

RESOLUTION GRANTING APPROVAL OF AND AUTHORIZING THE GRANT OF CERTAIN FINANCIAL ASSISTANCE BY THE TOWN OF BABYLON INDUSTRIAL DEVELOPMENT AGENCY TO REJUVENOL LABORATORIES, INC. AND 130 LINCOLN AVE. REALTY, LLC AND 132 LINCOLN AVE. REALTY, LLC IN CONNECTION WITH THE ACQUISITION, RENOVATION AND EQUIPPING OF A MANUFACTURING, WAREHOUSE AND DISTRIBUTION FACILITY

WHEREAS, the Town of Babylon Industrial Development Agency (the "Agency") is authorized under the laws of the State of New York, and in particular under the provisions of the New York State Industrial Development Agency Act and the Agency's enabling legislation, respectively constituting Article 18-A and Section 907-a of the General Municipal Law (Chapter 24 of the Consolidated Laws of New York), as amended (the "Act"), to assist in providing for manufacturing, warehousing, research, civic, commercial and industrial facilities in the Town of Babylon; and

WHEREAS, representatives of 130 Lincoln Ave. Realty, LLC and Rejuvenol Laboratories, Inc., a corporation organized and existing under the laws of the State of New York (the "Company") have heretofore entered into a straight lease transaction with the Agency on February 15, 2012 pursuant to which the Agency provided the benefit of certain New York State and local sales and use tax exemptions, certain mortgage recording tax exemptions and certain real property tax exemptions with respect to a project (the "Original Project") consisting of the acquisition by the Agency of a 1.9 acre parcel of land and renovation and equipping of the approximately 33,000 square foot buildings situated thereon and the acquisition, renovation and equipping thereof all for use by the Company and its affiliates as a manufacturing and distribution facility in its business of manufacturing and distributing hair care and related salon and skin products;

WHEREAS, representatives of the Company and 130 Lincoln Ave. Realty, LLC ("130 Lincoln") and 132 Lincoln Ave. Realty, LLC ("132 Lincoln"), each a limited liability company organized and existing under the laws of the State of New York, or any other real estate holding entity formed by the principals of the Company (130 Lincoln and 132 Lincoln, collectively, the "Owners") have filed or caused to be filed an application with the Town of Babylon Industrial Development Agency (the "Agency") concerning a new project (the "Project") consisting of the renovation and equipping of approximately 6,000 square feet of an approximately 33,000 square foot existing manufacturing, warehouse and distribution facility located on that certain approximately 1.9 acre lot, piece or parcel of land and the acquisition, renovation and equipping of an approximately 18,500 square foot existing building, to be located on that certain approximately .68 acre lot, piece or parcel of land, each generally known as 130 and 132 Lincoln Avenue in Copiague, New York 11726, respectively (the "Facility"), all for use by the Company in its business of manufacturing distribution of hair care products and related salon and skin care products; and

WHEREAS, the Agency desires to terminate the Original Project by transferring title to 130 Lincoln Avenue in Copiague, New York to 130 Lincoln Ave. Realty, LLC; and

WHEREAS, in order to induce the Owners and the Company to retain and create jobs in the Town it appears necessary to assist the Owners and the Company by the Agency

taking leasehold title to the Facility so as to afford the Owners and the Company certain relief from mortgage recording taxation, relief from real property taxation, and relief from sales and use taxation for a limited period; and

WHEREAS, it is contemplated that each of 130 Lincoln and 132 Lincoln will each separately cause the transfer or lease of the Facility to the Agency pursuant to separate Company Lease Agreements (collectively the "Company Leases") and the Agency will assist the Owner to undertake the Project and will lease or sublease the Facility to each of 130 Lincoln and 132 Lincoln pursuant to separate Lease and Project Agreements (collectively the "Lease Agreements"), each respectively by and between 130 Lincoln and 132 Lincoln and the Agency pursuant to which each of the Owners agree, among other things, to make lease payments in such amounts as specified in the respective Lease Agreements; and

WHEREAS, it is further contemplated that the each of the Owners will respectively sublease the Facility to the Company pursuant to one or more Sublease Agreements (collectively the "Sublease Agreements") by and between each of the Owners and the Company pursuant to which the Company agrees, among other things, to make sublease payments in such amounts as equal to lease rentals as specified in the respective Lease Agreements; and

