

AGENDA

September 14, 2022

1. Call to Order.
2. Roll Call.
3. Pledge of Allegiance.
4. **Resolution # 1**

Accept the minutes from the IDA/IDC Board Meeting of August 17, 2022.

5. **Resolution # 2**

Accept the minutes from the Public Hearing held August 30, 2022, for Lin's Waha International Corp. and J & M Real Estate Lam's Group LLC.

6. **Resolution # 3**

Accept the minutes from the Public Hearing held September 13, 2022 for Dixon 145 Associates LLC, Jaxson LLC a/k/a Infinity Drain Ltd.

7. **Resolution # 4**

Accept the minutes from the Public Hearing held September 13, 2022 for P & M, LLC and Sefi Realty LLC.

8. **Resolution # 5**

Resolution of the Town of Babylon Industrial Development Agency approving the acquisition, renovation and equipping of a certain facility for Lin's Waha International Corp and J&M Real Estate Lam's Group LLC and approving the form, substance and execution of related documents and determining other matters in connection therewith.

9. **Resolution # 6**

Resolution granting approval of and authorizing the grant of certain financial assistance by the Town of Babylon Industrial Development Agency to Dixon 145 Associates LLC and Always Affiliation Inc. in connection with the renovation, construction, equipping and furnishing of a manufacturing and distribution facility.

10. Resolution # 7

Resolution of the Town of Babylon Industrial Development Agency determining that the acquisition, renovation, construction, reconstruction and equipping of a certain project will not have a significant adverse effect on the environment.

11. Resolution # 8

Resolution of the Town of Babylon Industrial Development Agency approving the acquisition, construction, reconstruction and equipping of a certain facility for P & M, LLC and Sefi Realty LLC and approving the form, substance and execution of related documents and determining other matters in connection therewith.

12. Resolution # 9

Preliminary inducement resolution of the Town of Babylon Industrial Development Agency relating to the granting of preliminary approval to Prologis, L.P. in connection with the potential grant of certain financial assistance.

13. Resolution # 10

Resolution authorizing the Town of Babylon Industrial Development Agency to execute a mortgage agreement between the Agency to execute a mortgage agreement between the Agency, 51 Executive Realty LLC and JPMorgan Chase Bank, N.A. in an amount not exceed \$12,000,000.00.

14. Resolution # 11

Resolution authorizing the Town of Babylon Industrial Development Agency to execute a revolving credit line mortgage, assignment of leases and rents and security agreement and fixture filing between the Agency, 109 Properties LLC and 1110A Equities LLC and the First National Bank of Long Island in an amount not to exceed \$1,500,000.00.

15. Chief Executive Officer's report.

16. Old Business.

17. New Business.

18. Adjournment.

BABYLON INDUSTRIAL DEVELOPMENT AGENCY

IDA/IDC MEETING MINUTES

August 17, 2022

Present: Tom Gaulrapp, Chairman
Justin Belkin, Vice Chairman
Marcus Duffin, Secretary
Rosemarie Dearing
Carol Quirk
Vincent Piccoli

Absent: Paulette Laborne
William Celona
William Bogardt

Also Present: Thomas Dolan, Chief Executive Officer
Frank Dolan, Chief Operations Officer
David Batkiewicz, Special Projects Manager
Joseph Ninomiya, Special Projects Manager

A motion was made by Justin Belkin and seconded by Rosemarie Dearing to appoint Marcus Duffin secretary for the meeting. All in favor, motion carries.

A quorum being present, the meeting was called to order at 8:04 A.M.

A motion was made by Marcus Duffin and seconded by Carol Quirk to accept the minutes from the IDA/IDC Board Meeting of July 13, 2022. All in favor, motion carries.

A motion was made by Marcus Duffin and seconded by Justin Belkin in favor of a resolution giving preliminary approval of the Town of Babylon Industrial Development Agency to grant certain financial assistance to Dixon 145 Associates LLC, Jaxson LLC a/k/a Infinity Drain Ltd. All in favor, motion carries.

A motion was made by Rosemarie Dearing and seconded by Marcus Duffin in favor of a resolution of the Town of Babylon Industrial Development Agency authorizing the chief executive officer to hold a public hearing regarding a proposed project to be undertaken for the benefit of P & M, LLC and Sefi Realty LLC. All in favor, motion carries.

A motion was made by Justin Belkin and seconded by Carol Quirk in favor of a resolution authorizing the Town of Babylon Industrial Development Agency to execute a mortgage agreement between the Agency, 51 Executive Realty LLC and JPMorgan Chase Bank, N.A. in an amount not to exceed \$9,000,000.00. All in favor, motion carries.

CEO Report

Mr. Dolan reminded the Board that Agency staff had been monitoring financial markets with respect to interest rates rising, and what type of impact that would have on new projects and existing projects. Mr. Dolan said that the Agency is starting to see projects progressing forward, and he stated that the Agency expects a very busy year-end as a result. Mr. Dolan informed the Board that the Agency was preparing for the 2023 fiscal year, and that Agency staff would be reaching out with more information in the coming weeks. Mr. Dolan wished the Board a happy holiday weekend, and said he looked forward to a busy year-end.

Old Business

No old business.

New Business

No new business.

A motion was made by Marcus Duffin and seconded by Justin Belkin to adjourn the meeting. All in favor, motion carries.

Babylon Industrial Development Agency
Public Hearing for Lin's Waha International Corp. / J & M Real Estate Lam's
Group, LLC
August 30, 2022

Present: Thomas Dolan
Joseph Ninomiya
David Batkiewicz

Public hearing called to order at 1:02 P.M.

No one from the public was in attendance.

NOTICE OF PUBLIC HEARING

Notice is hereby given that a public hearing pursuant to Section 859-a(2) of the General Municipal Law of the State of New York (the "Act"), will be held by the Town of Babylon Industrial Development Agency (the "Agency"), on the 30th day of August, 2022 at 1:00 p.m, local time, at 10 Ranick Drive South Amityville, NY 11701 in connection with the following matters:

Lin's Waha International Corp (the "Operating Company") and J & M Real Estate Lam's Group LLC (the "Real Estate Holding Company"), on behalf of themselves and/or entities formed or to be formed on behalf of the foregoing, have presented an application to the Agency, a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (1) the acquisition of an interest in approximately 1.411 acres of real estate located at 10 Ranick Drive South, Amityville (Tax Map #0101-004.00-01.00-032.000) in the Village of Amityville, Town of Babylon, Suffolk County, New York (the "Land"), the acquisition and renovation of an existing approximately 43,500 square foot building located on the Land (the "Improvements"), and the acquisition and installation therein and thereon of certain equipment and personal property 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 to be leased and subleased by the Agency to the Real Estate Holding Company and further subleased by the Real Estate Holding Company to the Operating Company; and (2) the acquisition and installation of certain equipment and personal property (the "Equipment", and together with the Company Facility, the "Facility"), which Facility will be used by the Operating Company as a warehouse and distribution facility and related uses for its business of wholesale food processing and as a wholesale distributor of food products.

The Real Estate Holding Company will be the initial owner of the Company Facility and the Operating Company will be the initial operator of the Facility.

In connection with the Project, the Agency will (A) lease the Company Facility from the Real Estate Holding Company and will sublease the Company Facility back to the Real Estate Holding Company; and (B) obtain an interest in the Equipment from the Operating Company and lease the Equipment back to the Operating Company. The Agency contemplates that it will provide financial assistance to the Real Estate Holding Company and the Operating Company in the form of exemptions from sales and uses taxes,

mortgage recording taxes, if a mortgage is required, transfer taxes and abatements of real property taxes consistent with the policies of the Agency. A representative of the Agency will at the above-stated time and place to hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Real Estate Holding Company and the Operating Company or the location or nature of the Facility.

Project Application: The Project Application together with a cost benefit analysis with respect to the Facility shall be available for inspection by the public at the office of the Agency at the above specified address during the regular business hours of the Agency. For those members of the public desiring to review project applications and cost benefit analyses before the date of the hearing, copies of these materials will be made available at www.babylonida.org/documents. Click on the tab titled "Project Applications." Under the year 2022 you will find the application for "Lin's Waha International Corp". Be advised that it is possible that certain of the aforementioned proposed transactions may be removed from the hearing agenda prior to the hearing date. Information regarding such removals will be available on the Agency's website www.babylonida.org/calendar at on or about 12:00 P.M. of the day prior to the hearing.

Participation at the Hearing: Persons desiring to submit comments concerning the Facility and the financial assistance to be granted thereto should contact the Town of Babylon Industrial Development Agency, 47 West Main Street, Babylon, New York Attention: Thomas E. Dolan, Chief Executive Officer, at (631) 587-3679 on or before August 29, 2022, at the office of the Agency. Written comments can be submitted prior to the hearing at that address. The Agency reserves the right to limit the time available to any person presenting comments. If you do not want to participate in the hearing, but would like to watch or listen to the proceeding, you may view a livestream of the meeting. Interested parties may view a livestream of the meeting online on the Town of Babylon IDA's YouTube channel. To access the YouTube channel go to the Town of Babylon IDA's website at www.babylonida.org/documents. The second item on the documents page is titled "Meeting Videos and Livestream", click this tab and follow the link provided. If you would like to access the IDA YouTube page directly from your browser you may insert the following World Wide Web address: (https://www.youtube.com/channel/UCqq5ixdV_-nmsmvSOsD4KnA).

