations with respect to the Original Facility; and

WHEREAS, the Company has now submitted to the Agency, a proposal to undertake the renovation and equipping of the Original Facility including the acquisition and installation by the Company of certain equipment and personal property (the "**2022 Facility Equipment**"), and together with the Original Company Facility, the "**Company Facility**") and the acquisition and installation by the Sublessee of certain equipment and personal property (the "**2022 Equipment**"), and together with the Company Facility and the Original Equipment, the "**Facility**") to convert certain warehouse space in the Facility into manufacturing space (the "**2022 Project**"); and

WHEREAS, the Facility is intended to function as a part of a campus together with a facility located at 85 Nikon Court, Hauppauge, New York 11788 (the "**85 Nikon Facility**"), which 85 Nikon Facility will be subject to a separate Company Lease Agreement and Lease and Project Agreement by and between the Company or an affiliate thereof, and the Agency; and

WHEREAS, in connection with the 2022 Project, the Company has requested the Agency to modify and extend the payment-in-lieu-of-tax benefits (the “**PILOT Benefits**”), as described in the Original PILOT Agreement for an additional eight (8) years in connection with the Facility (the “**PILOT Extension**”) and provide exemptions from sales and use taxes in connection with the acquisition of the 2022 Facility Equipment and the 2022 Equipment; and

WHEREAS, in connection with the 2022 Project, the Agency and the Company will amend the Original Company Lease, the Original Lease Agreement, the Original PILOT Agreement, the Original Environmental Compliance and Indemnification Agreement, the Original Recapture Agreement, the Original Equipment Lease Agreement, and the Original Agency Compliance Agreement pursuant to an Amendment and Modification Agreement, dated as of May 1, 2022, or such other date as may be determined by the Chair, Executive Director or counsel to the Agency (the “**Amendment and Modification Agreement Agreement**”); and together with the Original Company Lease, the “**Company Lease**”, and together with the Original Lease Agreement, the “**Lease Agreement**”, and together with the Original PILOT Agreement, the “**PILOT Agreement**”, and together with the Original Environmental Compliance and Indemnification Agreement, the “**Environmental Compliance and Indemnification Agreement**”, and together with the Original Recapture Agreement, the “**Recapture Agreement**”, and together with the Original Equipment Lease Agreement, the “**Equipment Lease Agreement**”, and together with the Original Agency Compliance Agreement, the “**Agency Compliance Agreement**”); 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, a public hearing (the “**Hearing**”) was held on June 8, 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 (a) 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 (b) exemptions from sales and use taxes in an amount not to exceed \$47,437.50, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility and the 85 Nikon Facility; 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, the Amendment and Modification 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 Company and the Sublessee have agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the 2022 Project and the continued leasing of the Facility to the Company.

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

Section 1.

- (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 constitutes a “project”, as such term is defined in the Act;
- (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 has represented to the Agency that it intends to provide three hundred thirty-seven (337) full time employees at the Facility and the 85 Nikon Facility within the second year after completion of the Facility and the 85 Nikon Facility; and
- (d) 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;
- (e) 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 are located;
- (f) The Facility and the operations conducted therein does 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;
- (g) The Agency has determined that the proposed 2022 Project and financial assistance therefore will promote and further the purposes of the Act;
- (h) It is desirable and in the public interest for the Agency consent to the 2022 Project and financial assistance therefore and to continue to lease the Facility to the Company;
- (i) The Amendment and Modification Agreement will be an effective instrument whereby the Agency, the Company, and the Sublessee agree to extend the term of the Original Company Lease and the Original Lease for a term of up to eight (8) years and the Agency will continue to lease the Facility to the Company, and amend the Original Company Lease, the Original Lease, the Original PILOT Agreement, the Original Environmental Compliance and Indemnification Agreement, the Original Recapture Agreement, the Original Equipment Lease, and the Original Agency Compliance Agreement to reflect the undertaking of the 2022 Project, the PILOT Extension, and the provision of sales tax exemptions;

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) grant an extension of the Company Lease for an additional term of up to eight (8) years for the Facility pursuant to the Amendment and Modification Agreement, (ii) amend the Original Lease Agreement, the Original PILOT Agreement, the Original Environmental Compliance Agreement, the Original Recapture Agreement, the Original Equipment Lease, and the Original Agency Compliance Agreement pursuant to the Amendment and Modification Agreement to reflect the 2022 Project, the PILOT Extension, and the additional sales tax benefits, including extending the term of the Lease Agreement for a term of up to eight (8) years, and (iv) execute, deliver and perform the Amendment and Modification Agreement.

