



MEETING OF THE TOWN OF ISLIP  
INDUSTRIAL DEVELOPMENT AGENCY  
DECEMBER 17, 2024

Minutes

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1. Call the meeting of the **Town of Islip Industrial Development Agency** to order on a motion by Angie Carpenter and seconded by James O'Connor. Chairwoman Angie Carpenter acknowledged that a quorum was present. Members present in addition to Chairwoman Angie Carpenter were, James O'Connor, Jorge Guadron, John Lorenzo and Michael McElwee
2. To consider the **Adoption of a Resolution** on behalf of the **Town of Islip Industrial Development Agency** to approve the minutes from November 19, 2024. On a motion by Michael McElwee and seconded by Jorge Guadron said motion was approved 5-0.
3. To consider the **Adoption of an Inducement/ Authorizing Resolution** on behalf of the **Town of Islip Industrial Development Agency** and **Carleton Ave LLC**, multiple parcels located at 1, 29-31 Carleton Ave, 5, and 9 Railroad Ave, and 1 Cordello Ave in Central Islip. On a motion by Jorge Guadron and seconded by James O'Connor said motion was approved 5-0.
4. To consider the **Adoption of an Authorizing Resolution** on behalf of the **Town of Islip Industrial Development Agency** and **GK 110 Windsor Place Properties, LLC (Avco Industries)** Located at 110 Windsor Place, Central Islip. On a motion by James O'Connor and seconded by Jorge Guadron said motion was approved 5-0.
5. To consider the **Adoption of a Authorizing Resolution** on behalf of **The Town of Islip Industrial Agency and Suffolk County Industrial, LLC**. Located at 1724 Fifth Avenue, Bay Shore. On a motion by Michael McElwee and seconded by Jorge Guadron said motion was approved 5-0.
6. To consider the **Adoption of a Resolution** between **The Town of Islip Industrial Development Agency** and **Invagen Pharmaceuticals, Inc.** Located at 550 Research Place, Central Islip, authorizing the expansion of said facility. On a motion by James O'Connor and seconded by Jorge Guadron said motion was approved 5-0.
7. To consider the **Adoption of a Resolution Authorizing** on behalf of **The Town of Islip Industrial Development Agency** to execute a one-year agreement with **PKF O'Connors Davies** to perform the audit for the year ending December 31, 2024. On a motion by Jorge Guadron and seconded by Michael McElwee said motion was approved 5-0.

8. To consider the Adoption of a Resolution Authorizing on behalf of **The Town of Islip Industrial Development Agency** to enter into a contract with **Grow America** for the production of a feasibility study with connection **with D & G Realty Ventures, LLC**. Located at 1793 Union Boulevard, Bay Shore. On a motion by Michael McElwee and seconded by John Lorenzo said motion was approved 5-0.
9. To consider any other business that comes before the agency, there being none the meeting adjourned on a motion by Angie Carpenter and seconded by Micheal McElwee.



MEETING OF THE TOWN OF ISLIP  
INDUSTRIAL DEVELOPMENT AGENCY  
NOVEMBER 19, 2024

Minutes

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1. Call the meeting of the **Town of Islip Industrial Development Agency** to order. On a motion by Chairwoman Angie carpenter and seconded by James O'Connor. Chairwoman Angie Carpenter acknowledged that the motion passed and that a quorum was present. Members as present in addition to Chairwoman Angie Carpenter were James O'Connor, Jorge Guadron, John Lorenzo and Micheal McElwee.
2. To consider the Adoption of a Resolution on behalf of the **Town of Islip Industrial Development Agency** to approve the minutes from October 22, 2024. On a motion by John Lorenzo and seconded by Jorge Guadron said motion was approved 5-0.
3. To consider the Adoption of an Inducement Resolution on behalf of the **Town of Islip Industrial Development Agency** and **Suffolk County Industrial, LLC** located at 1724 Fifth Avenue, Bay Shore. On a motion by Jorge Guadron and seconded by Angie Carpenter said motion was approved 5-0.
4. To consider the Adoption of an Inducement Resolution on behalf of the **Town of Islip Industrial Development Agency** and **GK 110 Windsor Place Properties, LLC** located at 110 Windsor Place, Central Islip. On a motion by James O'Connor and seconded by Jorge Guadron said motion was approved 5-0.
5. To consider the Adoption of a 2<sup>nd</sup> Amended Authorizing Resolution on behalf of **The Town of Islip Industrial Agency** and **227 4<sup>th</sup> Avenue**, Bay Shore. On a motion by Angie Carpenter and seconded by John Lorenzo said motion was approved 5-0.
6. To consider the Adoption of a 2<sup>nd</sup> Amending Authorizing Resolution on behalf of **The Town of Islip Industrial Agency** and **ISP III Cold Storage Owner, LLC** located at 2100 Smithtown Avenue, Ronkonkoma. On a motion by Jorge Guadron and seconded by Michael McElwee said motion was approved 4-1.
7. To consider any other business that comes before the agency, there being none the meeting adjourned on a motion by James O'Connor and seconded by Angie Carpenter.

Date: December 17, 2024

At a meeting of the Town of Islip Industrial Development Agency (the “Agency”), held at Islip Town Hall, 655 Main Street, Islip, New York, on the 17th day of December 2024, the following members of the Agency were:

Present: Chairwomen Angie Carpenter

Also Present: Councilmen James O’Connor, Jorge Guadron, John Lorenzo and Michael McElwee

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 in and title to a certain industrial development facility more particularly described below (Carleton Avenue LLC 2024 Facility) and the leasing of the facility to Carleton Avenue LLC.

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

Voting Aye

Angie Carpenter

James O’Connor

Jorge Guadron

John Lorenzo

Michael McElwee

Voting Nay

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE APPOINTMENT OF CARLETON AVENUE LLC, A NEW YORK LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF CARLETON AVENUE LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS AGENT OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, DEMOLISHING, CONSTRUCTING AND EQUIPPING THE FACILITY, APPROVING THE ACQUISITION, DEMOLITION, CONSTRUCTION AND EQUIPPING OF SUCH INDUSTRIAL DEVELOPMENT FACILITY AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY 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, Carleton Avenue LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Carleton Avenue LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "**Company**"), has applied to the Agency, to enter into a transaction in which the Agency will assist in (a) the acquisition of an approximately 3.5545 acre parcel of land, currently consisting of multiple parcels, located at 1, 29-31 Carleton Avenue, 5, 9, Railroad Avenue, and 1 Cordello Avenue in Central Islip, New York (collectively, the "**Land**"), (b) the demolition of an existing, approximately 1,105 square-foot building located thereon, (c) the construction and equipping of a three-story building containing approximately 101,100 square feet in total and consisting of ninety-six (96) units of mixed-income multifamily rental apartments (including a mix of 9 studio apartments, 62 one-bedroom units and 24 two-bedroom apartments, all to be targeted to households with income limits ranging from 30% to 100% of the Nassau/Suffolk Area Median Income ("**AMI**"), and one (1) additional two-bedroom unit reserved for an on-site resident manager), amenity space will include a community lounge with a kitchenette, a gym, a laundry room, and a management office for on-site staff, (d) approximately 5,077 square feet of ground floor retail space to be leased to a tenant not yet determined and approximately 600 square feet of the retail space will be reserved for Teatro Yerbabruja, a non-profit organization, or a similar non-for-profit entity ("**Teatro**"), to showcase local art, host classes and display performances, and (e) the construction of a public plaza and approximately 198 parking spaces (collectively, the "**Improvements**"), and the acquisition and installation therein of certain equipment and personal property (the "**Equipment**"; and together with the Land and the Improvements, the "**Facility**"), which Facility will be leased by the Agency to the

Company to be used by the Company to provide a transit oriented mixed-use, mixed-income, multi-family rental apartments for the residents of the Town of Islip (collectively, the “**Project**”); and

WHEREAS, the Agency, by resolution duly adopted on November 14, 2023, decided to take certain actions under the provisions of the Act; 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 December 1, 2024, or such other date as the Chairman, the Executive Director, the Deputy 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 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 Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of December 1, 2024, or such other date as the Chairman, the Executive Director, the Deputy 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 Agency contemplates that it will provide financial assistance to the Company in the form of: (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be \$73,020,336 but not to exceed \$75,000,000, corresponding to mortgage recording tax exemptions presently estimated to be \$547,653 but not to exceed \$562,500, in connection with the financing of the acquisition, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, constructing and equipping the Facility, (ii) exemptions from sales and use taxes in an approximate amount not to exceed \$1,642,817, 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); and