The public hearing was closed by Tom Dolan at 1:06 P.M.

Babylon Industrial Development Agency
Public Hearing for Jaxson LLC / Infinity Drain Ltd. / Dixon 145 Associates, LLC
September 13, 2022

Present: Thomas Dolan
David Batkiewicz
Johnathan Brill
Christine Bergold
John D. Chillemi, Esq.
Milosz Maciejewski

Public hearing called to order at 3:17 P.M.

No one from the public was in attendance.

LEGAL NOTICE

Public Hearing

NOTICE is hereby given pursuant to Article 18-A of the General Municipal Law of the State of New York (the "Act"), that the Town of Babylon Industrial Development Agency (the "Agency"), will hold a public hearing on the proposed granting of financial assistance to Jaxson LLC, Infinity Drain LTD, (each on behalf of the foregoing and/or the principals of the foregoing and/or any entity or entities formed on behalf of the foregoing (collectively, the "Company")) and 145 Dixon Associates LLC (on behalf of itself and/or the principals of 145 Dixon Associates LLC and/or any entity or entities formed on behalf of 145 Dixon Associates LLC or any of the foregoing (collectively, the "Owner")), (each of the foregoing entities being a limited liability company organized and existing under the laws of the State of New York), with respect to a project (the "Project") consisting of the construction and equipping of an approximately 18,780 square foot addition to an existing approximately 56,000 square foot building located on that certain approximately 3.58 acre lot, piece or parcel of land generally known as 145 Dixon Avenue in Amityville, New York, (the "Facility"), all for use by the Company as a manufacturing and distribution facility in its business of manufacturing and distribution of shower drains and related products in the plumbing industry.

Pursuant to applicable State Law, the Agency proposes to grant certain financial assistance with respect to the Facility including certain exemptions from New York State sales and use taxation, local real property taxation and mortgage recording taxation as shall be determined by the Agency. Pursuant to the Act, the Facility, which is to be owned by the Owner will be leased to the Agency, shall be further leased to the Owner and, shall be further subleased by the Owner to the Company, and operated by the Company.

Company: Jaxson LLC and Infinity Drain LTD, 145 Dixon Avenue, Amityville, New York 11701.

Owner: 145 Dixon Associates LLC, 145 Dixon Avenue, Amityville, New York 11701.

Public Hearing: All persons, organizations, corporations or governmental agencies are invited to submit comments concerning the granting of financial assistance. The hearing will be held on September 13, 2022 at 3:00 P.M. at the 145 Dixon Avenue Amityville, NY 11701.

Project Application: The Project Application together with a costs benefit analysis with respect to the Facility shall be available for inspection by the public at the office of the Agency at the above specified address during the regular business hours of the Agency. For those members of the public desiring to review project applications and cost benefit analyses before the date of the hearing, copies of these materials will be made available at <https://babylonida.org/documents>. Click on the tab titled "Project Applications" and under the year 2022 you will find the application for "145 Dixon Associates LLC, Jaxson LLC and Infinity Drain LTD". Be advised that it is possible that certain of the aforementioned proposed transactions may be removed from the hearing agenda prior to the hearing date. Information regarding such removals will be available on the Agency's website www.babylonida.org/calendar at on or about 12:00 P.M. of the day prior the hearing.

Participation at the Hearing: Persons desiring to submit comments concerning the Facility and the financial assistance to be granted thereto should contact the Town of Babylon Industrial Development Agency, 47 West Main Street, Babylon, New York Attention: Thomas E. Dolan, Chief Executive Officer, at (631) 587-3679 on or before September 12, 2022 at the office of the Agency. Written comments can be submitted prior to the hearing at that address. The Agency reserves the right to limit the time available to any person presenting comments. If you do not want to participate in the hearing, but would like to watch or listen to the proceeding, you may view a livestream of the meeting. Interested parties may view a livestream of the meeting online on the Town of Babylon IDA's YouTube channel. To access the YouTube channel go to the IDA's website at www.babylonida.org/documents. The second item on the documents page is titled "Meeting Videos and Livestream", click this tab and follow the link provided. If you would like to access the IDA YouTube page directly from your browser you may insert the following World Wide Web address:

(https://www.youtube.com/channel/UCqq5ixdVnmsmvSOsD4KnA?view_as=subscriber)

The public hearing was closed by Tom Dolan at 3:20 P.M.

Babylon Industrial Development Agency
Public Hearing for P & M, LLC/ Sefi Realty, LLC
September 13, 2022

Present: Thomas Dolan
Joseph Ninomiya
David Batkiewicz

Public hearing called to order at 1:07 P.M.

No one from the public was in attendance.

NOTICE OF PUBLIC HEARING

Notice is hereby given that a public hearing pursuant to Section 859-a(2) of the General Municipal Law of the State of New York (the "Act"), will be held by the Town of Babylon Industrial Development Agency (the "Agency"), on the 13th day of September, 2022 at 1:00 p.m., local time, at 50 Ranick Drive East Amityville, NY 11701 in connection with the following matters:

P & M, LLC (the "Operating Company") and Sefi Realty LLC (the "Real Estate Holding Company"), on behalf of themselves and/or entities formed or to be formed on behalf of the foregoing, have presented an application to the Agency, a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (1) the acquisition of an interest in approximately 0.84 acres of real estate located at 50 Ranick Drive East, Amityville (Tax Map #0101-004.00-01.00-031.000) in the Village of Amityville, Town of Babylon, Suffolk County, New York (the "Land"), the acquisition, renovation, reconstruction and construction of an existing approximately 16,400 square foot building into an approximately 20,400 square foot building located on the Land (the "Improvements"), and the acquisition and installation therein and thereon of certain equipment and personal property 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 to be leased and subleased by the Agency to the Real Estate Holding Company and further subleased by the Real Estate Holding Company to the Operating Company; and (2) the acquisition and installation of certain equipment and personal property (the "Equipment", and together with the Company Facility, the "Facility"), which Facility will be used by the Operating Company as a manufacturing, warehousing and distribution facility and related uses for its business as a manufacturer of stainless steel equipment for the food service industry.

The Real Estate Holding Company will be the initial owner of the Company Facility and the Operating Company will be the initial operator of the Facility.

In connection with the Project, the Agency will (A) lease the Company Facility from the Real Estate Holding Company and will sublease the Company Facility back to the Real Estate Holding Company; and (B) obtain an interest in the Equipment from the Operating Company and lease the Equipment back to the Operating Company. The Agency contemplates that it will provide financial assistance to the Real Estate Holding Company and the Operating Company in the form of exemptions from sales and uses taxes, mortgage recording taxes, if a mortgage is required, transfer taxes and abatements of real property taxes

consistent with the policies of the Agency. A representative of the Agency will at the above-stated time and place to hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Real Estate Holding Company and the Operating Company or the location or nature of the Facility.

Project Application: The Project Application together with a cost benefit analysis with respect to the Facility shall be available for inspection by the public at the office of the Agency at the above specified address during the regular business hours of the Agency. For those members of the public desiring to review project applications and cost benefit analyses before the date of the hearing, copies of these materials will be made available at www.babylonida.org/documents. Click on the tab titled "Project Applications." Under the year 2022 you will find the application for "P & M, LLC". Be advised that it is possible that certain of the aforementioned proposed transactions may be removed from the hearing agenda prior to the hearing date. Information regarding such removals will be available on the Agency's website www.babylonida.org/calendar at on or about 12:00 P.M. of the day prior to the hearing.

Participation at the Hearing: Persons desiring to submit comments concerning the Facility and the financial assistance to be granted thereto should contact the Town of Babylon Industrial Development Agency, 47 West Main Street, Babylon, New York Attention: Thomas E. Dolan, Chief Executive Officer, at (631) 587-3679 on or before September 12, 2022, at the office of the Agency. Written comments can be submitted prior to the hearing at that address. The Agency reserves the right to limit the time available to any person presenting comments. If you do not want to participate in the hearing, but would like to watch or listen to the proceeding, you may view a livestream of the meeting. Interested parties may view a livestream of the meeting online on the Town of Babylon IDA's YouTube channel. To access the YouTube channel go to the Town of Babylon IDA's website at www.babylonida.org/documents. The second item on the documents page is titled "Meeting Videos and Livestream", click this tab and follow the link provided. If you would like to access the IDA YouTube page directly from your browser you may insert the following World Wide Web address: (https://www.youtube.com/channel/UCqq5ixdV_-nmsmvSOsD4KnA).

The public hearing was closed by Tom Dolan at 1:11 P.M.