Section 3. Subject to the provisions of this resolution, the Company and Sublessee are herewith and hereby appointed the agent of the Agency to acquire, construct and equip the Facility. The Company and Sublessee are hereby empowered to delegate their status as agent of the Agency to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company and Sublessee may choose in order to acquire, construct and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company and Sublessee 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 Sublessee, as agent 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 and Sublessee 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 Sublessee 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 Sublessee, as agent of the Agency. The aforesaid appointment of the Company and Sublessee as agent of the Agency to acquire, construct 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 Sublessee has received exemptions from sales and use taxes in an amount not to exceed \$47,437.50, in connection with the purchase or lease of equipment, building materials, services or other personal property for the Facility and 85 Nikon Facility; provided however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company or Sublessee if such activities and improvements are not completed by such time. The aforesaid appointment of the Company and Sublessee is subject to the execution of the documents contemplated by this resolution.

Section 4. The form and substance of the Amendment and Modification Agreement 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) is hereby approved.

Section 5. Subject to the provisions of this resolution,

(a) The Chair, Vice Chair, 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 in substantially the form thereof presented to this

meeting with such changes, variations, omissions and insertions as the Chair, Vice Chair, 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 Chair 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 Chair, Vice Chair, Executive Director, Deputy Executive Director or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chair, Vice Chair, Executive Director, Deputy Executive Director, or any member of the Agency is further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency.

Section 6. 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 of (a) the PILOT Extension (as set forth in the PILOT Schedule attached as Exhibit C hereof), and (b) exemptions from sales and use taxes in an amount not to exceed \$47,437.50, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility and the 85 Nikon Facility, consistent with the policies of the Agency.

Section 7. The Company hereby agree to comply with Section 875 of the Act. The Company further agrees that the PILOT Extension and sales tax exemptions contemplated hereby pursuant to the Act are subject to termination and recapture of benefits pursuant to Section 875 of the Act.

Section 8. The law firm of Nixon Peabody LLP is hereby appointed Transaction Counsel to the Agency.

Section 9. Counsel to the Agency and Transaction Counsel are hereby authorized to work with counsel to the Company and others to prepare, for submission to the Agency, all documents necessary to effect the described 2022 Project, the PILOT Extension, and the sales tax benefits in the foregoing resolution.

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. Any fees, expenses, including without limitation, legal fees and expenses, incurred by the Agency with respect to the Facility shall be paid by the Company and/or Sublessee. By acceptance hereof, the Company and Sublessee agree to pay such fees and expenses and further agrees to defend and 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 12. 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 14th day of June, 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.

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 in all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 14th day of June, 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 8th day of June, 2022, at 10:00 a.m., local time, at 40 Nassau Avenue, Islip, New York 11751 in connection with the following matters:

The Town of Islip Industrial Development Agency (the “**Agency**”) previously assisted 45 Rabro Solutions, LLC, a limited liability company, organized and validly existing under the laws of the State of New York (the “**Company**”) in the (a) the acquisition of an approximately 4.08 acre parcel of land located at 45 Rabro Drive, Hauppauge, New York 11788 (the “**Land**”), the renovation of an approximately 62,000 square foot building located thereon (the “**Improvements**”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “**Facility Equipment**”); and, together with the Land and the Improvements, the “**Company Facility**”), which Company Facility is leased by the Agency to the Company and subleased by the Company to Tekweld Solutions, Inc., a business corporation duly organized and validly existing under the laws of the State of New York, having its principal office at 180 Central Avenue, Farmingdale, New York 11735 (the “**Sublessee**”) and (b) the acquisition and installation of certain equipment and personal property (the “**Equipment**”), which Equipment is leased by the Agency to the Sublessee for its primary use in the manufacturing, warehousing and distribution of health and beauty type promotional products and the distribution thereof (the Company Facility and the Equipment are collectively referred to herein as the “**Facility**”). The Facility is owned, operated and/or managed by the Company.

The Company leased the Land and Improvements to the Agency pursuant to a certain Company Lease Agreement, defined as of November 1, 2014 (the “**Original Company Lease**”), a memorandum of which Original Company Lease was to be recorded in the Suffolk County Clerk’s Office.

The Agency leased the Land and the Improvements to the Company pursuant to a certain Lease Agreement, dated as of November 1, 2014 (the “**Original Lease Agreement**”), a memorandum of which Original Lease Agreement was to be recorded in the Suffolk County Clerk’s Office.

In connection with the leasing of the Facility, the Agency and the Company entered into a Payment-in-Lieu-of-Tax Agreement, dated as of November 1, 2014 (the “**Original PILOT Agreement**”), which provided for the Company to make payments in lieu of real property taxes on the Facility.