WHEREAS, as security for a loan or loans, the Agency and the Company will execute and deliver to a lender or lenders not yet determined (collectively, the “**Lender**”), a mortgage or mortgages (the “**Mortgage**”), 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, construction and equipping of the Facility (collectively, the “**Loan Documents**”); 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 has given due consideration to the application of the Company and to representations by the Company that the proposed Facility is either an inducement to the Company to maintain and expand the Facility in the Town of Islip or is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, the Agency required the Company to provide to the Agency a feasibility report (the “**Feasibility Study**”), together with other materials (the Feasibility Study and the other materials are collectively, the “**Requisite Materials**”) to enable the Agency to make findings and determinations that the Facility qualifies as a “project” under the Act and that the Facility satisfies all other requirements of the Act, and such Requisite Materials are listed below and attached as Exhibit B hereof:

1. Carleton Avenue LLC –Cost Benefit Analysis for the Town of Islip Industrial Development Agency, dated October 17, 2024, by Grow America;
2. New York Law Journal Article, dated March 22, 2017, on Eligibility of Residential Developments for IDA Benefits by Anthony Guardino, Esq.; and
3. Ryan et al. v. Town of Hempstead Industrial Development Agency et al.; and

WHEREAS, the Agency’s Uniform Tax Exemption Policy (“**UTEP**”), which such UTEP is annexed hereto as Exhibit C, provides for the granting of financial assistance by the Agency for housing projects pursuant to Section I.A.4; 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 Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. In connection with the acquisition, demolition, construction and equipping of the Facility the Agency hereby makes the following determinations and findings based upon the Agency’s review of the information provided by the Company with respect to the Facility, including, the Company’s Application, the Requisite Materials and other public information:

(a) There is a lack of affordable, safe, clean and modern housing in the Town of Islip;

(b) Such lack of housing has resulted in individuals leaving the Town of Islip and therefore adversely affecting employers, businesses, retailers, banks, financial institutions, insurance companies, health and legal services providers and other merchants in the Town of Islip and otherwise adversely impacting the economic health and well-being of the residents of the Town of Islip, employers, and the tax base of the Town of Islip;

(c) The Facility, by providing such housing will enable persons to remain in the Town of Islip and thereby to support the businesses, retailers, banks, and other financial

institutions, insurance companies, health care and legal services providers and other merchants in the Town of Islip which will increase the economic health and well-being of the residents of the Town of Islip, help preserve and increase permanent private sector jobs in furtherance of the Agency's public purposes as set forth in the Act, and therefore the Agency finds and determines that the Facility is a commercial project within the meaning of Section 854(4) of the Act; and

(d) The Facility will provide services, i.e., rental housing, which but for the Facility, would not otherwise be reasonably accessible to the residents of the Town of Islip.

Section 2. 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 has represented to the Agency that they intend to provide an additional eight and one-half (8.5) full-time employees within the second year after completion of the Facility; and

(d) The acquisition, demolition, construction and equipping of the Facility and the leasing of the Facility to the Company, 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, demolition, construction and equipping of the Facility is reasonably necessary to induce the Company to maintain and expand its business operations in the State of New York; and

(f) Based upon the representations of the Company, the transactions contemplated by the Lease Agreement shall not result in the removal of any facility or plant if any Facility occupant(s) from one area of the State to another area of the State or in the abandonment of one or more facilities or plants of the Facility occupant(s) located within the State; and

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

(h) It is desirable and in the public interest for the Agency to lease the Facility to the Company; and

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

(j) The Lease Agreement will be an effective instrument whereby the Agency leases 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

(k) 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 3. The Agency has assessed all material information included in connection with the Company'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.

Section 4. 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) lease and sublease the Facility to the Company pursuant to the Lease Agreement, (iv) execute, deliver and perform the Lease Agreement, (v) grant a Mortgage on and security interest in and to the Facility pursuant to the Loan Documents, (vi) execute and deliver the Mortgage, and (vii) execute, deliver and perform the Loan Documents to which the Agency is a party.

Section 5. 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 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 6. The Agency is hereby further authorized to execute and deliver the Loan Documents in connection with the financing of the costs of acquiring, constructing and equipping the Facility and any future Loan Documents in connection with any future refinancing or permanent financing of such costs of acquiring, constructing and equipping of the Facility without the need for any further or future approvals of the Agency.

Section 7. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the acquisition, demolition, 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 \$73,020,336 but not to exceed \$75,000,000, corresponding to mortgage recording tax exemptions presently estimated to be \$547,653 but not to exceed \$562,500, in connection with the financing of the acquisition, demolition, construction and equipping of the Facility

and any future financing, refinancing or permanent financing of the costs of acquiring, demolishing, constructing and equipping the Facility, (ii) exemptions from sales and use taxes in an approximate amount not to exceed \$1,642,817, 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).

Section 8. Subject to the provisions of this resolution, the Company is herewith and hereby appointed the agent of the Agency to acquire, demolish, construct and equip the Facility. The Company is hereby empowered to delegate its status as agent of the Agency to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company may choose in order to acquire, demolish, construct and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company 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, as agent 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 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 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, as agent of the Agency. The aforesaid appointment of the Company as agent of the Agency to acquire, demolish, construct 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 has received exemptions from sales and use taxes in an amount not to exceed \$1,642,817, 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 if such activities and improvements are not completed by such time. The aforesaid appointment of the Company is subject to the completion of the transaction and the execution of the documents contemplated by this resolution.

Section 9. 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 Agreement. 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 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.

Section 10. The form and substance of the Company Lease, the Lease 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 11.

(a) The Chairman, the Executive Director, or the Deputy Executive Director of the Agency or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Company Lease, the Lease Agreement and the Loan Documents to which the Agency is a party, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, the Executive Director, the Deputy Executive Director of the Agency 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, the Executive Director, the Deputy Executive Director of the Agency or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, the Executive Director, the Deputy Executive Director of the Agency 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. Any expenses incurred by the Agency with respect to the Facility shall be paid by the Company. The Company has agreed to pay such expenses and further shall 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 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 the 17th day of December, 2024, 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 the 17th day of December, 2024.

By: \_\_\_\_\_  
  Assistant Secretary

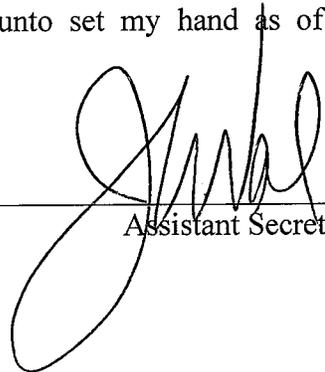


EXHIBIT A

Proposed PILOT Schedule

Schedule of payments-in-lieu-of-taxes: 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), Central Islip School District, Suffolk County and Appropriate Special Districts

Property Address: 1, 29-31 Carleton Avenue, 5, 9, Railroad Avenue, and 1 Cordello Avenue in Central Islip, New York

<u>Year</u>	<u>Payment Due</u>
1	\$0.00
2	\$0.00
3	\$96,000
4	\$97,920
5	\$99,878
6	\$101,876
7	\$103,913
8	\$105,992
9	\$108,112
10	\$110,274
11	\$112,479
12	\$114,729
13	\$117,023
14	\$119,364
15	\$121,751
16	\$124,186
17	\$126,670
18	\$129,203
19	\$131,787
20	\$134,423
21	\$137,112
22	\$139,854
23	\$142,651
24	\$145,504
25	\$148,414
26	\$151,382
27	\$154,410
28	\$157,498
29	\$160,648
30	\$163,861
31	\$167,138

32 \$170,481  
33 and thereafter, full taxation

Company to pay no tax during Construction Period. PILOT Payments to commence in Tax Year following Company's receipt of Certificate of Occupancy.

EXHIBIT B-1

Carleton Avenue LLC – Cost Benefit Analysis for the Town of Islip Industrial Development Agency, dated October 17, 2024, by Grow America

EXHIBIT B-2

New York Law Journal Article, dated March 22, 2017 on Eligibility of Residential Developments for IDA Benefits by Anthony Guardino, Esq.