WHEREAS, pursuant to the Lease Agreements the Owners have agreed to make certain payments in lieu of real property taxes with respect to the Facility to the Agency; and

WHEREAS, in connection with the Agency's evaluation of the Project for the provision of financial assistance, the Agency has (i) assessed all material information relating to the project included in the Company's project application (the "Project Application") in order to afford a reasonable basis for the decision of the Agency to provide financial assistance to the Project; (ii) reviewed the Agency's written cost benefit analysis for the Project which identifies the extent to which (A) the Project will create or retain permanent, private sector jobs; (B) the estimated value of any tax exemption to be provided to the Project, (C) the amount of private sector investment generated or likely to be generated by the Project; (D) reviewed the likelihood of accomplishing the proposed project in a timely fashion; and (E) considered the extent to which the Project will provide additional sources of revenue for the Town and the school district where the Facility is located; and

WHEREAS, in connection with the adoption of this resolution the Agency has reviewed the Project Application and the Company and the Owners have confirmed in such Project Application that as of the date of the Project Application, the Company and the Owners are in substantial compliance with the Act; and

WHEREAS, it is desired that the Agency authorize the granting of certain financial assistance to the Owners and the Company in connection with the Project and the Facility including exemptions from New York State and local sales and use taxes, mortgage recording taxes and real property taxes.

NOW, THEREFORE, BE IT DETERMINED, APPROVED AND RESOLVED by the members of the Agency as follows:

Section 1. With respect to the Agency's evaluation criteria for Manufacturing/Warehousing//Distribution Projects the Agency makes the following determinations:

(a) It has reviewed the information in the Cost Benefit Analysis with respect to the Project.

(b) The Company proposes a capital investment in the land, building, machinery and equipment and capital improvements in the Facility of approximately \$2,370,000.

(c) The Project will not have significant impact from local labor construction in the Town however, the Project will result in the retention of 55 full time employees in the Town and the growth of an additional 15 employees by the second anniversary of the completion of the Project.

(d) Wage rates for the employees of the Company average \$184,028 per year for management employees, \$74,061 for professional employees, \$24,427 per year for administrative employees, \$124,072 per year for supervisor employees, and \$29,120-\$67,600 for laborer employees.

(e) Currently the Company imports 100% of its bottles and packaging materials from China. The Project will enable the Company to acquire specialty blow molding and bottle printing equipment so that it can produce a portion of its bottle packaging material domestically which will result in greater wealth creation in the Town and the Long Island region.

(f) The Project will not have a significant effect on in-region purchases.

(g) The Project will not have a significant effect on research and development opportunities.

(h) The Project will not have a significant effect on energy efficiency.

(i) The Project will not affect existing land use or zoning.

(j) The Company has considered relocating to alternative sites outside of New York State including consolidating operations to a facility in Elizabeth, New Jersey.

Section 2. Based on the evaluation of the foregoing evaluation criteria, (a) The Agency hereby finds and determines that (i) the Project constitutes a "Project" within the meaning of the Act; (ii) the Project is necessary for the Company to maintain its competitive position in its industry and to prevent the Company from relocating its facilities outside of New York State; and (iii) the granting of real property tax abatements (collectively the "Financial Assistance") by the Agency with respect to the Facility and the Project pursuant to the Act, will promote job opportunities, health, general prosperity and

the economic welfare of the inhabitants of the Town of Babylon, New York and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act.

(b) It is desirable and in the public interest for the Agency to grant Financial Assistance to the Owners and Company with respect to the Project.

Section 3. To accomplish the purposes of the Act, the Agency shall take leasehold title to the Facility pursuant to the Company Leases, assist the Owners to undertake the Project and sublease the Facility to the Owner pursuant to the Lease Agreements and the Owners will further sub-sublease the Facility to the Company pursuant to the Sublease Agreements.

Section 4. Pursuant to the Lease Agreements, the Owners will make certain payments in lieu of real property taxes ("Pilots") which would be otherwise due and payable with respect to the Facility.

Section 5. In order to secure amounts to be loaned by a mortgage lender acceptable to the Chief Executive Officer ("CEO") or the Chief Financial Officer ("CFO") of the Agency or any other authorized representative to the Owners with respect to the Project, the Agency hereby authorizes the execution of one or more mortgages (collectively, the "Mortgages") granted at the initial closing of the "straight lease" transaction or any time thereafter during the term of the Lease Agreements, from the Agency and the Owners to any mortgage lender acceptable to the CEO or the CFO of the Agency or any other authorized representative, in form acceptable to the CEO or CFO of the Agency or any other authorized representative and Counsel to the Agency.