The Agency and the Company previously entered into a certain Environmental Compliance and Indemnification Agreement dated November 1, 2014 (the “**Original Environmental Compliance Agreement**”).

The Company has requested the Agency's assistance in connection with the modification and extension of the abatement of real property taxes on the Facility (the "**PILOT Extension**") and exemptions from sales and use taxes in connection with the renovation of the Facility.

The Agency contemplates that it will provide financial assistance to the Company consistent with the policies of the Agency, in the form of 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 extension of benefits of the proposed Facility.

Dated: June 8, 2022

TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY

By: John G. Walser
Title: Executive Director

Exhibit B

MINUTES OF PUBLIC HEARING HELD ON
JUNE 8, 2022

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
(45 RABRO SOLUTIONS, LLC/TEKWELD SOLUTIONS INC. 2014 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 Town of Islip Industrial Development Agency (the “**Agency**”) previously assisted 45 Rabro Solutions, LLC, a limited liability company, organized and validly existing under the laws of the State of New York (the “**Company**”) in the (a) the acquisition of an approximately 4.08 acre parcel of land located at 45 Rabro Drive, Hauppauge, New York 11788 (the “**Land**”), the renovation of an approximately 62,000 square foot building located thereon (the “**Improvements**”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (the “**Facility Equipment**”; and, together with the Land and the Improvements, the “**Company Facility**”), which Company Facility is leased by the Agency to the Company and subleased by the Company to Tekweld Solutions, Inc., a business corporation duly organized and validly existing under the laws of the State of New York, having its principal office at 180 Central Avenue, Farmingdale, New York 11735 (the “**Sublessee**”) and (b) the acquisition and installation of certain equipment and personal property (the “**Equipment**”), which Equipment is leased by the Agency to the Sublessee for its primary use in the manufacturing, warehousing and distribution of health and beauty type promotional products and the distribution thereof (the Company Facility and the Equipment are collectively referred to herein as the “**Facility**”). The Facility is owned, operated and/or managed by the Company.

The Company leased the Land and Improvements to the Agency pursuant to a certain Company Lease Agreement, defined as of November 1, 2014 (the “**Original Company Lease**”), a memorandum of which Original Company Lease was to be recorded in the Suffolk County Clerk’s Office.

The Agency leased the Land and the Improvements to the Company pursuant to a certain Lease Agreement, dated as of November 1, 2014 (the “**Original Lease Agreement**”), a memorandum of which Original Lease Agreement was to be recorded in the Suffolk County Clerk’s Office.

In connection with the leasing of the Facility, the Agency and the Company entered into a Payment-in-Lieu-of-Tax Agreement, dated as of November 1, 2014 (the "**Original PILOT Agreement**"), which provided for the Company to make payments in lieu of real property taxes on the Facility.

The Agency and the Company previously entered into a certain Environmental Compliance and Indemnification Agreement dated November 1, 2014 (the "**Original Environmental Compliance Agreement**").

The Company has requested the Agency's assistance in connection with the modification and extension of the abatement of real property taxes on the Facility (the "**PILOT Extension**") and exemptions from sales and use taxes in connection with the renovation of the Facility.

The Agency contemplates that it will provide financial assistance to the Company consistent with the policies of the Agency in the form of exemptions from sales and use taxes and 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 June 8, 2022, at 10:00 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 June 8, 2022.

Assistant Secretary

Exhibit C

Proposed PILOT Schedule

Formula for Payments-In-Lieu-of-Taxes: 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), Suffolk County, Hauppauge School District and Appropriate Special Districts

45 Rabro Drive, Hauppauge, New York 11788

Tax Map No. 0500-23.00-02.00-014.000

Formula: 12-year abatement starting at 40% of assessed value decreasing 5% annually

Year

- | | |
|----|---|
| 1 | 100% normal tax on 40% of the taxable assessed value |
| 2 | 100% normal tax on 45% of the taxable assessed value |
| 3 | 100% normal tax on 50% of the taxable assessed value |
| 4 | 100% normal tax on 55% of the taxable assessed value |
| 5 | 100% normal tax on 60% of the taxable assessed value |
| 6 | 100% normal tax on 65% of the taxable assessed value |
| 7 | 100% normal tax on 70% of the taxable assessed value |
| 8 | 100% normal tax on 75% of the taxable assessed value |
| 9 | 100% normal tax on 80% of the taxable assessed value |
| 10 | 100% normal tax on 85% of the taxable assessed value |
| 11 | 100% normal tax on 90% of the taxable assessed value |
| 12 | 100% normal tax on 95% of the taxable assessed value |
| 13 | and beyond 100% normal tax on the full assessed value |