RESOLUTION OF THE TOWN OF BABYLON INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ACQUISITION, RENOVATION AND EQUIPPING OF A CERTAIN FACILITY FOR LIN'S WAHA INTERNATIONAL CORP AND J & M REAL ESTATE LAM'S GROUP LLC AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the Town of Babylon Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of Laws of 1969 of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 177 of the Laws of 1973 of New York, as amended, constituting Section 907-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, renovating, improving, maintaining, equipping and furnishing of, among others, manufacturing, warehousing, research, commercial or industrial facilities, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, pursuant to an application (the "Application") submitted to the Agency by Lin's Waha International Corp (the "Operating Company") and J & M Real Estate Lam's Group LLC (the "Real Estate Holding Company"), on behalf of themselves and/or entities formed or to be formed on behalf of the foregoing, the Operating Company and the Real Estate Holding Company have requested that the Agency undertake a project (the "Project") consisting of the following: (A)(1) the acquisition of an interest in approximately 1.411 acres of real estate located at 10 Ranick Drive South, Amityville (Tax Map #0101-004.00-01.00-032.000) in the Village of Amityville, Town of Babylon, Suffolk County, New York (the "Land"), the acquisition and renovation of an existing approximately 43,500 square foot building located on the Land (the "Improvements"), and the acquisition and installation therein and thereon of certain equipment and personal property 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 to be leased and subleased by the Agency to the Real Estate Holding Company and further subleased by the Real Estate Holding Company to the Operating Company; and (2) the acquisition and installation of certain equipment and personal property (the "Equipment", and together with the Company Facility, the "Facility"), which Facility will be used by the Operating Company as a warehouse and distribution facility and related uses for its business of wholesale food processing and as a wholesale distributor of food products; (B) the granting of certain "financial assistance" (within the meaning of section 854(14) of the Act) with respect to the foregoing limited to potential exemptions from certain sales and use taxes, transfer taxes, mortgage recording taxes (except as limited by Section 874 of the Act) and real property taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Company Facility to the Real Estate Holding Company or such other person as may be designated by the Real Estate Holding Company and agreed upon by the

Agency and the lease (with an obligation to purchase) or sale of the Equipment to the Operating Company or such other person as may be designated by the Operating Company and agreed upon by the Agency; and

WHEREAS, representatives of the Real Estate Holding Company and the Operating Company have indicated that the Project will result in the growth of permanent full time jobs within the Town of Babylon (the "Town"); and

WHEREAS, in order to induce the Real Estate Holding Company and the Operating Company to proceed with the Project within the Town it appears necessary for the Agency to assist the Real Estate Holding Company and the Operating Company by taking a leasehold interest in the Facility so as to afford the Real Estate Holding Company and the Operating Company certain relief from mortgage recording taxation (to the extent requested), relief from real property taxation and relief from sales and use taxation for a limited period; and

WHEREAS, the Agency (A) caused notice of public hearing of the Agency (the "Public Hearing") pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the Financial Assistance being contemplated by the Agency with respect to the Project, to be mailed on August 17, 2022 to the chief executive officers of the County of Suffolk, the Town of Babylon, the Village of Amityville, the Amityville Union Free School District and the Amityville Public Library (collectively, the "Affected Tax Jurisdictions"), (B) caused notice of the Public Hearing to be published on August 19, 2022 in Newsday, a newspaper of general circulation available to the residents of the Town of Babylon, New York, (C) conducted the Public Hearing on August 30, 2022 at 1:00 p.m., at 21 Ireland Place, Amityville, New York, and (D) prepared a report of the Public Hearing (the "Report") that fairly summarized the views presented at said public hearing and distributed same to the members of the Agency; and

WHEREAS, the Agency caused to be mailed on August 19, 2022 a letter to Nassau County and the Town of Oyster Bay (the "Current Municipalities") notifying the Current Municipalities that the Operating Company currently leases space located 229 Robbins Lane, Syosset, New York 11791 (the "Current Facility") and that the Real Estate Holding Company and the Operating Company have informed the Agency that the Operating Company will "abandon" (as such term is used in Section 859-a(5)(d)) the Current Facility upon completion of the Project; and

WHEREAS, in order to consummate the Project and the granting of the Financial Assistance described in the notice of the Public Hearing, the Agency proposes to enter into the following documents: (A) a company lease (and a memorandum thereof) (the "Company Lease") by and between the Real Estate Holding Company and the Agency, pursuant to which, among other things, the Agency will acquire a leasehold interest in the Land and the improvements now or hereafter located on the Land from the Real Estate Holding Company; (B) a lease and project agreement (and a memorandum thereof) (the "Lease Agreement") by and between the Agency and the Real Estate Holding Company, and agreed to and accepted by the Operating Company, pursuant to which, among other things, the Real Estate Holding Company will agree to undertake and complete the Project as agent of the Agency and the Real Estate Holding Company further will agree to lease the Company Facility from the Agency and, as rental thereunder, to pay the Agency's administrative fee

relating to the Project and to pay all expenses incurred by the Agency with respect to the Project and the Real Estate Holding Company will agree to make certain payment in lieu of taxes; (C) an agency compliance agreement (the "Agency Compliance Agreement") by and between the Agency and the Operating Company, pursuant to which the Operating Company will agree to lease that Equipment from the Agency; and (D) various other documents and certificates relating to the Project (the "Other Documents" and, collectively with the Company Lease, the Lease Agreement and the Agency Compliance Agreement, the "Agency Documents"); and

WHEREAS, in connection with the Project, (A) the Real Estate Holding Company will execute and deliver to the Agency a bill of sale (the "Bill of Sale to Agency"), which conveys from the Real Estate Holding Company to the Agency all right, title and interest of the Real Estate Holding Company in the Facility Equipment; and (B) the Operating Company will execute and deliver to the Agency a bill of sale (the "Operating Company Bill of Sale to Agency"), which conveys from the Operating Company to the Agency all right, title and interest of the Operating Company in the Equipment; and

WHEREAS, as security for the Loan (as such term is defined in the Lease Agreement), the Agency and the Real Estate Holding Company will execute and deliver to a lender or lenders to be determined (the "Lender"), one or more mortgages, assignments of leases and rents and such other loan documents satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably required by the Lender, to be dated a date to be determined (collectively, the "Loan Documents") in connection with the financing, refinancing or permanent financing of the costs of acquiring, renovating, reconstructing and equipping of the Facility; and

WHEREAS, the Agency will file with the assessor and mail to the chief executive officers of each "affected tax jurisdiction" (within the meaning of such quoted term in Section 854(16) of the Act) a copy of a New York State Board of Real Property Services Form RP-412-a (the form required to be filed by the Agency in order for the Agency to obtain a real property tax exemption with respect to the Facility under Section 412-a of the Real Property Tax Law) (a "Real Property Tax Exemption Form") relating to the Project; and

WHEREAS, simultaneously with the execution of the Agency Documents, the Agency will file with the New York State Department of Taxation and Finance one or more forms entitled "IDA Appointment of Project Operator or Agent for Sales Tax Purposes" (the form required to be filed pursuant to Section 874(9) of the Act) (the "Thirty-Day Sales Tax Forms"); and

WHEREAS, for purposes of exemption from New York State (the "State") sales and use taxation as part of the Financial Assistance requested, "sales and use taxation" shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight; and

WHEREAS, a preliminary agreement (the "Preliminary Agreement") relative to the undertaking of the Project by the Agency, to be executed prior to the execution and delivery of the Agency Documents, has been presented for approval by the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), the Agency must determine the potential environmental significance of the Project; and

WHEREAS, to aid the Agency in determining whether the action described above may have a significant adverse impact upon the environment, the Real Estate Holding Company and the Operating Company prepared an Environmental Assessment Form (the "EAF"), a copy of which is on file at the office of the Agency; and

WHEREAS, the Agency has examined and reviewed the EAF in order to classify the action and make a determination as to the potential significance of the action pursuant to SEQRA;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TOWN OF BABYLON INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Based upon an examination of the EAF, the criteria contained in 6 NYCRR § 617.7(c), and based further upon the Agency's knowledge of the action and its environmental effects as the Agency has deemed appropriate, the Agency makes the following findings and determinations pursuant to SEQRA:

(i) The action consists of the components described above in the second WHEREAS clause of this resolution; and

(ii) The action constitutes a "Type II Action" (as said quoted term is defined in SEQRA) and therefore no further environmental review is required under SEQRA.

Section 2. The Agency, based upon the representations made by the Real Estate Holding Company and the Operating Company to the Agency in the Application, hereby finds and determines that:

(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 Project constitutes a "project", as such term is defined in the Act; and

(C) The acquisition, renovation and equipping of the Facility and the leasing of the Facility to the Real Estate Holding Company and the Operating Company will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Babylon and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(D) The acquisition, renovation and equipping of the Facility and the leasing of the Facility to the Real Estate Holding Company and the Operating Company is reasonably necessary to induce the Real Estate Holding Company and the Operating Company to maintain and expand their business operations in the Town and in the State; and

(E) Based upon representations of the Real Estate Holding Company, the Operating Company and counsel to the Real Estate Holding Company and the Operating Company, the Facility conforms with the local zoning laws and planning regulations of the Town and all regional and local land use plans for the area in which the Facility is located; and

(F) Although the completion of the Facility will result in the removal of a plant or facility of the Operating Company or any other proposed occupant of the Facility from one area of the State to another area of the State or in the abandonment of a plant or facility of the Operating Company or of any proposed occupant of the Facility located in the State, the Project is reasonably necessary to preserve the competitive position of the Operating Company in its respective industry; and

(G) The Project does not constitute a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost.

