



MEETING OF THE TOWN OF ISLIP

INDUSTRIAL DEVELOPMENT AGENCY

Date April 18, 2023

Agenda

1. Call the meeting of the Town of Islip Industrial Development Agency to order.
2. To consider the **Adoption of a Resolution** on behalf of the **Town of Islip Industrial Development Agency** to approve the minutes from March 28, 2023 Special Board meeting.
3. To consider the **Adoption of a Amended Authorizing Resolution** on behalf of the **Town of Islip Industrial Development Agency** and Galil Importing Corp./ 21 Newton Reality to Amend and modify the project description to provide for company/sublessee structure.
4. To Consider an **Adoption of an Inducement Resolution** on behalf of the **Town of Islip Industrial Development Agency** and Water Lilies Food, LLC located at 250 Creative Drive, Central Islip NY.
5. To consider any other business to come before the Agency.

**TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR**

AGENDA ITEM # 2

**TYPE OF RESOLUTION: APPROVE THE MINUTES FROM
MARCH 28, 2023.**



MEETING OF THE TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
March 28, 2023

Minutes

1. Call the meeting of the Town of Islip Industrial Development Agency to order on a motion by Jorge Guadron and seconded by James O'Connor. Chairwoman Angie Carpenter acknowledged that the motion passed and quorum was present. Members present in addition to Chairwoman Angie Carpenter were, James O'Connor, Jorge Guadron and John Lorenzo, Councilman John Cochrane was absent.
2. To consider the Adoption of a Resolution on behalf of the Town of Islip Industrial Development Agency to approve the **Minutes** from the meeting on **February 7, 2023**. On a motion by Jorge Guadron and seconded by John Lorenzo said motion was approved.
3. To consider a resolution authorizing the extension of the Memorandum of Agreement between the Town of Islip Industrial Development Agency and Suffolk County Department of Public Works (DPW) to provide financial assistance in connection to the Central Islip Commercial Corridor. On a motion by James O'Connor and seconded by Jorge Guadron said motion was approved.
4. To consider any other business to come before the agency, there being none the meeting adjourned on a motion by John Lorenzo and seconded by Jorge Guadron.

**TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR**

AGENDA ITEM #

**TYPE OF RESOLUTION: AMENDED RESOLUTION
GALIL IMPORTING CORP/21 NEWTON REALITY LLC**

Date: April 18, 2023

At a meeting of the Town of Islip Industrial Development Agency (the “**Agency**”), held at 40 Nassau Avenue, Islip, New York 11751 on the 18th day of April, 2023 the following members of the Agency were:

Present:

Absent:

Also Present:

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to acquisition of a leasehold interest to a certain industrial development facility more particularly described below (21 Newton Realty LLC/ Galil Importing Corporation 2023 Facility) and the leasing and subleasing of the facility.

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

Voting Aye

Voting Nay

AMENDED RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ACQUISITION, RENOVATION, CONSTRUCTION AND EQUIPPING OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY FOR 21 NEWTON REALTY LLC, A NEW YORK LIMITED LIABILITY COMPANY ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF 21 NEWTON REALTY LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AND GALIL IMPORTING CORPORATION, A NEW YORK BUSINESS CORPORATION ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF GALIL IMPORTING CORPORATION AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 47 of the Laws of 1974 of the State of New York, as amended from time to time (collectively, the “**Act**”), the Town of Islip Industrial Development Agency (the “**Agency**”) was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, by Authorizing Resolution, dated December 13, 2022 (the “**Original Authorizing Resolution**”), the Agency previously approved a project for Galil Importing Corporation, a New York business corporation, on behalf of itself and/or the principals of Galil Importing Corporation and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Original Company**” and “**Sublessee**”), whereby the Original Company had applied to the Agency to enter into a transaction in which the Agency will assist in the acquisition of the Land (as defined below), the acquisition and renovation of the Improvements (as defined below), and the acquisition and installation therein of certain equipment and personal property, which facility, collectively, was to be leased by the Agency to the Original Company, for use as a warehouse and distribution space of food products and packaging of imported foods (the “**Original Project**”); and

