

**INDUCEMENT RESOLUTION
DATED JUNE 24, 2026**

**INDUCEMENT RESOLUTION OF THE TOWN OF BABYLON
INDUSTRIAL DEVELOPMENT AGENCY RELATING TO THE GRANTING OF
PRELIMINARY APPROVAL TO A.J. RICHARD & SONS, INC. AND P.C.
RICHARD & SON LONG ISLAND CORPORATION IN CONNECTION WITH
THE POTENTIAL GRANT OF CERTAIN FINANCIAL ASSISTANCE**

WHEREAS, the Town of Babylon Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York (the “State”), 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, on February 28, 2017 the Agency entered into a straight lease transaction (as that term is defined under the Act) with the Owner (defined below) for the benefit of the Company (defined below) in order to provide financial assistance with respect to a project (the “Original Project”) consisting of the renovation and equipping of (i) an approximately 625,000 square foot building located on that certain approximately 22.85 acre lot, piece or parcel of land located at 150 Price Parkway in Farmingdale, New York (the “Existing 150 Price Parkway Facility”), (ii) an approximately 267,015 square foot building located on that certain approximately 12.2 acre lot, piece or parcel of land located at 105 Price Parkway in Farmingdale, New York (the “Existing 105 Price Parkway Facility”), (iii) an approximately 80,000 square foot building located on that certain approximately 11.8 acre lot, piece or parcel of land located at 200 Price Parkway in Farmingdale, New York (the “Existing 200 Price Parkway Facility” and, together with the Existing 150 Price Parkway Facility and the Existing 105 Price Parkway Facility, the “Existing Price Parkway Facilities”) and (iv) an approximately 180,000 square foot building located on that certain approximately 8.7 acre lot, piece or parcel of land located at 470 Commack Road in Deer Park New York (the “Existing Commack Road Facility” and, together with the Existing Price Parkway Facility, the “Existing Facilities”), all for use by the Company as warehousing, distribution, training, repair and corporate facilities; and

WHEREAS, representatives of P.C. Richard & Son Long Island Corporation, a New York corporation, on behalf of itself and/or the principals of P.C. Richard & Son Long Island Corporation, and/or any entity or entities formed on behalf of P.C. Richard & Son Long Island Corporation or any of the foregoing (collectively, the “Company”) and A.J. Richard & Sons, Inc., a New York corporation, on behalf of itself and/or the principals of A.J. Richard & Sons, Inc., and/or any entity or entities formed on behalf of A.J. Richard & Sons, Inc., or any other real estate holding company created in connection with the foregoing or any of the foregoing (collectively, the “Owner”) have filed or caused to be filed an application with the Town of Babylon Industrial Development Agency (the “Agency”) concerning a new project (the “Project”) consisting of the

renovation and re-equipping of the Existing Facilities (the “**Facilities**”), all for use by the Company as warehousing, distribution, training, repair and corporate facilities; and

WHEREAS, in order to induce the Company to retain and grow additional jobs in the Town of Babylon (the “**Town**”), it appears necessary for the Agency to assist the Company by continuing to hold leasehold title to the Facilities so as to afford the Company of certain relief from real property taxation, sales and use taxation and mortgage recording taxation (if any) with respect to the Facilities; and

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

WHEREAS, the Company and the Facilities are a significant employer of the Town and pursuant to the Project Application, representatives of the Company and the Owner have indicated that the Project and the Facilities will result in the retention of significant employment within the Town of Babylon and if the Company does not receive financial assistance from the Agency the Company is considering relocating its current operations in the Town to New Jersey where the Company has warehousing facilities, which would achieve substantial costs savings for the Company; and

WHEREAS, in connection with the adoption of this resolution the Agency has reviewed the statement of the Company that the Project at the date of the Project Application, as amended, is in substantial compliance with Article 18-A of the General Municipal Law of the State of New York (the “**Act**”) including Section 862 thereof; and

WHEREAS, there has been submitted to the Agency an environmental assessment form with respect to this proposed action in accordance with the State Environmental Quality Review Act and the regulations promulgated thereunder (“**SEQRA**”); and

WHEREAS, provision of aforesaid financial assistance with respect to the Facilities is to be negotiated by the Chief Executive Officer (“**CEO**”) or Chief Financial Officer (“**CFO**”) of the Agency with the result of said negotiations to be presented to a future meeting of the Agency for final approval; and

WHEREAS, the Agency would like to now indicate its intention to provide financial assistance to the Company with respect to the Project and the Facilities.

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

- Section 1. (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 real property tax abatements, sales and use tax abatements and mortgage recording tax (if any) (collectively the “**Financial Assistance**”) by the Agency with respect to the Facilities 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 Financial Assistance to the Company with respect to the Facilities.
- Section 2. 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 with respect to the Project.
- (b) The Company proposes a capital investment in the building, site work, machinery and equipment and capital improvements in the Facilities of approximately \$6,500,000.
- (c) The wage rates for the approximately 728 full-time and 6 part-time employees at the Facilities average \$134,000 per year for management positions, \$104,000 per year for professional positions, \$51,000 per year for administrative positions, \$84,000 per year for technician positions and \$51,000 per year for laborer positions.
- (d) The Project will not have significant impact from local labor construction in the Town.
- (e) The Project will not have a significant effect on in-region purchases or research and development.
- (f) The Project will not have a significant effect on energy efficiency.
- (g) The Project will not affect existing land use or zoning.
- (h) Project is important to the retention of a significant employer of the Town. The Company currently employs 728 full-time and 6 part-time employees. If the Company does not receive financial assistance from the Agency the Company is considering relocating its current operations in the Town to New Jersey where the

Company has warehousing facilities, which would achieve substantial costs savings for the Company.

- Section 3. The CEO or the CFO of the Agency is hereby authorized to negotiate the terms of agreements between the Agency, the Company and the Owner which will permit the Company to enjoy the grant of Financial Assistance with respect to the Facilities as herein provided.
- Section 4. The CEO or the CFO of the Agency shall present substantially final forms of such agreements with the Owner incorporating the grant of such Financial Assistance for final approval by the Agency at a future meeting of the Agency.
- Section 5. This Resolution shall also constitute a “declaration of official intent” under the Treasury Regulations of the Internal Revenue Code of 1986 as amended.
- Section 6. The Agency will not grant any Financial Assistance to be granted hereunder in excess of \$100,000 to the Owner or the Company until the Agency has held a public hearing with respect to the grant of financial assistance in accordance with the provisions of the Act.
- Section 7. In accordance with the State Environmental Quality Review Act and pursuant to Title 6 NYCRR Part 617, it is determined by the Agency that the Project, a proposed action, be classified as an Unlisted Action. The proposed action does not appear to exceed any of the criteria outlined in Title 6 NYCRR Part 617.7 which sets forth thresholds for determining significant effects on the environment. Therefore, based on the information contained within the Environmental Assessment Form filed with the Project Application and associated Project documentation, the Agency makes a determination of non-significance with respect to the Project.
- Section 8. This inducement resolution shall take effect immediately.