Section 3. In consequence of the foregoing, the Agency hereby determines to: (A) proceed with the Project; (B) acquire (i) a leasehold interest in the Land and all improvements now or hereafter located on the Land from the Real Estate Holding Company pursuant to the Company Lease, (ii) title to the Facility Equipment pursuant to the Bill of Sale to Agency from the Real Estate Holding Company to the Agency, and (iii) title to the Equipment pursuant to the Operating Company Bill of Sale to Agency from of the Operating Company to the Agency; (C) lease the Company Facility to the Real Estate Holding Company pursuant to the Lease Agreement; (D) lease the Equipment to the Operating Company pursuant to the Agency Compliance Agreement; (E) acquire, construct, reconstruct and install the Project, or cause the Project to be acquired, constructed, reconstructed, and installed, as provided in the Lease Agreement; (F) grant to the Real Estate Holding Company exemptions from real estate taxes with respect to the Company Facility, provided that the Real Estate Holding Company executes and delivers to the Agency the Lease Agreement; (G) grant to the Lender such mortgage lien on and security interest in its interest in the Facility and assign to the Lender all leases and rents with respect to the Facility, in each case as required by the Lender and the Loan Documents; and (H) grant to the Real Estate Holding Company and the Operating Company the Financial Assistance with respect to the Project. In the event of the occurrence of a recapture event under the Lease Agreement, the Agency will pursue recapture of Financial Assistance as provided therein.

Section 4. The Agency is hereby authorized to acquire an interest in the Facility and to do all things necessary or appropriate for the accomplishment of the Project, and all acts heretofore taken by the Agency with respect to such Project are hereby approved, ratified and confirmed.

Section 5. (A) The Preliminary Agreement, the Agency Documents and the Loan Documents shall be in form and substance satisfactory to the Chief Executive Officer ("CEO") or the Chief Financial Officer ("CFO") and the Agency Counsel and shall be in substantially similar form

to the documents used in connection with prior Agency projects. The CEO, the CFO, the Chairman and the Secretary (each an "Authorized Representative") are each hereby authorized, on behalf of the Agency, to execute and deliver the Preliminary Agreement, the Agency Documents and the Loan Documents, and, where appropriate, the Secretary of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same.

(B) The CEO, the CFO and any other Authorized Representatives are each hereby further authorized, on behalf of the Agency, to designate any additional Authorized Representatives to execute any Agency Documents or certificates of the Agency authorized pursuant to this Resolution and determine the terms of the Agency Documents.

Section 6. 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, to 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 7. The Agency hereby delegates to the Real Estate Holding Company and the Operating Company, as agents of the Agency, the authority to designate (following the execution and delivery of the Agency Documents), agents and sub-agents of the Agency (each, a "Sub-Agent") for purposes of utilizing the Agency sales and use tax exemption with respect to the acquisition, reconstruction and installation of the Facility; provided that any such sub-agency designation shall become effective only upon submission to the Agency within fifteen (15) days of such agency and sub-agency designation: (1) an executed sub-agent appointment agreement (in a form approved by the Agency) and (2) a completed Form ST-60 of the New York State Department of Taxation and Finance (IDA Appointment of Project Operator or Agent for Sales Tax Purposes). Such agents and sub-agents may include contractors and subcontractors involved in the acquisition, reconstruction and installation of the Facility.

Section 8. The terms and conditions of subdivision 3 of Section 875 of the Act are herein incorporated by reference and the Real Estate Holding Company and the Operating Company shall agree to such terms as a condition precedent to receiving or benefiting from an exemption from New York State sales and use exemptions benefits. Notwithstanding anything herein to the contrary, the amount of State and local sales and use tax exemption benefits comprising the Financial Assistance approved herein shall not exceed **\$129,375 and shall last no longer than two years from the execution and delivery of the Agency Documents.**

Section 9. Notwithstanding anything herein to the contrary, the amount of mortgage recording tax exemption benefits comprising the Financial Assistance approved herein shall not exceed **\$49,613.**

Section 10. Notwithstanding anything herein to the contrary, the amount of real property tax exemption benefits comprising the Financial Assistance approved herein shall be approximately

\$449,700, which such amount reflects the total estimated real property tax exemptions for the Facility (which constitute those taxes that would have been paid if the Facility were on the tax rolls and not subject to the Lease Agreement) of approximately **\$1,451,500** less the estimated payments in lieu of taxes of approximately **\$1,001,800** to be made by the Real Estate Holding Company to the affected tax jurisdictions with respect to the Facility during the terms of the Lease Agreement. The approximate amount of estimated real property tax exemptions and the approximate amount of estimated payments in lieu of taxes are estimated based on an assumed assessed value of the Facility and assumed future tax rates of the affected tax jurisdictions. The actual amount of real property tax abatement benefit is subject to change over the terms of the Lease Agreement depending on any changes to assessed value and/or tax rates of the Affected Tax Jurisdictions. Exhibit A attached hereto reflects the calculation for the annual amount of the payments in lieu of taxes to be made to the affected tax jurisdictions in each year during the terms of the Lease Agreement.

Section 11. The Preliminary Agreement, the Agency Documents and the Loan Documents shall be deemed the obligations of the Agency, and not of any member, officer, agent or employee of the Agency in his/her individual capacity, and the members, officers, agents and employees of the Agency shall not be personally liable thereon or be subject to any personal liability or accountability based upon or in respect hereof or of any transaction contemplated hereby. The Preliminary Agreement, the Agency Documents and the Loan Documents shall not constitute or give rise to an obligation of the State of New York or Suffolk County, New York and neither the State of New York nor Suffolk County, New York shall be liable thereon, and further, such agreement shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency.

Section 12. This resolution shall take effect immediately upon adoption.

Exhibit A

For the period commencing on the PILOT Commencement Date (to be defined in the Lease Agreement) until the earlier of (i) the Abatement Termination Date (to be defined in the Lease Agreement) or (ii) the date on which the Agency no longer has a leasehold interest in the Land and the Improvements, the Real Estate Holding Company shall make payment in lieu of real estate taxes (the "PILOT Payments") as follows:

Definitions

X =	the then current assessed value of Land and Improvements from time to time.
PILOT Commencement Date =	the Taxable Status Date of the Town immediately following the execution and delivery of the Agency Documents.
Normal Tax Due =	those payments for taxes and assessments, other than special ad valorem levies, special assessments and service charges against real property located in the Town of Babylon (including any existing incorporated village or any village which may be or may have been incorporated after the date hereof, within which the Project is wholly or partially located) which are or may be imposed for special improvements or special district improvements, which the Real Estate Holding Company would pay without exemption.
Tax Year =	the Tax Year of the Town commencing each December 1 and ending the following November 30.

Payment Tax Year

1	40.0% Normal Tax Due on X
2	45.0% Normal Tax Due on X
3	50.0% Normal Tax Due on X
4	55.0% Normal Tax Due on X
5	60.0% Normal Tax Due on X
6	65.0% Normal Tax Due on X
7	70.0% Normal Tax Due on X
8	75.0% Normal Tax Due on X
9	80.0% Normal Tax Due on X
10	85.0% Normal Tax Due on X
11	90.0% Normal Tax Due on X
12	95.0% Normal Tax Due on X
13 and thereafter	100% Normal Tax Due on X

The tax benefits provided for shall be deemed to commence on the PILOT Commencement Date. In no event shall the Real Estate Holding Company be entitled to receive real property tax benefits due to the Project under the Lease Agreement for a period longer than the period set forth in the formula immediately above. Notwithstanding the foregoing schedule, the Real Estate Holding Company will further covenant and agree that for any period that the Agency continues to hold a leasehold interest in the Land and Improvements after termination, the Real Estate Holding Company shall pay 100% of the Normal Tax Due on X together with any special assessment and services charges relating to the Facility whichever may be imposed for special district improvements in accordance with the provisions of the Lease Agreement.