WHEREAS, the Original Company desires that the Agency amend the Original Authorizing Resolution to modify the Original Project set forth in the Original Authorizing Resolution to contemplate a separate entity as owner of the Project (as defined below), and the Sublessee as sublessee and user of the Project, all as more fully detailed herein; and

WHEREAS, in connection therewith, the Company (as defined below) and Sublessee submitted an amended application on March 29, 2023 (the original application, as amended, the “**Amended Application**”), notifying the Agency that 21 Newton Realty LLC, an New

York limited liability company on behalf of itself and/or the principals of 21 Newton Realty LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), will replace the Original Company as the owner of the Project, and will lease the Facility (as defined below) from the Agency, for further subleasing to the Sublessee; and

WHEREAS, the Company and the Sublessee have the same principals, and in the Amended Application, the Company and the Sublessee have clarified the principals’ ownership percentages in each of the Company and the Sublessee, and they have also provided additional clarification as to the full names of each principal, all as set forth in the Amended Application (collectively, the “**Ownership Clarification**”); and

WHEREAS, the description of the “Project” set forth in the Original Authorizing Resolution shall be amended and replaced in its entirety as described and defined hereinafter; and

WHEREAS, the Company and the Sublessee have applied, as reflected in the Amended Application, to the Agency, to enter into a transaction in which the Agency will assist in the acquisition of an approximately 3.2 acre parcel of land located at 21 Newton Place, Hauppauge, New York 11788 (the “**Land**”), the acquisition and renovation of an approximately 30,000 square foot existing building thereon and the construction and equipping of an approximately 20,000 square foot addition to the existing building (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property, not part of the Equipment (as defined below) (the “**Facility Equipment**”; and together with the Land and the Improvements, the “**Company Facility**”), which Company Facility is to be leased by the Agency to the Company and subleased by the Company to the Sublessee; and the acquisition and installation of certain equipment and personal property (the “**Equipment**”; and together with the Company Facility, the “**Facility**”), which Equipment is to be leased by the Agency to the Sublessee and which Facility is to be used by the Sublessee as a warehouse and distribution space of food products and packaging of imported foods (the “**Project**”); and

WHEREAS, the Agency will acquire a leasehold interest in the Land and the Improvements and title to the Facility Equipment and the Equipment, and will sublease and lease the Company Facility to the Company for further sublease to the Sublessee, and will lease the Equipment to the Sublessee; and

WHEREAS, the Agency will acquire a leasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of April 1, 2023, or such other date as the Chairman or the Executive Director of the Agency and counsel to the Agency shall agree (the “**Company Lease**”), by and between the Company and the Agency; and

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

WHEREAS, the Agency will sublease and lease the Company Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of April 1, 2023 or such other date

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

WHEREAS, the Company will sub-lease the Company Facility to the Sublessee pursuant to a sublease agreement, dated a date not yet determined (the “**Sublease Agreement**”), between the Company and the Sublessee; and

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

WHEREAS, the Agency will lease the Equipment to the Sublessee pursuant to a certain Equipment Lease Agreement, dated as of April 1, 2023 or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the “**Equipment Lease Agreement**”), by and between the Agency and the Sublessee; and

WHEREAS, the Sublessee and the Agency will enter into a certain Agency Compliance Agreement, dated as of April 1, 2023, or such other date as may be determined by the Chairman or Executive Director of the Agency and counsel to the Agency (the “**Agency Compliance Agreement**”), whereby the Sublessee will provide certain assurances to the Agency with respect to the Facility; and

WHEREAS, as security for a Loan or Loans (as such term is defined in the Lease Agreement), the Agency and the Company will execute and deliver to a lender or lenders not yet determined (collectively, the “**Lender**”), a mortgage or mortgages, 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, in connection with the financing, any refinancing or permanent financing of the costs of the acquisition, renovation, construction, and equipping of the Facility (collectively, the “**Loan Documents**”); and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company and the Sublessee, consistent with the policies of the Agency, in the form of: (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be \$9,800,000 but not to exceed \$12,000,000, corresponding to mortgage recording tax exemptions presently estimated to be \$73,500 but not to exceed \$90,000, in connection with the financing of the acquisition, renovation, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating, constructing and equipping of the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed \$216,250 in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof), all consistent with the policies of the Agency; and