EXHIBIT B-3

Ryan et al. v. Town of Hempstead Industrial Development Agency et al

EXHIBIT C

Town of Islip Industrial Development Agency Uniform Tax Exemption Policy

Date: December 17, 2024

At a meeting of the Town of Islip Industrial Development Agency (the “Agency”), held at 40 Nassau Avenue, Islip, New York 11751 on the 17th day of December, 2024 the following members of the Agency were:

Present: Chairwoman Angie Carpenter

Also Present: Councilmen, James O’Connor, Jorge Guadron, John Lorenzo and  
Michael McElwee

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 (GK 110 Windsor Place Properties, LLC/Avco Industries Inc. 2024 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

Angie Carpenter

Gorge Guadron

John Lorenzo

Michael McElwee

Voting Nay

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING GK 110 WINDSOR PLACE PROPERTIES, LLC A NEW YORK LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF GK 110 WINDSOR PLACE PROPERTIES, LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AND AVCO INDUSTRIES INC., A NEW YORK BUSINESS CORPORATION, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF AVCO INDUSTRIES INC. AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING, AS AGENT(S) OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, RENOVATING AND EQUIPPING THE FACILITY 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, GK 110 Windsor Place Properties, LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of GK 100 Windsor Place Properties, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”) and Avco Industries Inc., a business corporation organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of Avco Industries Inc. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Sublessee**”), have applied to the Town of Islip Industrial Development Agency (the “**Agency**”), to enter into a transaction in which the Agency will assist in (a) the acquisition of an approximately 2.3 acre parcel of land located at 110 Windsor Place, Central Islip, New York 11722 (more particularly described as tax map numbers 0500-100.00-02.00-082.000) (the “**Land**”), the renovation of an approximately 40,000 square foot existing building thereon (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 (b) 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 in its business of manufacturing,

distributing, and printing of paper take-out containers and boxes for the restaurant industry (the “**Project**”); and

WHEREAS, the Agency, by resolution duly adopted on November 19, 2024 (the “**Inducement Resolution**”), decided to proceed under the provisions of the Act; 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 December 1, 2024, 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 December 1, 2024 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-sublease 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 December 1, 2024 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 December 1, 2024, 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, 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 \$6,000,000 but not to exceed \$9,000,000, corresponding to mortgage recording tax exemptions presently estimated to be \$45,000 but not to exceed \$67,500, in connection with the financing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed \$60,375, 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); 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, construction and equipping of the Facility (collectively, the “**Loan Documents**”); and

WHEREAS, the Agency has given due consideration to the application 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 provide and maintain (by preserving and retaining current jobs) approximately twenty-seven and a half (27.5) full-time equivalent employees (total) within the second year after completion of the Facility; and

(d) The acquisition, renovation 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 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; and

(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 effect 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 interest in and to the Facility pursuant to the Loan Documents, and (ix) execute and deliver the Loan Documents to which the Agency is a party.

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 hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the acquisition, renovation 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 \$6,000,000 but not to exceed \$9,000,000 corresponding to mortgage recording tax exemptions presently estimated to be \$45,000 but not to exceed \$67,500, in connection with the financing of the acquisition, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, renovating and equipping the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed \$60,375, 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), consistent with the policies of the Agency.

Section 6. 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 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 \$60,375, 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 7. 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 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 8. The form and substance of the Company Lease, the Lease Agreement, the Equipment Lease Agreement, and the Agency Compliance Agreement (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 9. 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 10. 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 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 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. 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 December 17, 2024, 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 17th day of December 2024.

By: \_\_\_\_\_  
  Assistant Secretary

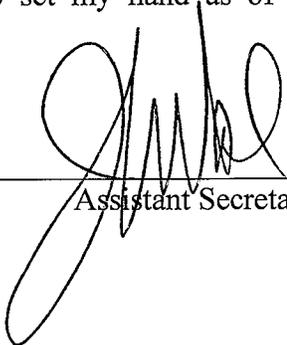


EXHIBIT A

Proposed PILOT Benefits

Formula for Payments-In-Lieu-of-Taxes: 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), Central Islip School District, Suffolk County and Appropriate Special Districts

Address – 110 Windsor Place, Central Islip  
Suffolk County, New York 11722

SCTM No: 0500-100.00-02.00-082.000

Formula: 14-year abatement starting at 40% of full assessed value for years 1-3 and decreasing 5% annually for remainder.

Year

- |               |   |
|---------------|---|
| 1             | 100% normal tax on 40% of the full assessed value |
| 2             | 100% normal tax on 40% of the full assessed value |
| 3             | 100% normal tax on 40% of the full assessed value |
| 4             | 100% normal tax on 45% of the full assessed value |
| 5             | 100% normal tax on 50% of the full assessed value |
| 6             | 100% normal tax on 55% of the full assessed value |
| 7             | 100% normal tax on 60% of the full assessed value |
| 8             | 100% normal tax on 65% of the full assessed value |
| 9             | 100% normal tax on 70% of the full assessed value |
| 10            | 100% normal tax on 75% of the full assessed value |
| 11            | 100% normal tax on 80% of the full assessed value |
| 12            | 100% normal tax on 85% of the full assessed value |
| 13            | 100% normal tax on 90% of the full assessed value |
| 14            | 100% normal tax on 95% of the full assessed value |
| 15 and beyond | 100% normal tax on the full assessed value        |

Date: December 17, 2024

At a meeting of the Town of Islip Industrial Development Agency (the “**Agency**”), held at Islip Town Hall, 655 Main Street, Islip, New York on the 17th day of December, 2024, the following members of the Agency were:

Present: Chairwoman Angie Carpenter

Also Present: Councilmen James O’Connor, Jorge Guadron, John Lorenzo and  
Michael McElwee

After the meeting had been duly called to order, the Chair announced that among the purposes of the meeting was to consider and take action pertaining to the modification and extension of certain payment-in-lieu-of tax benefits and provision of sales tax benefits for a certain industrial development facility more particularly described below (Suffolk County Industrial LLC 2016 Facility).

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

Voting Aye

Voting Nay

Angie Carpenter

James O’Connor

Jorge Guadron

John Lorenzo

Michael McElwee

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE MODIFICATION AND EXTENSION OF FINANCIAL ASSISTANCE FOR A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY FOR SUFFOLK COUNTY INDUSTRIAL LLC 2016 FACILITY, AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENTS TO THE COMPANY LEASE, THE LEASE AGREEMENT, THE PILOT AGREEMENT, THE RECAPTURE AGREEMENT, THE ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT, THE EQUIPMENT LEASE, AND THE AGENCY COMPLIANCE AGREEMENT AND THE EXECUTION AND DELIVERY OF DOCUMENTS IN CONNECTION THEREWITH AND APPROVING THE FORM, SUBSTANCE, EXECUTION AND DELIVERY OF SUCH RELATED DOCUMENTS.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “**State**”), as amended, and Chapter 47 of the Laws of 1974 of the State, as amended (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 in the acquisition of an approximately 31.64 acre parcel of land located at 1724 Fifth Avenue, Bay Shore, New York 11706 (the “**Land**”), the renovation of an approximately 396,100 square foot portion of an existing approximately 461,000 square foot building located thereon (excluding the 64,900 square foot portion of the building, consisting of 50,650 square feet of depot space identified as the “Premises” on the site plan map attached to the Original Lease Agreement (defined below) as Exhibit H (the “**Depot Space**”), and 14,250 square feet of garage space identified as “Existing Garage 1 Story Building” in Exhibit H (the “**Garage Space**”; and together with the Depot Space, the “**Bimbo Premises**”), occupied by Bimbo Bakeries USA, Inc. (“**Bimbo**”), as further described in the respective Lease Agreements, each dated as of October 27, 2016 (the “**Depot Lease**” and the “**Garage Lease**”; collectively, the “**Bimbo Lease**”), by and between Suffolk County Industrial LLC, a New York limited liability company (the “**Company**”), and Bimbo, which Bimbo Lease also gives Bimbo exclusive rights to use the loading areas, parking areas, access drives, associated trucking aprons, walkways, and other outside areas located on the Bimbo Premises), together with the acquisition and installation of improvements, structures and other related facilities attached to the Land (the “**Original Improvements**”), and the acquisition and installation therein of certain equipment and personal property (the “**Original Equipment**”; and, together with the Land and the Original Improvements, the “**Original Facility**”), which Original Facility is leased by the Agency to the Company, and used by the Company as an industrial complex for further sublease by the Company to future tenants (the “**Original Project**”); and

WHEREAS, the Company leased the Land and Original Improvements to the Agency pursuant to a certain Company Lease Agreement, dated as of October 1, 2016 (the “**Original**

**Company Lease**”), a memorandum of which was presented to the Suffolk County Clerk’s office for recording; and

WHEREAS, the Agency leased the Original Facility to the Company pursuant to a Lease Agreement, dated as of October 1, 2016 (the “**Original Lease Agreement**”), a memorandum of such Original Lease Agreement was presented to the Suffolk County Clerk’s office for recording; and

WHEREAS, in connection with the leasing of the Original Facility, the Company and the Agency entered into a certain Payment-in-Lieu-of-Tax Agreement, dated as of October 1, 2016 (the “**Original PILOT Agreement**”), by and between the Company and the Agency, which provided for payments in lieu of taxes with respect to the Original Facility; and

WHEREAS, as a condition and as an inducement for the Agency to enter into and perform the transactions contemplated by the Original Lease Agreement, the Agency required the Company to enter into a certain Environmental Compliance and Indemnification Agreement, dated as of October 1, 2016 (the “**Original Environmental Compliance and Indemnification Agreement**”), by and between the Agency and the Company; and

WHEREAS, in order to reflect the repayment of obligations of the Company upon the occurrence of a Recapture Event (as defined therein), the Agency and the Company entered into a certain Recapture Agreement, dated as of October 1, 2016 (the “**Original Recapture Agreement**”), by and between the Agency and the Company; and