RESOLUTION GRANTING APPROVAL OF AND AUTHORIZING THE GRANT OF CERTAIN FINANCIAL ASSISTANCE BY THE TOWN OF BABYLON INDUSTRIAL DEVELOPMENT AGENCY TO DIXON 145 ASSOCIATES LLC AND ALWAYS AFFILIATION INC. IN CONNECTION WITH THE RENOVATION, CONSTRUCTION, EQUIPPING AND FURNISHING OF A MANUFACTURING 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, New York (the “**Town**”); and

WHEREAS, representatives of Dixon 145 Associates LLC, a limited liability company organized and existing under the laws of the State of New York or any other real estate holding company created in connection with the foregoing (the “**Owner**”) and representatives of Always Affiliation Inc., a corporation organized and existing under the laws of the State of New York, and Jaxson LLC and Infinity Drain Ltd. which have been or are anticipated to be contributed to Always Affiliation, Inc. (the “**Company**”) have filed or caused to be filed an application with the Agency concerning a project (the “**Project**”) consisting of the renovation, equipping and furnishing of an approximately 44,044 square foot existing 2-story facility and the construction of an approximately 18,780 square foot addition thereto all located or to be located on that certain approximately 3.58 acre lot, piece or parcel of land (the “**Facility Site**”) generally known as 145 Dixon Avenue, Amityville, New York 11701 (collectively, the “**Facility**”) all for use by the Company as a manufacturing and distribution facility in its business of manufacturing and distribution of shower drains and related products in the plumbing industry; and

WHEREAS, in 2015 the Agency provided financial assistance to the Owner pursuant to a prior “straight lease” transaction (as defined in the Act) with respect to the Owner’s facilities located on 145 Dixon Avenue in Amityville, New York and in connection with such prior straight lease transaction the Owner deeded title to its existing facilities to the Agency, and such straight lease transaction was amended and restated as of April 1, 2018 and the Company and the Owner have requested that the Agency further deed title to the existing facilities back to the Owner and further amend and restate said straight lease transaction with respect to the Project; and

WHEREAS, it is contemplated that (i) the Agency will transfer by deed to the Owner the Facility Site and the improvements thereon, (ii) the Owner will cause the transfer or lease of the Facility Site and improvements thereon to the Agency pursuant to an Amended and Restated Company Lease Agreement (the “**Company Lease**”), and (iii) the Agency will assist the Owner and the Company to undertake the Project and will sublease the Facility to the Owner pursuant to an Amended and Restated Lease and Project Agreement (the “**Lease Agreement**”), by and between the Owner and the Agency pursuant to which the Owner agrees, among other things, to make lease payments in such amounts as specified in the Lease Agreement; and

WHEREAS, it is further contemplated that the Owner will sublease the Facility to the Company pursuant to a Sublease Agreement (the "**Sublease Agreement**") by and between the Owner 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 Lease Agreement; and

WHEREAS, pursuant to the Lease Agreement the Owner has 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 Owner and 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 Owner and the Company have confirmed in such Project Application that as of the date of the Project Application, the Company is in substantial compliance with the Act; and

WHEREAS, representatives of the Agency held a public hearing with respect to the Project on September 13, 2022 and a transcript of such hearing has been presented to the members of the Agency; and

WHEREAS, it is desired that the Agency authorize the granting of certain financial assistance to the Owner and the Company in connection with the Project and the Facility including abatements from mortgage recording taxes, real property taxes and sales and use 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 and Distribution Projects the Agency makes the following determinations:

- (a) It has reviewed the information in the Cost Benefit Analysis, and the public hearing materials with respect to the Project.

- (b) The Owner and the Company propose a capital investment in soft costs, the land, building, machinery and equipment and capital improvements in the Facility of approximately \$8,047,000.
- (c) The Project will not have significant long term impact on local labor in the Town but will result in approximately 30 new temporary construction jobs during the first and second year of construction occurring at the Facility.
- (d) Wage rates for the employees of the Company average \$287,500 per year for management positions, \$72,000 per year for professional positions, \$70,000 per year for administrative positions, \$80,000 per year for supervisor positions and \$41,600 per year for laborer positions, not including fringe benefits.
- (e) The Company has a positive impact on regional wealth creation due to the fact that a significant portion of the Company's product is sold and shipped outside of the Town and result in revenue inflows into the Town and the Long Island region due to taxes and municipal charges paid by the Owner and the Company to the Town and Suffolk County.
- (f) The Project will not have a significant effect on in-region purchases.
- (g) The Project includes the installation of solar equipment which will have a significant effect on energy efficiency.
- (h) The Project will not affect existing land use or zoning.
- (i) The Project is important to the retention of a significant employer of the Town. The Company currently employs 98 full-time employees and such employment is anticipated to increase to 110 full-time employees within two years of the completion of the Project. If the Company does not receive financial assistance from the Agency for the Project, the Company will need to relocate to a larger facility possibly outside of the Town and the Company is considering relocating its current operations to Pennsylvania, Nevada or South Carolina which would achieve substantial costs savings for the Company.

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; and (ii) the granting of mortgage recording tax abatements, real property tax abatements and sales and use tax abatements (collectively the "**Financial Assistance**") by the Agency with respect to the Project and the Facility pursuant to the Act, will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the Town 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 the Financial Assistance to the Company with respect to the Project and the Facility.

(c) The Agency shall grant Financial Assistance to the Owner and the Company in the form of New York State and local Sales and Use Tax abatements in a maximum amount not to exceed \$129,375 as provided in Section 5.2 of the Lease Agreement and in the event of the occurrence of a recapture event under the Lease Agreement the Agency will pursue recapture of the Financial Assistance as provided in Section 5.4 of the Lease Agreement.

Section 3. To accomplish the purposes of the Act, the Agency shall take leasehold title to the Facility pursuant to the Company Lease, assist the Owner and the Company to undertake the Project and lease the Facility to the Owner pursuant to the Lease Agreement which the Owner will further sublease the Facility to the Company pursuant to the Sublease Agreement.

Section 4. Pursuant to the Lease Agreement, the Owner will make certain payments in lieu of real property taxes substantially as described in the Project Application with respect to the Facility.

Section 5. In order to provide the Owner and the Company with Financial Assistance with respect to exemption from New York State and local Sales and Use Taxes with respect to the Project the Agency may issue one or more Sales Tax Agent Authorization Letters ("**Sales Tax Authorization Letters**") which shall be used pursuant to the terms contained therein and in the Lease Agreement.

Section 6. 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 to the Company with respect to the financing or refinancing of the Project and the Facility, 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 Agreement, from the Agency and the Owner 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 7. The form and substance of the Lease Agreement in substantially the form previously approved by the Agency for other "straight lease" transactions is hereby approved.

Section 8. The form and substance of the Company Lease in substantially the form previously executed for other "straight lease" transactions is hereby approved.

Section 9. 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 Lease, Lease Agreement, Mortgages, Sales Tax Agent Authorization Letters, 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, the Secretary or Assistant 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, Assistant 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 10. 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 Lease and the Lease Agreement 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 11. 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 12. 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 13. 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 14. The law firm Katten Muchin Rosenman LLP is hereby appointed transaction counsel to the Agency for this transaction.

Section 15. This resolution shall take effect immediately.

RESOLUTION OF THE TOWN OF BABYLON INDUSTRIAL DEVELOPMENT AGENCY DETERMINING THAT THE ACQUISITION, RENOVATION, CONSTRUCTION, RECONSTRUCTION AND EQUIPPING OF A CERTAIN PROJECT WILL NOT HAVE A SIGNIFICANT ADVERSE EFFECT ON THE ENVIRONMENT.

WHEREAS, Town of Babylon Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of Laws of 1969 of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 177 of the Laws of 1973 of New York, as amended, constituting Section 907-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, renovating, improving, maintaining, equipping and furnishing of, among others, manufacturing, warehousing, research, commercial or industrial facilities, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install "projects" (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, P & M, LLC (the "Operating Company") and SEFI Realty LLC (the "Real Estate Holding Company"), on behalf of themselves and/or entities formed or to be formed on behalf of the foregoing, have submitted an application (the "Application") to the Agency, a copy of which was presented at this meeting and copies of which are on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") on behalf of the Operating Company and the Real Estate Holding Company consisting of the following: (A)(1) the acquisition of an interest in approximately 0.84 acres of real estate located at 50 Ranick Drive East, Amityville (Tax Map #0101-004.00-01.00-031.000) in the Village of Amityville, Town of Babylon, Suffolk County, New York (the "Land"), the acquisition, renovation, reconstruction and construction of an existing approximately 16,400 square foot building into an approximately 20,400 square foot building located on the Land (the "Improvements"), and the acquisition and installation therein and thereon of certain equipment and personal property 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 to be leased and subleased by the Agency to the Real Estate Holding Company and further subleased by the Real Estate Holding Company to the Operating Company; and (2) the acquisition and installation of certain equipment and personal property (the "Equipment", and together with the Company Facility, the "Facility"), which Facility will be used by the Operating Company for its business as a manufacturer of stainless steel equipment for the food service industry; (B) the granting of certain "financial assistance" (within the meaning of section 854(14) of the Act) with respect to the foregoing limited to potential exemptions from certain sales and use taxes,

transfer taxes, mortgage recording taxes (except as limited by Section 874 of the Act) and real property taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Company Facility to the Real Estate Holding Company or such other person as may be designated by the Real Estate Holding Company and agreed upon by the Agency and the lease (with an obligation to purchase) or sale of the Equipment to the Operating Company or such other person as may be designated by the Operating Company and agreed upon by the Agency; and

WHEREAS, pursuant to SEQRA, the Agency is required to make a determination with respect to the environmental impact of any "action" (as defined by SEQRA) to be taken by the Agency and the Project constitutes such an action; and

WHEREAS, to aid the Agency in determining whether the Project may have a significant effect upon the environment, the Application included a Short Environmental Assessment Form (the "SEAF"), a copy of which is attached hereto as Exhibit A, and copies of said SEAF are on file in the office of the Agency and are readily accessible to the public; and

WHEREAS, the Agency has examined and reviewed the SEAF in order to classify the Project and make a determination as to the potential significance of the action pursuant to SEQRA;

NOW, THEREFORE, be it resolved by the members of the Town of Babylon Industrial Development Agency, as follows:

Section 1. Based upon an examination of the SEAF, the criteria contained in 6 NYCRR §617.7(c), and based further upon the Agency's knowledge of the Project, and such further investigation of the action and its environmental effects as the Agency has deemed appropriate, the Agency makes the following findings and determinations with respect to the action pursuant to SEQRA:

(a) The Project constitutes an "Unlisted Action" (as said quoted term is defined in SEQRA);

(b) The Project will not have a significant effect on the environment, and the Agency hereby issues a negative declaration for the action pursuant to SEQRA, which shall be filed in the office of the Agency in a file that is readily accessible to the public.