WHEREAS, the Agency has given due consideration to the application, as amended, of the Company and the Sublessee and to representations by the Company and the Sublessee

that the proposed transaction is necessary to maintain the competitive position of the Company and the Sublessee in their respective industries; and

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

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

Section 1. The Agency hereby finds and determines:

(a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

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

(c) The Facility preserves the public purposes of the Act by preserving or increasing the number of permanent private sector jobs in the Town of Islip. The Company and the Sublessee have represented to the Agency that they intend to preserve and/or provide approximately fifty-four (54) (total) full time employees within the second year after completion of the Facility; and

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

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

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

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

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

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

(j) The Equipment Lease Agreement will be an effective instrument whereby the Agency leases the Equipment to the Sublessee;

(k) The Agency Compliance Agreement will be an effective instrument whereby the Sublessee will provide certain assurances to the Agency with respect to the Facility; and

(l) The Loan Documents to which the Agency is a party will be effective instruments whereby the Agency and the Company agree to secure the loan made to the Company by the Lender.

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

Section 3. In consequence of the foregoing, the Agency hereby determines to: (i) lease the Land and the Improvements from the Company pursuant to the Company Lease, (ii) execute, deliver and perform the Company Lease, (iii) sublease and lease the Company Facility to the Company pursuant to the Lease Agreement, (iv) execute, deliver and perform the Lease Agreement, (v) lease the Equipment to the Sublessee pursuant to the Equipment Lease Agreement, (vi) execute, deliver and perform the Equipment Lease Agreement, (vii) execute and deliver the Agency Compliance Agreement, (viii) grant a mortgage on and security interests in and to the Facility pursuant to the Loan Documents, (ix) execute and deliver the Loan Documents to which the Agency is a party, (x) consent to and approve the Ownership Clarification and the Amended Application, and (xi) approve the amendments to the description of the Project and the Original Authorizing Resolution, all as further set forth herein.

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

Section 5. The Agency is hereby authorized to execute and deliver the Loan Documents in connection with the financing of the costs of acquiring, renovating, constructing and equipping the Facility and any future Loan Documents in connection with any future

refinancing or permanent financing of such costs of acquiring, renovating, constructing and equipping of the Facility without the need for any further or future approvals of the Agency.

Section 6. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company and the Sublessee in connection with the acquisition, renovation, construction and equipping of the Facility in the form of (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be \$9,800,000 but not to exceed \$12,000,000, corresponding to mortgage recording tax exemptions presently estimated to be \$73,500 but not to exceed \$90,000, in connection with the financing of the acquisition, renovation, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, constructing and equipping of the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed \$216,250, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof), all consistent with the policies of the Agency.

Section 7. Subject to the provisions of this resolution, the Company and the Sublessee are herewith and hereby appointed the agents of the Agency to acquire, renovate and equip the Facility. The Company and the Sublessee are hereby empowered to delegate their respective status as agents of the Agency to their respective agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company and the Sublessee may choose in order to acquire, renovate, construct and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company and the Sublessee as agents of the Agency solely for purposes of making sales or leases of goods, services and supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company and the Sublessee, as agents of the Agency, shall be deemed to be on behalf of the Agency and for the benefit of the Facility. This agency appointment expressly excludes the purchase by the Company or the Sublessee of any motor vehicles, including any cars, trucks, vans or buses which are licensed by the Department of Motor Vehicles for use on public highways or streets. The Company and the Sublessee shall indemnify the Agency with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company and the Sublessee, as agents of the Agency. The aforesaid appointment of the Company and the Sublessee as agents of the Agency to acquire, renovate and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, (b) a date which the Agency designates, or (c) the date on which the Company and the Sublessee have received exemptions from sales and use taxes in an amount not to exceed \$216,250.00, in connection with the purchase or lease of equipment, building materials, services or other personal property; provided however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company and/or the Sublessee, if such activities and improvements are not completed by such time. The aforesaid appointment of the Company and the Sublessee is subject to the execution of the documents contemplated by this resolution.