WHEREAS, the Company has now submitted to the Agency, a request to modify and extend the payment-in-lieu-of-tax benefits (the “**PILOT Extension**”) and for additional sales tax benefits to be granted to the Company and Redefine Meals, LLC, a limited liability company duly organized and validly existing under the laws of the State of New York (the “**Sublessee**”), in connection with additional renovations for the Facility (as defined below); and

WHEREAS, the Project shall now consist of (a) the renovation of an approximately 105,000 square foot portion of an existing approximately 461,000 square foot building, located on the Land (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 currently leased by the Agency to the Company and shall be subleased by the Company to the Sublessee; and (b) 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 in its business of manufacturing prepared foods, cold storage and distribution (the “**2024 Project**”); and

WHEREAS, in connection with the 2024 Project, the Agency and the Company will (i) amend and restate the Original Company Lease pursuant to an Amended and Restated Company Lease Agreement, dated as of December 1, 2024 (the “**Amended and Restated Company Lease**”), and together with the Original Company Lease, the “**Company Lease**”), and (ii) amend and restate the Original Lease Agreement, the Original PILOT Agreement, the Original

Environmental Compliance and Indemnification Agreement, and the Original Recapture Agreement pursuant to an Amended and Restated Lease Agreement, dated as of December 1, 2024, or such other date as may be determined by the Chair, Executive Director or counsel to the Agency (the “**Amended and Restated Lease Agreement**”); and together with the Original Lease Agreement, the “**Lease Agreement**”, and together with the Original PILOT Agreement, the “**PILOT Agreement**”, and together with the Original Environmental Compliance and Indemnification Agreement, the “**Environmental Compliance and Indemnification Agreement**”, and together with the Original Recapture Agreement, the “**Recapture Agreement**”); 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 December 1, 2024 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 December 1, 2024, 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, 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, a public hearing (the “**Hearing**”) was held on December 16, 2024, 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 could be heard; and

WHEREAS, notice of the Hearing was given on November 29, 2024 and such notice (together with proof of publication) is substantially in the form annexed hereto as Exhibit A; and

WHEREAS, the minutes of the Hearing will be annexed hereto as Exhibit B; 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 (a) extended abatement of real property taxes on the Facility as shown on Exhibit C annexed hereto, all consistent with the policies of the Agency and (b) exemptions from sales and use taxes in an amount not to exceed \$110,000, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility; and

WHEREAS, the Agency has given due consideration to the application of the Company and the Sublessee and to the representations by the Company and the Sublessee that the actions of the Agency as contemplated by this resolution, the Amended and Restated Company Lease and the Amended and Restated Lease Agreement, are either an inducement to the Company and the Sublessee to maintain and expand the Facility in the Town of Islip or are necessary to maintain the competitive positions 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 2024 Project and the continued leasing of the Facility to the Company.

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

Section 1.

(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;

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

(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 provide and maintain seven hundred fifty-seven and a half (757.5) full time employees at the Facility within the second year after completion of the Facility; and

(d) The continued leasing of the Facility by the Agency 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 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;

(e) Based upon representations of the Company, the Sublessee, and counsel to the Company and the Sublessee, the Facility continues to conform 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 are located;

(f) The Facility and the operations conducted therein does not have a significant effect on the environment, as determined in accordance with Article 8 of the Environmental Conservation Law of the State of New York and the regulations promulgated thereunder;

(g) The Agency has determined that the proposed 2024 Project and financial assistance therefore will promote and further the purposes of the Act;

(h) It is desirable and in the public interest for the Agency consent to the 2024 Project and financial assistance therefore and to continue to lease the Facility to the Company for further subleasing to the Sublessee;

(i) The Amended and Restated Company Lease will be an effective instrument whereby the Agency and the Company agree to extend the term of the Original Company Lease in connection with the PILOT Extension, and the Agency will continue to lease the Land and the Improvements to the Company;

(j) The Amended and Restated Lease Agreement will be an effective instrument whereby the Agency, the Company, and the Sublessee agree to extend the term of the Original Lease for a term of up to eight (8) years and the Agency will continue to lease the Facility to the Company, and amend the Original Lease Agreement, the Original PILOT Agreement, the Original Environmental Compliance and Indemnification Agreement, and the Original Recapture Agreement, to reflect the undertaking of the 2024 Project, the PILOT Extension, and the provision of sales tax exemptions;

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) grant an extension of the Company Lease for an additional term of up to eight (8) years for the Facility pursuant to the Amended and Restated Company Lease, (ii) amend the Original Lease Agreement, the Original PILOT Agreement, the Original Environmental Compliance Agreement, and the Original Recapture Agreement pursuant to the Amended and Restated Lease Agreement, to reflect the 2024 Project, the PILOT Extension, and the additional sales tax benefits, including extending the term of the Lease Agreement for a term of up to eight (8) years, and (iv) lease the Equipment to the Sublessee pursuant to the Equipment Lease Agreement, (v) execute, deliver and perform the Equipment Lease Agreement, and (vi) execute and deliver the Agency Compliance Agreement.

Section 3. Subject to the provisions of this resolution, the Company and Sublessee are herewith and hereby appointed the agent of the Agency to acquire, construct and equip the Facility. The Company and Sublessee are hereby empowered to delegate their status as agent of the Agency to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company and Sublessee may choose in order to acquire, construct and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company and 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 Sublessee, as agent 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 and 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 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 Sublessee, as agent of the Agency. The aforesaid appointment of the Company and Sublessee as agent of the Agency to acquire, construct 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 Sublessee has received exemptions from sales and use taxes in an amount not to exceed \$110,000, in connection with the purchase or lease of equipment, building materials, services or other personal property for the Facility; provided however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company or Sublessee if such activities and improvements are not completed by such time. The aforesaid appointment of the Company and Sublessee is subject to the execution of the documents contemplated by this resolution.

Section 4. The form and substance of the Amended and Restated Company Lease, the Amended and Restated Lease Agreement, the Equipment Lease Agreement, and the Agency Compliance Agreement 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) are hereby approved.

Section 5. Subject to the provisions of this resolution,

(a) The Chair, Vice Chair, Executive Director, Deputy Executive Director or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Amended and Restated Company Lease, the Amended and Restated Lease Agreement, the Equipment Lease Agreement, and the Agency Compliance Agreement in substantially the form thereof presented to this meeting with such changes, variations, omissions and insertions as the Chair, Vice Chair, 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 Chair and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “**Agency Documents**”). The execution thereof by the Chair, Vice Chair, Executive Director, Deputy Executive Director or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chair, Vice Chair, Executive Director, Deputy Executive Director, or any member of the Agency is further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency.

Section 6. Subject to the provisions of this resolution, the Agency hereby authorizes and approves the following economic benefits to be granted to the Company and the Sublessee in connection with the Facility in the form of (a) the PILOT Extension (as set forth in the PILOT Schedule attached as Exhibit C hereof), and (b) exemptions from sales and use taxes in an amount not to exceed \$110,000, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, consistent with the policies of the Agency.

Section 7. The Company and the Sublessee hereby agree to comply with Section 875 of the Act. The Company and the Sublessee further agree that the PILOT Extension and sales tax exemptions contemplated hereby pursuant to the Act are subject to termination and recapture of benefits pursuant to Section 875 of the Act.

Section 8. The law firm of Nixon Peabody LLP is hereby appointed Transaction Counsel to the Agency.

Section 9. Counsel to the Agency and Transaction Counsel are hereby authorized to work with counsel to the Company and the Sublessee and others to prepare, for submission to the Agency, all documents necessary to effect the described 2024 Project, the PILOT Extension, and the sales tax benefits in the foregoing resolution.

Section 10. 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 11. Any fees, expenses, including without limitation, legal fees and expenses, incurred by the Agency with respect to the Facility shall be paid by the Company and/or Sublessee. By acceptance hereof, the Company and Sublessee agree to pay such fees and expenses and further agrees to defend and 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 12. This resolution shall take effect immediately.

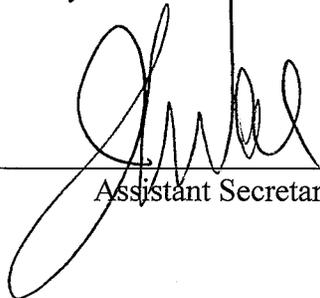
STATE OF NEW YORK    )  
                                  : SS.:  
COUNTY OF SUFFOLK    )

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 17th day of December, 2024, 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.

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 in all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 17th day of December, 2024.

