

Date: March 8, 2022

At a meeting of the Town of Islip Industrial Development Agency (the “**Agency**”), held at 40 Nassau Avenue, Islip, New York 11751 on the 8th day of March, 2022 the following members of the Agency were:

Present: Chairwoman Angie M. Carpenter
Councilman John C. Cochrane Jr.
Councilwoman Mary Kate Mullen
Councilman James P. O’Connor
Councilman Jorge C. Guadron

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 the consent to the subleasing of the balance of the 555 N Research Corporation/CVD Materials Corporation 2017 Facility to ELM Freight Handlers Inc. and approving the execution and delivery of related documents.

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

Voting Aye

Voting Nay

Chairwoman Angie M. Carpenter
Councilman John C. Cochrane Jr.
Councilwoman Mary Kate Mullen
Councilman James P. O’Connor
Councilman Jorge C. Guadron

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY PERTAINING TO THE
CONSENT TO THE SUBLEASING OF THE BALANCE OF
THE 555 N RESEARCH CORPORATION/CVD MATERIALS
CORPORATION 2017 FACILITY AND APPROVING THE
FORM, SUBSTANCE, EXECUTION AND DELIVERY 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 may be amended from time to time (collectively, the “**Act**”), the Town of Islip Industrial Development Agency (the “**Agency**”) was created with the authority and power, among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, the Agency previously assisted the 555 N Research Corporation (the “**Original Company**” and “**Assignor**”), in connection with the (a) the acquisition of an approximately 11.88 acre parcel of land located at 555 North Research Place, Central Islip, New York 11722 (the “**Land**”), the renovation of an approximately 179,000 square foot building located thereon, together with the acquisition, installation and equipping of improvements, structures and other related facilities attached to the Land (the “**Original Improvements**”) and the acquisition and installation therein of certain equipment not part of the Original Equipment (as such term is defined herein) (the “**Original Facility Equipment**”; and, together with the Land and the Improvements, the “**Original Company Facility**”), which Original Company Facility is leased and subleased by the Agency to the Original Company and further subleased by the Original Company to CVD Materials Corporation, a New York business corporation (the “**Original Sublessee**”); and (b) the acquisition and installation of certain equipment and personal property (the “**Original Equipment**”, and together with the Original Company Facility, the “**Original Facility**”), which Original Equipment is leased by the Agency to the Original Sublessee, and which Original Facility is currently used by the Original Sublessee for its primary use as a manufacturing facility to process surface treatments or films and coatings on various product lines in its business as a manufacturer of equipment and materials for the semiconductor industry (the “**Original Project**”); and

WHEREAS, the Agency previously acquired a leasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of November 1, 2017 (the “**Original Company Lease**”), by and between the Original Company and the Agency; and

WHEREAS, the Agency previously subleased and leased the Original Facility to the Original Company pursuant to a certain Lease and Project Agreement, dated as of November 1, 2017 (the “**Original Lease Agreement**”), by and between the Agency and the Original Company; and

WHEREAS, the Agency previously consented to a request from the Original Company to the assignment by the Original Company of all of its rights, title, interest and obligations under the Original Company Lease and the Original Lease Agreement to, and the assumption by STEEL 555 NRP, LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware (the “**Company**” and “**Assignee**”), of all of such rights, title, interest and obligations of the Original Company, and the release of the Original Company from any further liability with respect to the Facility subject to certain requirements of the Agency (the “**Assignment**”), all pursuant to the terms of a certain Assignment Assumption and Agreement, dated July 26, 2022 (the “**Assignment Agreement**”), by and among the Agency, the Original Company and the Company; and

WHEREAS, in connection with the Assignment, the Agency has provided assistance in connection with (a) the acquisition of the Original Facility, (b) the renovation of the Original Improvements (the Original Improvements, as renovated, are the “**Improvements**”), and (c) the acquisition and installation of certain equipment and personal property (the “**Equipment**”, and together with the Land and Improvements, the “**Facility**”), which Facility will be leased by the Assignee to ELM Freight Handlers Inc., a business corporation duly organized and validly existing under the laws of the State of New York (the “**Tenant**”), and other future tenants to be determined (the “**Project**”); and

WHEREAS, the Original Company Lease was assigned by the Original Company and assumed by the Assignee, pursuant to a certain Assignment and Assumption of Company Lease Agreement, to be dated July 26, 2021 (the “**Assignment of Company Lease Agreement**”, and together with the Original Company Lease and the Assignment Agreement, the “**Company Lease**”), by and between the Original Company and the Assignee and consented to by the Agency; and

WHEREAS, the Original Lease Agreement was assigned by the Original Company and assumed by the Assignee, pursuant to a certain Assignment and Assumption of Lease Agreement, dated July 26, 2021 (the “**Assignment of Lease Agreement**”, and together with the Original Lease Agreement and the Assignment Agreement, the “**Lease Agreement**”), by and between the Original Company and the Assignee, and consented to by the Agency; and

WHEREAS, the Assignee transferred title to the Equipment to the Agency pursuant to a certain Bill of Sale, dated the date hereof (the “**Bill of Sale**”); and

WHEREAS, the Company previously subleased approximately 85,000 square feet of the Facility (the “**Demised Premises**”) to the Tenant, consisting of (i) an approximately 45,000 square foot portion of the Facility pursuant to a certain Lease dated as of May 31, 2019, and (ii) an approximately 40,000 square foot portion of the Facility pursuant to a certain Lease dated as of November 23, 2020 (collectively, the “**Tenant Lease Agreement**”), by and between the Company and the Tenant, which may be amended from time to time; and

WHEREAS, the Company has now requested that the Agency consent to the Company subleasing the remaining approximately 94,000 square feet of the Facility to the

Tenant for a total of approximately 179,000 square feet of space pursuant to a certain Tenant Lease, dated a date to be determined, between the Company and the Tenant; and

WHEREAS, pursuant to Section 9.3 of the Lease Agreement, the Facility may be assigned, in whole or in part, with the prior written consent of the Agency; and

WHEREAS, the Agency will consent to the subleasing by the Company to the Tenant of the Facility and such consent may be manifested by the execution and delivery of a Tenant Agency Compliance Agreement, to be dated March 8, 2022, between the Agency and the Tenant (the “**Tenant Agency Compliance Agreement**”); 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 continued subleasing of the Facility.

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 subleasing of the Facility to the Tenant will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Islip and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(c) The Agency consents to the subleasing of the Facility to the Tenant; and

(d) The execution of the Tenant Agency Compliance Agreement will satisfy the requirement of Section 9.3 of the Lease Agreement that any subleasing of the Facility be consented to in writing by the Agency; and

(e) It is desirable and in the public interest for the Agency to consent to the subleasing of the Facility to the Tenant and to enter into the Tenant Agency Compliance Agreement.

Section 2. In consequence of the foregoing, the Agency hereby determines to enter into the Tenant Agency Compliance Agreement.

Section 3. The form and substance of the Tenant Agency Compliance Agreement (in substantially the form presented to the Agency and which, prior to the execution and delivery thereof, may be redated) are hereby approved.

Section 4.

(a) The Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Tenant Agency Compliance Agreement in the form the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “**Agency Documents**”). The execution thereof by Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency shall constitute conclusive evidence of such approval.

(b) 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 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, 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. This resolution shall take effect immediately.

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

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

That I have compared the annexed extract of the minutes of the meeting of the Town of Islip Industrial Development Agency (the “**Agency**”), including the resolutions contained therein, held on the 8th day of March, 2022, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

That the Agency Documents contained in this transcript of proceedings are each 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 March 8, 2022.

By: _____

Assistant Secretary