Section 8. The Company and the Sublessee are hereby notified that they will be required to comply with Section 875 of the Act. The Company and the Sublessee shall be

required to agree to the terms of Section 875 pursuant to the Lease Agreement and the Agency Compliance Agreement. The Company and the Sublessee are further notified that the tax exemptions and abatements provided pursuant to the Act and the appointment of the Company and the Sublessee, as agents of the Agency pursuant to this amended Authorizing Resolution, are subject to termination and recapture of benefits pursuant to Sections 859-a and 875 of the Act and the recapture provisions of the Lease Agreement and the Agency Compliance Agreement.

Section 9. The form and substance of the Company Lease, the Lease Agreement, the Equipment Lease Agreement, the Agency Compliance Agreement and the Loan Documents to which the Agency is a party (each in substantially the forms presented to or approved by the Agency and which, prior to the execution and delivery thereof, may be redated and renamed) are hereby approved.

Section 10. The Chairman, Vice Chairman, Executive Director, or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Company Lease, the Lease Agreement, the Equipment Lease Agreement, the Agency Compliance Agreement and the Loan Documents, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Executive Director or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “**Agency Documents**”). The execution thereof by the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency shall constitute conclusive evidence of such approval.

Section 11. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

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

Section 13. This resolution amends the Original Authorizing Resolution of the Agency dated December 13, 2022.

Section 14. This resolution shall take effect immediately.

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

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

That I have compared the annexed extract of the minutes of the meeting of the Town of Islip Industrial Development Agency (the “**Agency**”), including the resolutions contained therein, held on April 18, 2023, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

That the Agency Documents contained in this transcript of proceedings is in substantially the form presented to the Agency and/or approved by said meeting.

I FURTHER CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, that all members of said Agency had due notice of said meeting and that the meeting was all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 18th day of April, 2023.

By: _____
Assistant Secretary

EXHIBIT A

Proposed PILOT Benefits

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

21 Newton Place, Hauppauge, New York 11788

Tax Map No. 0500-038.00-02.00-023.004

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

Definitions:

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

<u>Year</u>	<u>Payment</u>
1	100% normal tax on 50% of the full assessed value
2	100% normal tax on 55% of the full assessed value
3	100% normal tax on 60% of the full assessed value
4	100% normal tax on 65% of the full assessed value
5	100% normal tax on 70% of the full assessed value
6	100% normal tax on 75% of the full assessed value
7	100% normal tax on 80% of the full assessed value
8	100% normal tax on 85% of the full assessed value
9	100% normal tax on 90% of the full assessed value
10	100% normal tax on 95% of the full assessed value
11 and beyond	100% normal tax on the full assessed value

TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
AGENDA ITEMS FOR

AGENDA ITEM # 4

TYPE OF RESOLUTION: INDUCEMENT RESOLUTION
WATER LILIES FOOD, LLC

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

WHEREAS, Water Lilies Food, LLC, a New York limited liability company, on behalf of itself and/or the principals of Water Lilies Food, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), has applied to the Town of Islip Industrial Development Agency (the “**Agency**”) to enter into a transaction in which the Agency will assist in the acquisition of an approximately 196,334 square foot portion of an existing building (the “**Demised Premises**”) located on an approximately 20 acre parcel of land located at 250 Creative Drive, Central Islip, New York (the “**Land**”), the renovation and equipping of the Demised Premises (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and together with the Land, the Demised Premises and the Improvements, the “**Facility**”), which Facility will be leased by the Agency to the Company, for use as a food manufacturing, warehouse and distribution space (the “**Project**”); and

WHEREAS, the Company will acquire a leasehold interest in the Facility pursuant to a lease agreement, to be dated a date to be determined, between Creative Plastic Products LLC, a Delaware limited liability company and the Company; and