By:  \_\_\_\_\_  
Assistant Secretary

## EXHIBIT A

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### NOTICE OF PUBLIC HEARING

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**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 on the 16th day of December, 2024, at 11:00 a.m., local time, at 40 Nassau Avenue, Islip, New York 11751 in connection with the following matters:

The Agency previously assisted in the acquisition of an approximately 31.64 acre parcel of land located at 1724 Fifth Avenue, Bay Shore, New York 11706 (the “**Land**”), the renovation of an approximately 396,100 square foot portion of an existing approximately 461,000 square foot building located thereon (excluding the 64,900 square foot portion of the building, consisting of 50,650 square feet of depot space identified as the “Premises” on the site plan map attached to the Original Lease Agreement (defined below) as Exhibit H (the “**Depot Space**”), and 14,250 square feet of garage space identified as “Existing Garage 1 Story Building” in Exhibit H (the “**Garage Space**”; and together with the Depot Space, the “**Bimbo Premises**”), occupied by Bimbo Bakeries USA, Inc. (“**Bimbo**”), as further described in the respective Lease Agreements, each dated as of October 27, 2016 (the “**Depot Lease**” and the “**Garage Lease**”; collectively, the “**Bimbo Lease**”), by and between Suffolk County Industrial LLC, a New York limited liability company (the “**Company**”), and Bimbo, which Bimbo Lease also gives Bimbo exclusive rights to use the loading areas, parking areas, access drives, associated trucking aprons, walkways, and other outside areas located on the Bimbo Premises), together with the acquisition and installation of improvements, structures and other related facilities attached to the Land (the “**Original Improvements**”), and the acquisition and installation therein of certain equipment and personal property (the “**Original Equipment**”; and, together with the Land and the Original Improvements, the “**Original Facility**”), which Original Facility is leased by the Agency to the Company, and used by the Company as an industrial complex for further sublease by the Company to future tenants (the “**Original Project**”).

The Company leased the Land and Original Improvements to the Agency pursuant to a certain Company Lease Agreement, dated as of October 1, 2016 (the “**Original Company Lease**”), a memorandum of which was presented to the Suffolk County Clerk’s office for recording.

The Agency leased the Original Facility to the Company pursuant to a Lease Agreement, dated as of October 1, 2016 (the “**Original Lease Agreement**”), a memorandum of such Original Lease Agreement was presented to the Suffolk County Clerk’s office for recording.

In connection with the leasing of the Original Facility, the Company and the Agency entered into a certain Payment-in-Lieu-of-Tax Agreement, dated as of October 1, 2016 (the “**Original PILOT Agreement**”), by and between the Company and the Agency, which provided for payments in lieu of taxes with respect to the Original Facility.

As a condition and as an inducement for the Agency to enter into and perform the transactions contemplated by the Lease Agreement, the Agency required the Company to enter

into a certain Environmental Compliance and Indemnification Agreement, dated as of October 1, 2016 (the “**Original Environmental Compliance and Indemnification Agreement**”), by and between the Agency and the Company.

In order to reflect the repayment of obligations of the Company upon the occurrence of a Recapture Event (as defined therein), the Agency and the Company entered into a certain Recapture Agreement, dated as of October 1, 2016 (the “**Original Recapture Agreement**”), by and between the Agency and the Company.

The Company has now submitted to the Agency, a request to modify and extend the payment-in-lieu-of-tax benefits (the “**PILOT Extension**”) and for additional sales tax benefits to be granted to Redefine Meals, LLC, a limited liability company duly organized and validly existing under the laws of the State of New York (the “**Sublessee**”), in connection with additional renovations for the Facility (as defined below).

The Project shall now consist of (a) the renovation of an approximately 105,000 square foot portion of an existing approximately 461,000 square foot building, located on the Land (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 currently leased by the Agency to the Company and shall be subleased by the Company to the Sublessee; and (b) 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 in its business of manufacturing prepared foods, cold storage and distribution (the “**Project**”). The Company Facility is owned, operated, and managed by the Company and the Equipment will be initially owned by the Sublessee.

The Agency contemplates that it will provide financial assistance to the Company and the Sublessee in the form of exemptions from sales and use taxes in connection with the acquisition, renovation and equipping of the Facility, mortgage recording tax exemptions, and exemption of real property taxes consistent with the policies of the Agency.

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 and Sublessee 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 and Sublessee with the Agency and an analysis of the costs and benefits of the proposed Facility.

Dated: November 29, 2024

TOWN OF ISLIP INDUSTRIAL  
DEVELOPMENT AGENCY

By: John G. Walser  
Title: Executive Director

Exhibit B

MINUTES OF PUBLIC HEARING HELD ON  
DECEMBER 16, 2024

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY  
(SUFFOLK COUNTY INDUSTRIAL LLC/REDEFINE MEALS, LLC 2024 FACILITY)

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

2. The \_\_\_\_\_ then described the location and nature of the Facility to be financed as follows:

The Agency previously assisted in the acquisition of an approximately 31.64 acre parcel of land located at 1724 Fifth Avenue, Bay Shore, New York 11706 (the “**Land**”), the renovation of an approximately 396,100 square foot portion of an existing approximately 461,000 square foot building located thereon (excluding the 64,900 square foot portion of the building, consisting of 50,650 square feet of depot space identified as the “**Premises**” on the site plan map attached to the Original Lease Agreement (defined below) as Exhibit H (the “**Depot Space**”), and 14,250 square feet of garage space identified as “**Existing Garage 1 Story Building**” in Exhibit H (the “**Garage Space**”; and together with the Depot Space, the “**Bimbo Premises**”), occupied by Bimbo Bakeries USA, Inc. (“**Bimbo**”), as further described in the respective Lease Agreements, each dated as of October 27, 2016 (the “**Depot Lease**” and the “**Garage Lease**”; collectively, the “**Bimbo Lease**”), by and between Suffolk County Industrial LLC, a New York limited liability company (the “**Company**”), and Bimbo, which Bimbo Lease also gives Bimbo exclusive rights to use the loading areas, parking areas, access drives, associated trucking aprons, walkways, and other outside areas located on the Bimbo Premises), together with the acquisition and installation of improvements, structures and other related facilities attached to the Land (the “**Original Improvements**”), and the acquisition and installation therein of certain equipment and personal property (the “**Original Equipment**”; and, together with the Land and the Original Improvements, the “**Original Facility**”), which Original Facility is leased by the Agency to the Company, and used by the Company as an industrial complex for further sublease by the Company to future tenants (the “**Original Project**”).

The Company leased the Land and Original Improvements to the Agency pursuant to a certain Company Lease Agreement, dated as of October 1, 2016 (the “**Original Company Lease**”), a memorandum of which was presented to the Suffolk County Clerk’s office for recording.

The Agency leased the Original Facility to the Company pursuant to a Lease Agreement, dated as of October 1, 2016 (the “**Original Lease Agreement**”), a memorandum of such Original Lease Agreement was presented to the Suffolk County Clerk’s office for recording.

In connection with the leasing of the Original Facility, the Company and the Agency entered into a certain Payment-in-Lieu-of-Tax Agreement, dated as of October 1, 2016 (the “**Original PILOT Agreement**”), by and between the Company and the Agency, which provided for payments in lieu of taxes with respect to the Original Facility.

As a condition and as an inducement for the Agency to enter into and perform the transactions contemplated by the Lease Agreement, the Agency required the Company to enter into a certain Environmental Compliance and Indemnification Agreement, dated as of October 1, 2016 (the “**Original Environmental Compliance and Indemnification Agreement**”), by and between the Agency and the Company.

In order to reflect the repayment of obligations of the Company upon the occurrence of a Recapture Event (as defined therein), the Agency and the Company entered into a certain Recapture Agreement, dated as of October 1, 2016 (the “**Original Recapture Agreement**”), by and between the Agency and the Company.

The Company has now submitted to the Agency, a request to modify and extend the payment-in-lieu-of-tax benefits (the “**PILOT Extension**”) and for additional sales tax benefits to be granted to Redefine Meals, LLC, a limited liability company duly organized and validly existing under the laws of the State of New York (the “**Sublessee**”), in connection with additional renovations for the Facility (as defined below).

The Project shall now consist of (a) the renovation of an approximately 105,000 square foot portion of an existing approximately 461,000 square foot building, located on the Land (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 currently leased by the Agency to the Company and shall be subleased by the Company to the Sublessee; and (b) 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 in its business of manufacturing prepared foods, cold storage and distribution (the “**Project**”). The Company Facility is owned, operated, and managed by the Company and the Equipment will be initially owned by the Sublessee.

The Agency contemplates that it will provide financial assistance to the Company and the Sublessee in the form of exemptions from sales and use taxes in connection with the acquisition, renovation and equipping of the Facility, mortgage recording tax

exemptions, and exemption of real property taxes consistent with the policies of the Agency.

3. The hearing officer then opened up the hearing for comments from the floor for or against the location and nature of the Facility. The following is a listing of the persons heard and a summary of their views:

4. The \_\_\_\_\_ then asked if there were any further comments and, there being none, the hearing was closed at \_\_\_\_\_ .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 December 16, 2024, at 11:00 a.m. local time, at the Town of Islip Department of Economic Development, the Office of Economic Development Conference Room, 40 Nassau Avenue, Islip, New York 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 December 16, 2024.