Section 2. A copy of this Resolution shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

Section 3. The Chief Executive Officer of the Agency is hereby authorized and directed to execute the environmental assessment form/negative declaration on behalf of the Agency.

Section 4. The Secretary of the Agency is hereby authorized and directed to distribute copies of this Resolution and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Exhibit A

-See attached-

Project:

P&M, LLC

Date:

9/13/22

Short Environmental Assessment Form
Part 2 - Impact Assessment

Part 2 is to be completed by the Lead Agency.

Answer all of the following questions in Part 2 using the information contained in Part 1 and other materials submitted by the project sponsor or otherwise available to the reviewer. When answering the questions the reviewer should be guided by the concept "Have my responses been reasonable considering the scale and context of the proposed action?"

	No, or small impact may occur	Moderate to large impact may occur
1. Will the proposed action create a material conflict with an adopted land use plan or zoning regulations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Will the proposed action result in a change in the use or intensity of use of land?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Will the proposed action impair the character or quality of the existing community?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Will the proposed action have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Will the proposed action result in an adverse change in the existing level of traffic or affect existing infrastructure for mass transit, biking or walkway?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Will the proposed action cause an increase in the use of energy and it fails to incorporate reasonably available energy conservation or renewable energy opportunities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Will the proposed action impact existing:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
a. public / private water supplies?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. public / private wastewater treatment utilities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Will the proposed action impair the character or quality of important historic, archaeological, architectural or aesthetic resources?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Will the proposed action result in an adverse change to natural resources (e.g., wetlands, waterbodies, groundwater, air quality, flora and fauna)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Will the proposed action create a hazard to environmental resources or human health?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Agency Use Only [If applicable]	
Project:	P&M, LLC
Date:	9/13/22

Short Environmental Assessment Form

Part 3 Determination of Significance

For every question in Part 2 that was answered "moderate to large impact may occur", or if there is a need to explain why a particular element of the proposed action may or will not result in a significant adverse environmental impact, please complete Part 3. Part 3 should, in sufficient detail, identify the impact, including any measures or design elements that have been included by the project sponsor to avoid or reduce impacts. Part 3 should also explain how the lead agency determined that the impact may or will not be significant. Each potential impact should be assessed considering its setting, probability of occurring, duration, irreversibility, geographic scope and magnitude. Also consider the potential for short-term, long-term and cumulative impacts.

<input type="checkbox"/> Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.	
<input checked="" type="checkbox"/> Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.	
Town of Babylon Industrial Development Agency	9/13/22
Name of Lead Agency	Date
Thomas E. Dolan	Chief Executive Officer
Print or Type Name of Responsible Officer in Lead Agency	Title of Responsible Officer
By <u>Thomas E. Dolan, CEO</u>	Signature of Preparer (if different from Responsible Officer)
Signature of Responsible Officer in Lead Agency	

PRINT FORM

RESOLUTION OF THE TOWN OF BABYLON INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION AND EQUIPPING OF A CERTAIN FACILITY FOR P & M, LLC AND SEFI REALTY LLC AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the Town of Babylon Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of Laws of 1969 of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 177 of the Laws of 1973 of New York, as amended, constituting Section 907-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, renovating, improving, maintaining, equipping and furnishing of, among others, manufacturing, warehousing, research, commercial or industrial facilities, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, pursuant to an application (the "Application") submitted to the Agency by P & M, LLC (the "Operating Company") and SEFI Realty LLC (the "Real Estate Holding Company"), on behalf of themselves and/or entities formed or to be formed on behalf of the foregoing, the Operating Company and the Real Estate Holding Company have requested that the Agency undertake a project (the "Project") consisting of the following: (A)(1) the acquisition of an interest in approximately 0.84 acres of real estate located at 50 Ranick Drive East, Amityville (Tax Map #0101-004.00-01.00-031.000) in the Village of Amityville, Town of Babylon, Suffolk County, New York (the "Land"), the acquisition, renovation, reconstruction and construction of an existing approximately 16,400 square foot building into an approximately 20,400 square foot building located on the Land (the "Improvements"), and the acquisition and installation therein and thereon of certain equipment and personal property 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 to be leased and subleased by the Agency to the Real Estate Holding Company and further subleased by the Real Estate Holding Company to the Operating Company; and (2) the acquisition and installation of certain equipment and personal property (the "Equipment", and together with the Company Facility, the "Facility"), which Facility will be used by the Operating Company as a manufacturing, warehousing and distribution facility and related uses for its business as a manufacturer of stainless steel equipment for the food service industry; (B) the granting of certain "financial assistance" (within the meaning of section 854(14) of the Act) with respect to the foregoing limited to potential exemptions from certain sales and use taxes, transfer taxes, mortgage recording taxes (except as limited by Section 874 of the Act) and real property taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Company Facility to the Real Estate Holding Company or such other person as may be designated by the Real Estate Holding Company and agreed upon by the Agency and the lease (with an obligation

to purchase) or sale of the Equipment to the Operating Company or such other person as may be designated by the Operating Company and agreed upon by the Agency; and

WHEREAS, representatives of the Real Estate Holding Company and the Operating Company have indicated that the Project will result in the growth of permanent full time jobs within the Town of Babylon (the "Town"); and

WHEREAS, in order to induce the Real Estate Holding Company and the Operating Company to proceed with the Project within the Town it appears necessary for the Agency to assist the Real Estate Holding Company and the Operating Company by taking a leasehold interest in the Facility so as to afford the Real Estate Holding Company and the Operating Company certain relief from mortgage recording taxation (to the extent requested), relief from real property taxation and relief from sales and use taxation for a limited period; and

WHEREAS, the Agency (A) caused notice of public hearing of the Agency (the "Public Hearing") pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the Financial Assistance being contemplated by the Agency with respect to the Project, to be mailed on September 2, 2022 to the chief executive officers of the County of Suffolk, the Town of Babylon, the Village of Amityville, the Amityville Union Free School District and the Amityville Public Library (collectively, the "Affected Tax Jurisdictions"), (B) caused notice of the Public Hearing to be published on September 3, 2022 in Newsday, a newspaper of general circulation available to the residents of the Town of Babylon, New York, (C) conducted the Public Hearing on September 13, 2022 at 1:00 p.m., at 50 Ranick Drive East, Amityville, New York, and (D) prepared a report of the Public Hearing (the "Report") that fairly summarized the views presented at said public hearing and distributed same to the members of the Agency; and

WHEREAS, in order to consummate the Project and the granting of the Financial Assistance described in the notice of the Public Hearing, the Agency proposes to enter into the following documents: (A) a company lease (and a memorandum thereof) (the "Company Lease") by and between the Real Estate Holding Company and the Agency, pursuant to which, among other things, the Agency will acquire a leasehold interest in the Land and the improvements now or hereafter located on the Land from the Real Estate Holding Company; (B) a lease and project agreement (and a memorandum thereof) (the "Lease Agreement") by and between the Agency and the Real Estate Holding Company, and agreed to and accepted by the Operating Company, pursuant to which, among other things, the Real Estate Holding Company will agree to undertake and complete the Project as agent of the Agency and the Real Estate Holding Company further will agree to lease the Company Facility from the Agency and, as rental thereunder, to pay the Agency's administrative fee relating to the Project and to pay all expenses incurred by the Agency with respect to the Project and the Real Estate Holding Company will agree to make certain payment in lieu of taxes; (C) an agency compliance agreement (the "Agency Compliance Agreement") by and between the Agency and the Operating Company, pursuant to which the Operating Company will agree to lease that Equipment from the Agency; and (D) various other documents and certificates relating to the Project (the "Other Documents" and, collectively with the Company Lease, the Lease Agreement and the Agency Compliance Agreement, the "Agency Documents"); and

WHEREAS, in connection with the Project, (A) the Real Estate Holding Company will execute and deliver to the Agency a bill of sale (the "Bill of Sale to Agency"), which conveys from the Real Estate Holding Company to the Agency all right, title and interest of the Real Estate Holding Company in the Facility Equipment; and (B) the Operating Company will execute and deliver to the Agency a bill of sale (the "Operating Company Bill of Sale to Agency"), which conveys from the Operating Company to the Agency all right, title and interest of the Operating Company in the Equipment; and