WHEREAS, the Agency will acquire a leasehold interest in the Land, the Demised Premises and the Improvements and title to the Equipment and will sublease the Facility to the Company, all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 47 of the Laws of 1974 of the State of New York, as the same may be amended from time to time (collectively, the “**Act**”); and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

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

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, prior to the date of the Hearing (defined below), the Agency will have made a determination for financial assistance; and

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

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

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

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

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

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

WHEREAS, the Questionnaire has been reviewed by the Agency; and

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

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

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

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

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

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

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

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

Section 7. Any expenses incurred by the Agency with respect to the Facility, including the expenses of Transaction Counsel, shall be paid by the Company. The Company shall agree to pay such expenses and further agree to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Facility.

Section 8. This resolution shall take effect immediately.

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

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

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

Such resolution was passed at a meeting of the Agency duly convened in public session on April 18, 2023, at _____.m., local time, at Islip Town Hall, 655 Main Street, Islip, New York, at which meeting the following members were:

Present:

Absent:

Also Present:

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

Voting Aye

and, therefore, the resolution was declared duly adopted.

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

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

IN WITNESS WHEREOF, I have hereunto set my hand as of April 18, 2023.

Assistant Secretary

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Title 1 of Article 18-A of the New York State General Municipal Law will be held by the Town of Islip Industrial Development Agency (the “Agency”) on the ____ day of April, 2023, at _____ a.m., local time, at the Town of Islip, Offices of Economic Development, 40 Nassau Avenue, Islip, New York 11751 in connection with the following matters:

Water Lilies Food, LLC, a New York limited liability company, on behalf of itself and/or the principals of Water Lilies Food, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), has applied to the Town of Islip Industrial Development Agency (the “**Agency**”) to enter into a transaction in which the Agency will assist in the acquisition of an approximately 196,334 square foot portion of an existing building (the “**Demised Premises**”) located on an approximately 20 acre parcel of land located at 250 Creative Drive, Central Islip, New York (the “**Land**”), the renovation and equipping of the Demised Premises (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and together with the Land, the Demised Premises and the Improvements, the “**Facility**”), which Facility will be leased by the Agency to the Company, for use as a food manufacturing, warehouse and distribution space (the “**Project**”). The Facility will be initially owned, operated, and/or managed by the Company. The Company will acquire a leasehold interest in the Facility pursuant to a lease agreement, to be dated a date to be determined, between Creative Plastic Products LLC, a Delaware limited liability company and the Company.

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

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

Dated: April __, 2023

TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY

By: John G. Walser
Title: Executive Director

EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON
APRIL [], 2023

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
(WATER LILIES FOOD, LLC 2023 FACILITY)

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

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

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

Water Lilies Food, LLC, a New York limited liability company, on behalf of itself and/or the principals of Water Lilies Food, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), has applied to the Town of Islip Industrial Development Agency (the “**Agency**”) to enter into a transaction in which the Agency will assist in the acquisition of an approximately 196,334 square foot portion of an existing building (the “**Demised Premises**”) located on an approximately 20 acre parcel of land located at 250 Creative Drive, Central Islip, New York (the “**Land**”), the renovation and equipping of the Demised Premises (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and together with the Land, the Demised Premises and the Improvements, the “**Facility**”), which Facility will be leased by the Agency to the Company, for use as a food manufacturing, warehouse and distribution space (the “**Project**”). The Facility will be initially owned, operated, and/or managed by the Company. The Company will acquire a leasehold interest in the Facility pursuant to a lease agreement, to be dated a date to be determined, between Creative Plastic Products LLC, a Delaware limited liability company and the Company.

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

real property taxes on the Facility, all consistent with the policies of the Agency.

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

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

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

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

That I have compared the foregoing copy of the minutes of a public hearing held by the Town of Islip Industrial Development Agency (the “**Agency**”) on the __ day of April, 2023, at _____ a.m., local time, with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of the minutes in connection with such matter.

IN WITNESS WHEREOF, I have hereunto set my hand as of April __, 2023.

Assistant Secretary