  
\_\_\_\_\_  
Assistant Secretary

Exhibit C

Proposed PILOT Schedule

Formula for Payments-In-Lieu-of-Taxes: 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), Suffolk County, Bay Shore School District and Appropriate Special Districts

1724 Fifth Avenue and Harold Court, Bay Shore, New York 11706

Tax Map No. 0500-182.00-01.00-041.000 and 0500-181.00-03.00-049.000 & 052.003

Extension to begin in the 2032-33 tax year following end of existing PILOT

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

Year

2032/2033	100% normal tax on 50% of the taxable assessed value
2033/2034	100% normal tax on 55% of the taxable assessed value
2034/2035	100% normal tax on 60% of the taxable assessed value
2035/2036	100% normal tax on 65% of the taxable assessed value
2036/2037	100% normal tax on 70% of the taxable assessed value
2037/2038	100% normal tax on 75% of the taxable assessed value
2038/2039	100% normal tax on 80% of the taxable assessed value
2039/2040	100% normal tax on 85% of the taxable assessed value
2040/2041	100% normal tax on 90% of the taxable assessed value
2041/2042	100% normal tax on 95% of the taxable assessed value
2042/2043 and beyond	100% normal tax on the full assessed value

Date: December 17, 2024

At a meeting of the Town of Islip Industrial Development Agency (the “Agency”), held at 40 Nassau Avenue, Islip, New York 11751 on the 17th day of December 2024 the following members of the Agency were:

Present: Chairwoman Angie Carpenter

Also Present: Councilmen James O’Connor, Jorge Guadron, John Lorenzo  
Michael McElwee

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 acquisition of an interest in a certain industrial development facility more particularly described below (Invagen Pharmaceuticals Inc. 2024 Facility).

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

Voting Aye

Voting Nay

Abstain

Angie Carpenter  
James O’Connor  
Jorge Guadron  
John Lorenzo  
Michael McElwee

and, therefore, the resolution was declared duly adopted.

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY AND APPROVING THE APPOINTMENT OF INVAGEN PHARMACEUTICALS, INC., A NEW YORK BUSINESS CORPORATION, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF INVAGEN PHARMACEUTICALS, INC. AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS AGENT OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND EQUIPPING AN INDUSTRIAL DEVELOPMENT FACILITY 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, Invagen Pharmaceuticals, Inc., a New York business corporation, on behalf of itself and/or the principals of Invagen Pharmaceuticals, Inc., 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 16.0 acre parcel of land located at 550 South Research Place (Tax Map: 0500-187.00-03.00-016.000), (the “**Land**”), the renovations and equipping of an approximately 15,000 square foot portion of an existing 248,000 square foot building (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and together with the Land and the Improvements, the “**Facility**”), which Facility will be leased by the Agency to the Company, and subleased by the Company for use in the Company’s business of manufacturing tablets and capsules of generic pharmaceuticals (the “**Project**”); and

WHEREAS, the Agency will acquire title to the 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 Equipment to the Company pursuant to a certain Equipment Lease and Project Agreement, dated as of December 1, 2024, 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 Company; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company, consistent with the policies of the Agency, in the form of exemptions from sales and use taxes in an amount not to exceed \$567,956 in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility; and

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed transaction 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 “Local Agency”; and

WHEREAS, to aid the Agency in determining whether the Facility may have a significant effect upon the environment, the Company prepared and submitted to the Agency an Environmental Assessment Form (the “**EAF**”) 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 Agency has reviewed the Questionnaire and such other documents as the Agency felt necessary or appropriate to examine to adequately review the proposed action (the “Action”); and

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

Section 1. Based upon the EAF completed by the Company and other representations and information furnished regarding the Facility, the Agency determines that, based upon its review of the EAF, the appropriate criteria for determination of significance, and other such and further information which the Agency felt necessary to review relating to the Facility, the Action is a Type II action and therefore no further SEQR review is required.

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 Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency 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 has represented to the Agency that it intends to provide five-hundred and ninety five (595) full time employees within the second year after completion of the Facility; and

(d) The acquisition and equipping of the Facility, the subleasing and leasing of the Facility to the Company 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.

(e) The acquisition and equipping of the Facility by the Agency is reasonably necessary to induce the Company to maintain and expand its business operations in the Town of Islip.

(f) Based upon representations of the Company and counsel to the Company, 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.

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

(h) The Equipment Lease Agreement will be an effective instrument whereby the Agency subleases and leases the Equipment to the Company, 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

Section 2. The Agency has assessed all material information included in connection with the Company’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.

Section 3. In consequence of the foregoing, the Agency hereby determines to: (i) take title to the Equipment from the Company pursuant to the Bill of Sale, (ii) sublease and lease the Equipment to the Company pursuant to the Equipment Lease Agreement, and (iii) execute, deliver and perform the Equipment Lease Agreement.

Section 4. The Agency is hereby authorized to acquire 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 hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the acquisition, construction and equipping of the Facility in the form of exemptions from sales and use taxes in an amount not to exceed \$567,956, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility.

Section 6. Subject to the provisions of this resolution, the Company is herewith and hereby appointed the agent of the Agency to acquire, construct and equip the Facility. The Company is hereby empowered to delegate its status as agent of the Agency to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company may choose in order to acquire, construct and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company 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, as agent 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 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 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, as agent of the Agency. The aforesaid appointment of the Company as agent of the Agency to acquire, construct 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 has received exemptions from sales and use taxes in an amount not to exceed \$567,956, 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 if such activities and improvements are not completed by such time. The aforesaid appointment of the Company is subject to the execution of the documents contemplated by this resolution.

Section 7. 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 Equipment Lease Agreement. 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 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.

Section 8. The form and substance of the Equipment Lease Agreement 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 9.

(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 Equipment Lease Agreement in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as 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 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.

(b) The Chairman, Vice Chairman, 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 Equipment Lease Agreement).

Section 10. 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 11. 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 December 17, 2024, 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 17th day of December, 2024.

  
\_\_\_\_\_  
Assistant Secretary

December 17, 2024

**WHEREAS**, the Town of Islip Industrial Development Agency (“IDA”) has identified a need to secure professional auditing and accounting services; and

**WHEREAS**, the IDA along with the Economic Development Corporation and the Foreign Trade Zone prepared and advertised an RFP for Professional Auditing and Accounting Services; and

**WHEREAS**, proposals were opened on February 24, 2022, after due public notice and advertising; and

**WHEREAS**, upon review of the proposals, PFK O’Connor Davies, LLP, located at 25 Suffolk Court, Hauppauge, New York 11788, was the apparent lowest responsible proposer with a proposal price of \$22,000.00 for an audit of the year ending December 31, 2024; and

**WHEREAS**, PFK O’Connor Davies, LLP, has been determined to be a responsible proposer; and

**WHEREAS**, the Executive Director of the IDA, John Walser, hereby recommends awarding the proposal to PFK O’Connor Davies, LLP.

**NOW, THEREFORE**, on a motion by,

**RESOLVED**, that the Town of Islip IDA Board hereby approves the selection of PFK O’Connor Davies, LLP, to provide professional auditing and accounting services for the IDA for the amount of \$22,000.00 for an audit of the year ending December 31, 2024, and authorizes the

Supervisor as Chairman of the IDA Board to execute all documents attendant thereto; and be it

**FURTHER RESOLVED**, that the Comptroller is authorized to make the account entries necessary to amend the budget in accordance with the terms of this resolution.

**UPON A VOTE BEING TAKEN**, said resolution was approved 5-0.

December 3, 2024

The Agency Board  
Town of Islip Industrial Development Agency  
Islip, New York

This letter sets forth our understanding of the terms and objectives of our engagement, and the nature and scope of the services we will provide to the Town of Islip Industrial Development Agency (the "Agency"), a component unit of the Town of Islip, New York.

### **Audit Scope and Objectives**

We will audit the Agency's statements of the business-type activities, which collectively comprise the basic financial statements of the Agency as of and for the year ended December 31, 2024 and issue our report thereon as soon as reasonably possible after completion of our work.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A"), to supplement the Agency's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Agency's RSI in accordance with auditing standards generally accepted in the United States of America, ("US GAAS"). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The following RSI is required by accounting principles generally accepted in the United States ("US GAAP") and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud, error, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the Agency or to acts by management or employees acting on behalf of the Agency; and issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP.