WHEREAS, as security for the Loan (as such term is defined in the Lease Agreement), the Agency and the Real Estate Holding Company will execute and deliver to a lender or lenders to be determined (the "Lender"), one or more mortgages, assignments of leases and rents and such other loan documents satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably required by the Lender, to be dated a date to be determined (collectively, the "Loan Documents") in connection with the financing, refinancing or permanent financing of the costs of acquiring, renovating, reconstructing and equipping of the Facility; and

WHEREAS, the Agency will file with the assessor and mail to the chief executive officers of each "affected tax jurisdiction" (within the meaning of such quoted term in Section 854(16) of the Act) a copy of a New York State Board of Real Property Services Form RP-412-a (the form required to be filed by the Agency in order for the Agency to obtain a real property tax exemption with respect to the Facility under Section 412-a of the Real Property Tax Law) (a "Real Property Tax Exemption Form") relating to the Project; and

WHEREAS, simultaneously with the execution of the Agency Documents, the Agency will file with the New York State Department of Taxation and Finance one or more forms entitled "IDA Appointment of Project Operator or Agent for Sales Tax Purposes" (the form required to be filed pursuant to Section 874(9) of the Act) (the "Thirty-Day Sales Tax Forms"); and

WHEREAS, for purposes of exemption from New York State (the "State") sales and use taxation as part of the Financial Assistance requested, "sales and use taxation" shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight; and

WHEREAS, a preliminary agreement (the "Preliminary Agreement") relative to the undertaking of the Project by the Agency, to be executed prior to the execution and delivery of the Agency Documents, has been presented for approval by the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as "SEQRA"), the Project had been subject to an environmental review resulting in the issuance of a Negative Declaration by the Agency by resolution dated September 14, 2022;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TOWN OF BABYLON INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Agency, based upon the representations made by the Real Estate Holding Company and the Operating Company to the Agency in the Application, hereby finds and determines that:

(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 Project constitutes a "project", as such term is defined in the Act; and

(C) The acquisition, renovation and equipping of the Facility and the leasing of the Facility to the Real Estate Holding Company and the Operating Company will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Babylon and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(D) The acquisition, renovation and equipping of the Facility and the leasing of the Facility to the Real Estate Holding Company and the Operating Company is reasonably necessary to induce the Real Estate Holding Company and the Operating Company to maintain and expand their business operations in the Town and in the State; and

(E) Based upon representations of the Real Estate Holding Company, the Operating Company and counsel to the Real Estate Holding Company and the Operating Company, the Facility conforms with the local zoning laws and planning regulations of the Town and all regional and local land use plans for the area in which the Facility is located; and

(F) The completion of the Facility will not result in the removal of a plant or facility of the Real Estate Holding Company, the Operating Company or any other proposed occupant of the Facility from one area of the State to another area of the State or in the abandonment of a plant or facility of the Real Estate Holding Company, the Operating Company or of any proposed occupant of the Facility located in the State; and

(G) The Project does not constitute a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (A) proceed with the Project; (B) acquire (i) a leasehold interest in the Land and all improvements now or hereafter located on the Land from the Real Estate Holding Company pursuant to the Company Lease, (ii) title to the Facility Equipment pursuant to the Bill of Sale to Agency from the Real Estate Holding Company to the Agency, and (iii) title to the Equipment pursuant to the Operating Company Bill of Sale to Agency from of the Operating Company to the Agency; (C) lease the Company Facility to the Real Estate Holding Company pursuant to the Lease Agreement; (D) lease the

Equipment to the Operating Company pursuant to the Agency Compliance Agreement; (E) acquire, construct, reconstruct and install the Project, or cause the Project to be acquired, constructed, reconstructed, and installed, as provided in the Lease Agreement; (F) grant to the Real Estate Holding Company exemptions from real estate taxes with respect to the Company Facility, provided that the Real Estate Holding Company executes and delivers to the Agency the Lease Agreement; (G) grant to the Lender such mortgage lien on and security interest in its interest in the Facility and assign to the Lender all leases and rents with respect to the Facility, in each case as required by the Lender and the Loan Documents; and (H) grant to the Real Estate Holding Company and the Operating Company the Financial Assistance with respect to the Project. In the event of the occurrence of a recapture event under the Lease Agreement, the Agency will pursue recapture of Financial Assistance as provided therein.

Section 3. The Agency is hereby authorized to acquire an interest in the Facility and to do all things necessary or appropriate for the accomplishment of the Project, and all acts heretofore taken by the Agency with respect to such Project are hereby approved, ratified and confirmed.

Section 4. (A) The Preliminary Agreement, the Agency Documents and the Loan Documents shall be in form and substance satisfactory to the Chief Executive Officer ("CEO") or the Chief Financial Officer ("CFO") and the Agency Counsel and shall be in substantially similar form to the documents used in connection with prior Agency projects. The CEO, the CFO, the Chairman and the Secretary (each an "Authorized Representative") are each hereby authorized, on behalf of the Agency, to execute and deliver the Preliminary Agreement, the Agency Documents and the Loan Documents, and, where appropriate, the Secretary of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same.

(B) The CEO, the CFO and any other Authorized Representatives are each hereby further authorized, on behalf of the Agency, to designate any additional Authorized Representatives to execute any Agency Documents or certificates of the Agency authorized pursuant to this Resolution and determine the terms of the Agency Documents.

Section 5. 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, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 6. The Agency hereby delegates to the Real Estate Holding Company and the Operating Company, as agents of the Agency, the authority to designate (following the execution and delivery of the Agency Documents), agents and sub-agents of the Agency (each, a "Sub-Agent") for purposes of utilizing the Agency sales and use tax exemption with respect to the acquisition, reconstruction and installation of the Facility; provided that any such sub-agency designation shall become effective only upon submission to the Agency within fifteen (15) days of such agency and

sub-agency designation: (1) an executed sub-agent appointment agreement (in a form approved by the Agency) and (2) a completed Form ST-60 of the New York State Department of Taxation and Finance (IDA Appointment of Project Operator or Agent for Sales Tax Purposes). Such agents and sub-agents may include contractors and subcontractors involved in the acquisition, reconstruction and installation of the Facility.

Section 7. The terms and conditions of subdivision 3 of Section 875 of the Act are herein incorporated by reference and the Real Estate Holding Company and the Operating Company shall agree to such terms as a condition precedent to receiving or benefiting from an exemption from New York State sales and use exemptions benefits. Notwithstanding anything herein to the contrary, the amount of State and local sales and use tax exemption benefits comprising the Financial Assistance approved herein shall not exceed **\$51,750 and shall last no longer than two years from the execution and delivery of the Agency Documents.**

Section 8. Notwithstanding anything herein to the contrary, the amount of mortgage recording tax exemption benefits comprising the Financial Assistance approved herein shall not exceed **\$16,200.**

Section 9. Notwithstanding anything herein to the contrary, the amount of real property tax exemption benefits comprising the Financial Assistance approved herein shall be approximately **\$272,874**, which such amount reflects the total estimated real property tax exemptions for the Facility (which constitute those taxes that would have been paid if the Facility were on the tax rolls and not subject to the Lease Agreement) of approximately **\$756,183** less the estimated payments in lieu of taxes of approximately **\$483,309** to be made by the Real Estate Holding Company to the affected tax jurisdictions with respect to the Facility during the terms of the Lease Agreement. The approximate amount of estimated real property tax exemptions and the approximate amount of estimated payments in lieu of taxes are estimated based on an assumed assessed value of the Facility and assumed future tax rates of the affected tax jurisdictions. The actual amount of real property tax abatement benefit is subject to change over the terms of the Lease Agreement depending on any changes to assessed value and/or tax rates of the Affected Tax Jurisdictions. Exhibit A attached hereto reflects the calculation for the annual amount of the payments in lieu of taxes to be made to the affected tax jurisdictions in each year during the terms of the Lease Agreement.

Section 10. The Preliminary Agreement, the Agency Documents and the Loan Documents shall be deemed the obligations of the Agency, and not of any member, officer, agent or employee of the Agency in his/her individual capacity, and the members, officers, agents and employees of the Agency shall not be personally liable thereon or be subject to any personal liability or accountability based upon or in respect hereof or of any transaction contemplated hereby. The Preliminary Agreement, the Agency Documents and the Loan Documents shall not constitute or give rise to an obligation of the State of New York or Suffolk County, New York and neither the State of New York nor Suffolk County, New York shall be liable thereon, and further, such agreement shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency.

Section 11. This resolution shall take effect immediately upon adoption.

Exhibit A

For the period commencing on the PILOT Commencement Date (to be defined in the Lease Agreement) until the earlier of (i) the Abatement Termination Date (to be defined in the Lease Agreement) or (ii) the date on which the Agency no longer has a leasehold interest in the Land and the Improvements, the Real Estate Holding Company shall make payment in lieu of real estate taxes (the "PILOT Payments") as follows:

Definitions

X = the then current assessed value of Land and Improvements from time to time.

PILOT Commencement Date = the Taxable Status Date of the Town immediately following the execution and delivery of the Agency Documents.

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

Tax Year = the Tax Year of the Town commencing each December 1 and ending the following November 30.