Section 6. The form and substance of the Lease Agreements in substantially the form previously approved by the Agency for other "straight lease" transactions is hereby approved.

Section 7. The form and substance of the Company Leases in substantially the form previously executed for other "straight lease" transactions is hereby approved.

Section 9. The form and substance of the Sublease Agreements in substantially the form previously approved by the Agency for other "straight lease" transactions is hereby approved.

Section 10. The CEO of the Agency or any successor CEO of the Agency or any other authorized representative including the CFO, is hereby authorized, on behalf of the Agency, to execute and deliver final forms of the Company Leases, Lease Agreements, Mortgages, and any other agreements or certificates consistent herewith (hereinafter collectively called the "Agency Documents"), all in substantially the forms previously executed by the Agency for other "straight lease" transactions acceptable to Agency Counsel, with such changes, variations, omissions and insertions in the Agency Documents as the CEO or the CFO of the Agency or any other authorized representative of the Agency shall upon advice of counsel approve. The execution thereof by the CEO or the CFO of

the Agency or any other authorized representative shall constitute conclusive evidence of such approval.

The CEO or CFO of the Agency or any other authorized representative are further hereby authorized, on behalf of the Agency, to designate any additional authorized representatives including the Chairman or the Secretary of the Agency, to execute any Agency Documents or certificates of the Agency authorized pursuant to this Resolution and determine the terms of the Agency Documents.

The Secretary or Counsel to the Agency is hereby authorized to attest to the CEO's, the CFO's or any other authorized representative's signature on the foregoing documents and to impress or affix the seal or facsimile seal of the Agency thereto.

Section 11. The CEO of the Agency, the CFO of the Agency or any other authorized representative including the Chairman or the Secretary and any member of the Agency (as used in this resolution, the "Authorized Representatives") are hereby designated the authorized representatives of the Agency and each of them is hereby authorized and directed to cause the transactions as described in the Company Leases, the Lease Agreements and the Sublease Agreements to be undertaken and in relation thereto, to execute and deliver any and all papers, instruments, agreements, opinions, certificates, affidavits and other documents, and to do and cause to be done any and all acts and things necessary or proper for carrying out this resolution, and the Agency Documents including such changes or revisions in the forms of such documents as may be requested by counsel to the Agency.

Section 12. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments, agreements and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary, or in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 13. All covenants, stipulations, obligations and agreements of the Agency contained in this resolution, and the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties, affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this resolution, and the Agency Documents shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

Section 14. No covenant, stipulation, obligation or agreement contained in this resolution, or the Agency Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency or the Town in his or their individual capacity and neither the members of the Agency nor any officer shall be liable personally on the Agency Documents or be subject to any personal liability or accountability by reason of the execution thereof.

Section 15. In accordance with SEQRA, the Agency finds that this proposed action will not have any significant environmental impacts based upon the following:

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

(b) The proposed action is consistent with existing zoning at the site of the Facility.

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

(d) The proposed action will not result in the creation of a hazard to human health.

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

Section 16. The law firm Katten Muchin Rosenman LLP is hereby appointed transaction counsel to the Agency for this transaction.

Section 17. Notwithstanding the foregoing, the Agency will not grant any Financial Assistance to be granted hereunder in excess of \$100,000 to the Owners or the Company until the Agency has held a public hearing with respect to the grant of financial assistance in accordance with the provisions of the Act.

Section 18. This resolution shall take effect immediately.

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

Paulette

I, LaBoerne, the duly elected, qualified Secretary of the Town of Babylon Industrial Development Agency (the "Agency"), hereby certify that:

1. The foregoing is a true, correct and complete copy of the record of proceedings of the Agency had and taken at a lawful meeting of the Agency held at the Old Town Hall, 47 West Main Street, Babylon, New York on November 17, 2021, commencing at the hour of 8:00 A.M., as recorded in the regular official book, of the proceedings of the Agency, those proceedings were duly had and taken as shown therein.

2. All members of the Agency and the public were duly notified of that meeting pursuant to law.

IN WITNESS WHEREOF, I have signed this certificate and affixed the seal of the Agency the 17th day of November, 2021.

Paulette LaBoerne
Secretary

(SEAL)