PKF O'CONNOR DAVIES, LLP  
878 Veterans Memorial Highway, 4<sup>th</sup> Floor, Hauppauge, NY 11788 | Tel: 631.434.9500 | Fax: 631.434.9518 | www.pkfod.com

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms

**Audit Scope and Objectives** (continued)

Because the determination of abuse is subjective, *Government Auditing Standards* issued by the Comptroller General of the United States (“GAGAS”) do not expect auditors to provide reasonable assurance of detecting abuse. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAGAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

**Auditor’s Responsibilities for the Audit of the Financial Statements**

We will conduct the audit in accordance with US GAAS and GAGAS and will include tests of accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with US GAAS and GAGAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may exist and not be detected by us even though the audit is properly planned and performed in accordance with US GAAS and GAGAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting or misappropriation of assets and any material abuse that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

The objective for our audit also includes reporting on:

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with GAGAS.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Agency’s compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to GAGAS.

**Auditor's Responsibilities for the Audit of the Financial Statements** (continued)

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also include, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement when required based on our professional judgement.

After our planning is complete, we will communicate to management and those charged with governance, the significant risk(s) of material misstatement identified in our audit planning.

**Audit Procedures – Internal Control**

We will obtain an understanding of the Agency and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to prevent and detect misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to GAGAS. An audit is also not designed to identify significant deficiencies or material weaknesses. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

**Audit Procedures – Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Agency's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report.

## **Reporting**

We will issue a written report upon completion of our audit of the Agency's financial statements and written reports required with audits performed in accordance with GAGAS. Our reports will be addressed to those charged with governance of the Agency. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by GAGAS.

We will also communicate with those charged with governance any (a) fraud involving senior management and other fraud that causes a material misstatement of the financial statements; (b) violations of laws or governmental regulations that come to our attention (unless they are clearly inconsequential); (c) disagreements with management and other serious difficulties encountered in performing the audit; and, (d) various matters related to the Agency's accounting policies and financial statements.

## **Other Services**

PKF O'Connor Davies will also assist in preparing the financial statements of the Agency in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

PKF O'Connor Davies will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

## **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements, including all disclosures, and RSI, in conformity with accounting principles generally accepted in the United States of America.

**Responsibilities of Management for the Financial Statements** (continued)

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

Management's responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the RSI in accordance with US GAAP; (2) you believe the RSI, including its form and content, is fairly presented in accordance with US GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the RSI.

Management is responsible for management decisions and assuming all management responsibilities; for designating an individual with suitable skill, knowledge, and/or experience to oversee assistance with preparing the financial statements, proposed journal entries, other non-attest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the Agency involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Agency received in communications from employees, former employees, grantors, regulators or others. In addition, you are responsible for identifying and ensuring that the Agency complies with applicable laws, regulations, contracts, agreements and grants and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

In order to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements, management is responsible for establishing and maintaining effective internal control, including internal control over compliance, and for evaluating and monitoring ongoing activities.

**Responsibilities of Management for the Financial Statements** (continued)

Management's responsibilities also include identifying any significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations, as applicable. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the audit objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies.

The Agency is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

It is expected that a portion of the audit will be conducted remotely. Management is responsible for ensuring that all electronically provided documents and records are complete and accurate reproductions of the original documents and records. For any part of the engagement performed on premises, management is responsible for ensuring that all applicable safeguards are in place in accordance with Centers for Disease Control guidance and any state and local regulations and guidelines. PKF O'Connor Davies holds the right to not perform work onsite if we consider the onsite conditions unsafe for any reason. Management, in coordination with PKF O'Connor Davies, is responsible to arrange for alternative methods for audit procedures that must be performed on the Agency's or a third-party's premises.

At the conclusion of the engagement, we will request from management written confirmation concerning representations made to us in connection with the audit. The representation letter, among other things, will confirm management's responsibility for: (1) the preparation of the financial statements in conformity with US GAAP, (2) the availability of financial records and related data, and (3) the completeness and availability of all minutes of board meetings. Management's representation letter will further confirm that: (1) the effects of any uncorrected misstatements aggregated by us during the engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole, and (2) we have been informed of, or that there were no incidences of, fraud involving management or those employees who have significant roles in the Agency's internal control. You will also be required to acknowledge in the management representation letter, when applicable, our assistance with preparation of the financial statements, RSI and that you have reviewed and approved the financial statements, and RSI, and related notes prior to their issuance and have accepted responsibility for them. We will place reliance on these representations in issuing our report.

In the event that we become obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, as a direct or indirect result of an intentional, knowing or reckless misrepresentation or provision to us of inaccurate or incomplete information by the Agency or, any elected official, member of management or employee thereof in connection with this engagement, and not any failure on our part to comply with professional standards, you agree to indemnify us against such obligations.

To the best of your knowledge, you are unaware of any facts which might impair our independence with respect to this engagement.

### **Responsibilities of Management for the Financial Statements (continued)**

The financial statements are the property of the Agency and can be reproduced and distributed as management desires. However, you must notify us in advance and obtain our approval if you intend to make reference to our firm in a document that includes our auditors' report on the financial statements. Because our engagement does not contemplate the foregoing, there may be an additional fee in connection with our review of any such documents. In the event our auditor/client relationship has been terminated when the Agency seeks such consent, we will be under no obligation to grant such consent or approval.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

We understand that your accounting department personnel will assist us to the extent practicable in completing the audit. They will provide us with detailed trial balances, supporting schedules, and other information we deem necessary. A list of these schedules and other items of information will be furnished to you before we begin the audit. The timely and accurate completion of this information is an essential condition to our completion of the audit and the issuance of the audit report.

We keep documents related to this engagement in accordance with our records retention policy and applicable regulations or for any additional period requested by the applicable cognizant agency. If we are aware that the Agency is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation. We do not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

As part of our engagement, we may propose standard, adjusting, or correcting journal entries to your financial statements. Management, however, has final responsibility for reviewing the proposed entries and understanding the nature and impact of the proposed entries to the financial statements. It is our understanding that management has designated qualified individuals with the necessary expertise to be responsible and accountable for overseeing the acceptance and processing of such journal entries.

### **Non-Reliance on Oral Advice**

It is our policy to put all advice on which a client intends to rely in writing. We believe that is necessary to avoid confusion and to make clear the specific nature and limitations of our advice. You should not rely on any advice that has not been put in writing by our firm after a full supervisory review.

### **Electronic and Other Communication**

During the course of the engagement, we may communicate with you or with Agency personnel via fax or e-mail. You should be aware that communication in those media may be unsafe to use and contains a risk of misdirection and/or interception by unintended third parties, or failed delivery or receipt. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of e-mail or other electronic transmissions, including any consequential, incidental, direct, indirect or special damages.

### **Access to Working Papers**

During the course of this engagement, we will develop files of various documents, schedules and other related engagement information known as our working papers. As we are sure you can appreciate, these working papers may contain confidential information and our firm's proprietary data. You understand and agree that these working papers are, and will remain, our exclusive property. Except as discussed below, any requests for access to our working papers will be discussed with you before making them available to requesting parties:

- (1) Our firm, as well as other accounting firms, participates in a peer review program covering our audit and accounting practices. This program requires that once every three years we subject our system of quality control to an examination by another accounting firm. As part of this process, the other firm will review a sample of our work. It is possible that the work we perform for you may be selected for review. If it is, the other firm is bound by professional standards to keep all information confidential.
- (2) We may be requested to make certain working papers available to regulators pursuant to authority given to them by law, regulation or subpoena. Such regulators may include (i) a federal agency providing direct or indirect funding or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities; (ii) the American Institute of Certified Public Accountants; and (iii) the State Board of Accountancy. If requested, access to such working papers will be provided under the supervision of our personnel. Furthermore, upon request, we may provide photocopies of selected working papers to them. The regulator may intend, or decide, to distribute the photocopies or information contained therein to others, including other government agencies.

### **Fees and Billing**

We agree that our fee including expenses will not exceed \$22,000. The fee is based on anticipated cooperation from your personnel, audit condition of the books and records and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

The fee is based on anticipated cooperation from your personnel, audit condition of the books and records and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Our fees for these services are due and payable upon presentation. Invoices for additional amounts that may be incurred for these, and other services will be rendered as such work progresses and are also payable upon presentation.

### **Liability**

Any and all claims by the Agency arising under this engagement must be commenced by the Agency within one year following the date on which our firm delivered our report on the financial statements associated with this engagement, or the date the Agency is informed of the engagement's termination in the event our report is not delivered, for any reason.

Our firm's maximum liability to the Agency for any reason relating to the services under this letter shall be limited to three times the fees paid to the firm for the services or work product giving rise to liability, except to the extent it is finally determined that such liability resulted from the willful or intentional misconduct or fraudulent behavior of the firm. In no event shall the firm be liable to the Agency, whether a claim be in tort, contract or otherwise, for any consequential, indirect, lost profit or similar damages.

### **Reimbursement**

You agree to reimburse our firm, its partners, principals and employees, to the fullest extent permitted by law for any expense, including compensation for our time at our standard billing rates and reimbursement for our out-of-pocket expenses and reasonable attorneys' fees, incurred in complying with or responding to any request (by subpoena or otherwise) for testimony, documents or other information concerning the Agency by any governmental agency or investigative body or by a party in any litigation or dispute other than litigation or disputes involving claims by the Agency against the firm. This agreement will survive termination of this engagement.