Payment Tax Year

1	40.0% Normal Tax Due on X
2	45.0% Normal Tax Due on X
3	50.0% Normal Tax Due on X
4	55.0% Normal Tax Due on X
5	60.0% Normal Tax Due on X
6	65.0% Normal Tax Due on X
7	70.0% Normal Tax Due on X
8	75.0% Normal Tax Due on X
9	80.0% Normal Tax Due on X
10	85.0% Normal Tax Due on X
11	90.0% Normal Tax Due on X
12	95.0% Normal Tax Due on X
13 and thereafter	100% Normal Tax Due on X

The tax benefits provided for shall be deemed to commence on the PILOT Commencement Date. In no event shall the Real Estate Holding Company be entitled to receive real property tax benefits due to the Project under the Lease Agreement for a period longer than the period set forth in the formula immediately above. Notwithstanding the foregoing schedule, the Real Estate Holding Company will further covenant and agree that for any period that the Agency continues to hold a leasehold interest in the Land and Improvements after termination, the Real Estate Holding Company shall pay 100% of the Normal Tax Due on X together with any special assessment and services charges relating to the Facility whichever may be imposed for special district improvements in accordance with the provisions of the Lease Agreement.

PRELIMINARY INDUCEMENT RESOLUTION DATED SEPTEMBER 14, 2022

**PRELIMINARY INDUCEMENT RESOLUTION OF THE TOWN
OF BABYLON INDUSTRIAL DEVELOPMENT AGENCY
RELATING TO THE GRANTING OF PRELIMINARY
APPROVAL TO PROLOGIS, L.P. IN CONNECTION WITH THE
POTENTIAL GRANT OF CERTAIN FINANCIAL ASSISTANCE**

WHEREAS, Prologis, L.P. and its successors and assigns (the "Applicant") has preliminarily informed officials of the Agency about, and have expressed the desire to enter into negotiations with, officials of the Agency with respect to a project (the "Project") consisting of the (i) acquisition of an approximately 6.06 acre parcel of land known as 875 and 999 Conklin Street, Farmingdale, New York 11735 (the "Land"), (ii) demolition of an approximately 36,303 square foot building located on the land, and (iii) the construction and equipping thereon of an approximately 122,727 square foot warehouse, distribution and ancillary office space facility (the "Facility"), all for use by one or more tenants, that have not yet been determined, as a warehousing and distribution facility; and

WHEREAS, the Applicant submitted a preliminary Project Application (the "Project Application") to the Agency to initiate the accomplishment of the above; and

WHEREAS, pursuant to the Project Application representatives of the Applicant have indicated that the Project and the Facility will result in the creation of an upgraded and modernized industrial building within the Town of Babylon; and

WHEREAS, based upon further review of the Project Application, the Agency intends to determine whether financial assistance shall be provided by the Agency in order to induce the Applicant to proceed with the proposed Project; and

WHEREAS, the Applicant is obtaining and compiling all information necessary to allow the Agency to make such determination;

NOW, THEREFORE, BE IT RESOLVED by the Agency as follows:

Section 1. The proposed Project and the Facility would, if approved by the Agency, be in furtherance of the policy of fostering economic development in the Town in accordance with the Article 18-A and Section 907-a of the General Municipal Law of the State of New York.

Section 2. The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to implement the provisions of this resolution including compiling and reviewing requisite information to determine whether financial assistance shall be provided by the Agency for the proposed Project.

Section 3. Nothing herein shall be construed as committing the Agency to undertake or approve the Project or to provide financial assistance for the Project.

Section 4. Any expenses incurred by the Agency with respect to the proposed Project shall be paid by the Applicant. The Applicant will agree to pay such expenses and further will 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 proposed Project.

Section 5. This preliminary resolution shall take effect immediately.

RESOLUTION AUTHORIZING THE TOWN OF BABYLON INDUSTRIAL DEVELOPMENT AGENCY TO EXECUTE A MORTGAGE AGREEMENT BETWEEN THE AGENCY, 51 EXECUTIVE REALTY LLC AND JPMORGAN CHASE BANK, N.A. IN AN AMOUNT NOT TO EXCEED \$12,000,000.00.

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;

WHEREAS, the Agency and 51 EXECUTIVE REALTY LLC (the "Company") has prior to the date hereof entered into a Lease Agreement (the "Lease Agreement") dated October 21, 2011, a First Amendment to Lease Agreement dated December 31, 2012, Second Amendment to Lease Agreement dated April 26, 2016 and a Third Amendment to Lease Agreement dated January 31, 2018, pursuant to which the Agency and the Company agreed that the Company would receive the benefit of certain sales and use tax exemptions and certain real property tax exemptions in connection with the facility located at 51 Executive Boulevard, Farmingdale, New York 11735.

WHEREAS, the Company desires the Agency to execute a Mortgage Agreement between the Agency, 51 EXECUTIVE REALTY LLC and JPMORGAN CHASE BANK, N.A. in the principal sum not in excess of \$12,000,000.00.

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

Execution by the Agency of the Mortgage Agreement between the Agency, 51 EXECUTIVE REALTY LLC and JPMORGAN CHASE BANK, N.A. is hereby approved in a sum not to exceed \$12,000,000.00.

Section 1. Thomas E. Dolan, as Chief Executive Officer or any successor Chief Executive Officer (the "Chief Executive Officer") or any other Authorized Representative, is hereby authorized, on behalf of the Agency, to execute and deliver any other agreements or certificates consistent herewith or therewith (hereinafter collectively called the "Agency Documents"), all in form acceptable to the Chief Executive Officer and Counsel to the Agency, with such changes, variations, omissions, and insertions in the Agency Documents as the Chief Executive Officer or any other Authorized Representative of the Agency shall upon advice of counsel approve. The execution and delivery thereof by the Chief Executive Officer shall constitute conclusive evidence of such approval.

The Chief Executive Officer or any other Authorized Representatives are further hereby authorized, on behalf of the Agency, to designate any additional authorized

representatives including the Chairman and 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 Chief Executive Officer'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 2. The Chief Executive Officer, the Chief Financial Officer, 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 herein 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 3. 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 4. 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 5. No covenant, stipulation, obligation or agreement contained in this resolution, or the Agency Documents shall be deemed to be covenant, stipulation,

obligation or agreement of any member, officer, agent or employee of the Agency or the Town of Babylon 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 6. This resolution shall take effect immediately.

RESOLUTION AUTHORIZING THE TOWN OF BABYLON INDUSTRIAL DEVELOPMENT AGENCY TO EXECUTE A REVOLVING CREDIT LINE MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT AND FIXTURE FILING BETWEEN THE AGENCY, 109 PROPERTIES LLC AND 1110A EQUITIES LLC AND THE FIRST NATIONAL BANK OF LONG ISLAND IN AN AMOUNT NOT TO EXCEED \$1,500,000.00.

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;

WHEREAS, the Agency and 109 PROPERTIES LLC and 1110A EQUITIES LLC (the "Companies") have prior to the date hereof entered into separate Lease Agreements (the "Lease Agreement") dated April 30, 2013, pursuant to which the Agency and the Companies agreed that the Companies would receive the benefit of certain sales and use tax exemptions and certain real property tax exemptions in connection with the facility located at 1110 and 1110A Route 109, Lindenhurst, New York.

WHEREAS, the Companies desire the Agency to execute a Revolving Credit Line Mortgage, Assignment of Leases and Rents and Security Agreement and Fixture Filing between the Agency, 109 PROPERTIES LLC and 1110A EQUITIES LLC and the FIRST NATIONAL BANK OF LONG ISLAND in the principal sum not in excess of \$1,500,000.00.

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

Execution by the Agency of the Revolving Credit Line Mortgage, Assignment of Leases and Rents and Security Agreement and Fixture Filing between the Agency, 109 PROPERTIES LLC and 1110A EQUITIES LLC and the FIRST NATIONAL BANK OF LONG ISLAND is hereby approved in a sum not to exceed \$1,500,000.00.

Section 1. Thomas E. Dolan, as Chief Executive Officer or any successor Chief Executive Officer (the "Chief Executive Officer") or any other Authorized Representative, is hereby authorized, on behalf of the Agency, to execute and deliver any other agreements or certificates consistent herewith or therewith (hereinafter collectively called the "Agency Documents"), all in form acceptable to the Chief Executive Officer and Counsel to the Agency, with such changes, variations, omissions, and insertions in the Agency Documents as the Chief Executive Officer or any other Authorized Representative of the Agency shall upon advice of counsel approve. The execution and

delivery thereof by the Chief Executive Officer shall constitute conclusive evidence of such approval.

The Chief Executive Officer or any other Authorized Representatives are further hereby authorized, on behalf of the Agency, to designate any additional authorized representatives including the Chairman and 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 Chief Executive Officer'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 2. The Chief Executive Officer, the Chief Financial Officer, 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 herein 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 3. 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 4. 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 5. No covenant, stipulation, obligation or agreement contained in this resolution, or the Agency Documents shall be deemed to be covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency or the Town of Babylon 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 6. This resolution shall take effect immediately.