### **Dispute Resolution**

Any claim or controversy ("dispute") arising out of or relating to this engagement, the services provided thereunder, or any other services provided by or on behalf of the firm or any of its subcontractors or agents to the Agency or at its request (including any dispute involving any person or entity for whose benefit the services in question are or were provided), except any claim by our firm seeking payment of our fees and disbursement, shall first be submitted in good faith for mediation administered by the American Arbitration Association ("AAA") under its Mediation Rules. Each party shall bear its own costs in the mediation. Absent an agreement to the contrary, the fees and expenses of the mediator shall be shared equally by the parties.

If the dispute is not resolved by mediation within 90 days of its submission to the mediator, then, and only then, the parties shall submit the dispute for arbitration administered by the American Arbitration Association under its Professional Accounting and Related Services Dispute Resolution Rules (the "Rules"). The arbitration will be conducted before a single arbitrator selected from the AAA's Panel of Accounting Professionals and Attorneys and shall take place in New York, New York.

Any discovery sought in connection with the arbitration must be expressly approved by the arbitrator upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitrator may disclose the existence, content or result of the arbitration only as expressly provided by the Rules.

The arbitrator shall issue his or her final award in a written and reasoned decision to be provided to each party. In his or her decision, the arbitrator will declare one party the prevailing party. The arbitrator shall have the power to award to the prevailing party reasonable legal fees associated with the arbitration and prior mediation. The arbitrator shall have no authority to award non-monetary or equitable relief of any sort. The arbitrator shall not have authority to award damages that are punitive in nature, or that are not measured by the prevailing party's actual compensatory loss.

### **Dispute Resolution (continued)**

The award reached as a result of the arbitration will be binding on the parties and confirmation of the arbitration award may be sought in any court having jurisdiction.

Any claim by our firm seeking payment of our fees and disbursements related to this engagement and the services provided hereunder shall be brought in a federal or state court of appropriate jurisdiction sitting without a jury. **YOU AND OUR FIRM IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING RELATED TO NON-PAYMENT OF ANY OF OUR FEES AND DISBURSEMENTS.**

This engagement will be governed by the laws of the State of New York, without giving effect to any provisions relating to conflict of laws that would require the laws of another jurisdiction to apply.

### **Corporate Transparency Act/Beneficial Ownership Reporting**

Assisting you with your compliance with the Corporate Transparency Act ("CTA"), including beneficial ownership information ("BOI") reporting, is not within the scope of this engagement. You have sole responsibility for your compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership information. We shall have no liability resulting from your failure to comply with CTA. Information regarding the BOI reporting requirements can be found at <https://www.fincen.gov/boi>. Consider consulting with legal counsel if you have questions regarding the applicability of the CTA's reporting requirements and issues surrounding the collection of relevant ownership information.

### **Hosting Services**

In order to maintain our independence in accordance with the AICPA's Code of Professional Conduct, we cannot host or maintain any client information. You are expected to retain all financial and non-financial information including anything you upload to a portal and are responsible for downloading and retaining anything we upload in a timely manner. Portals are only meant as a method of transferring data, are not intended for the storage of client information, and may be deleted at any time.

You are expected to maintain control over your accounting systems to include the licensing of applications and the hosting of said applications and data. We do not provide electronic security or back-up services for any of your data or records. Giving us access to your accounting system does not make us hosts of information contained within.

### **Employment of Firm Partner or Professional Employee**

The Agency acknowledges that hiring current or former PKF O'Connor Davies personnel participating in the engagement may be perceived as compromising our objectivity, and depending on the applicable professional standards, impairing our independence in certain circumstances. Accordingly, prior to entering into any employment discussions, with such known individuals, you agree to discuss the potential employment, including any applicable independence ramifications, with the engagement partner responsible for the services.

In addition, during the term of this Engagement Letter and for a period of one (1) year after the services are completed, we both agree not to solicit, directly or indirectly, or hire the other's personnel participating in the engagement without express written consent. If this provision is violated, the violating party will pay the other party a fee equal to the hired person's annual salary in effect at the time of the violation to reimburse the estimated costs of hiring and training replacement personnel.

Town of Islip Industrial Development Agency  
December 3, 2024

### **Confirmation and other**

Brian Petersen is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

GAGAS require that we provide you with a copy of our most recent external peer review report, and any subsequent peer review reports received during the period of the contract. Our latest peer review report accompanies this letter.

We will provide copies of our reports to the Agency; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

Our audit engagement for each year ends on delivery of our audit report covering that year. Requests for services other than those included in this engagement letter will be agreed upon separately.

PKF O'Connor Davies LLP ("LLP") and PKF O'Connor Davies Advisory LLC ("Advisory") practice in an alternative practice structure in accordance with applicable law, regulations and professional standards. LLP provides attest services to its clients. Advisory is not a registered CPA firm and does not provide audit or attest services. LLP has a contractual arrangement with Advisory, whereby Advisory provides LLP with professional and support personnel to perform professional services on behalf of LLP. In connection with our services, we may share information that we currently have and/or receive in the future between LLP and Advisory. Unless you indicate otherwise, your acceptance of the terms of this engagement shall be understood by us as your consent for LLP, Advisory and its employees to share confidential information between LLP and Advisory. LLP and Advisory have policies in place that require their employees to maintain as confidential all client information that is not otherwise publicly available.

All rights and obligations set forth herein shall become the rights and obligations of any successor firm to PKF O'Connor Davies, LLP by way of merger, acquisition or otherwise.

If this letter correctly expresses your understanding of the terms of our engagement, including our respective responsibilities, please sign the enclosed copy where indicated and return it to us.

We are pleased to have this opportunity to serve you.

Very truly yours,

*PKF O'Connor Davies, LLP*

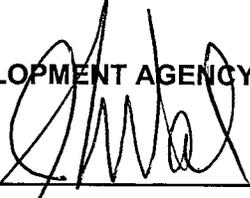
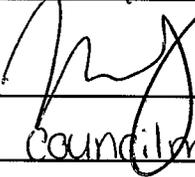
**PKF O'Connor Davies, LLP**

Enc.

Town of Islip Industrial Development Agency  
December 3, 2024

The services and terms described in the foregoing letter are in accordance with our requirements and are acceptable to us.

**TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY**

MANAGEMENT SIGNATURE:   
TITLE: Executive Director  
DATE: 12/18/24  
GOVERNANCE SIGNATURE:   
TITLE: Councilman  
DATE: 12/18/24

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.



## **REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL**

January 25, 2024

To the Partners of PKF O'Connor Davies, LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of PKF O'Connor Davies, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended December 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### ***Firm's Responsibility***

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### ***Peer Reviewer's Responsibility***

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control therewith based on our review.

### ***Required Selections and Considerations***

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act; audits of employee benefit plans; and examinations of services organizations (SOC 1 and SOC 2 engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

**Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of PKF O'Connor Davies, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended December 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. PKF O'Connor Davies, LLP has received a peer review rating of *pass*.

*David Kaplan, CPA, P.C.*

DAVIE KAPLAN, CPA, P.C.



December 3, 2024

The Agency Board  
Town of Islip Industrial Development Agency  
Islip, New York

This letter sets forth our understanding of the terms and objectives of our engagement, and the nature and scope of the services we will provide to the Town of Islip Town of Islip Industrial Development Agency (the "Agency").

### **Audit Scope and Objectives**

We will audit the Agency's Schedule of Cash and Investments and related notes, which collectively comprise the Schedule of the Agency as of December 31, 2024 and issue our report thereon as soon as reasonably possible after completion of our work.

The objectives of our audit are to obtain reasonable assurance as to whether the Schedule is free from material misstatement, whether due to fraud, error, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the Agency or to acts by management or employees acting on behalf of the Agency; and issue an auditors' report that includes our opinion about whether your Schedule is fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). Because the determination of abuse is subjective, *Government Auditing Standards* issued by the Comptroller General of the United States ("GAGAS") do not expect auditors to provide reasonable assurance of detecting abuse. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States ("US GAAS") and GAGAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the Schedule.

### **Auditors' Responsibilities for the Audit of the Schedule**

We will conduct the audit in accordance with US GAAS and GAGAS and will include tests of accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with US GAAS and GAGAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the Schedule, including the disclosures, and determine whether the Schedule represents the underlying transactions and events in a manner that achieves fair presentation.

PKF O'CONNOR DAVIES, LLP  
878 Veterans Memorial Highway, Hauppauge, NY 11788 | Tel: 631.434.9500 | Fax: 631.434.9518 | [www.pkfod.com](http://www.pkfod.com)

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

**Auditors' Responsibilities for the Audit of the Schedule** (continued)

We will plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Agency or to acts by management or employees acting on behalf of the Agency.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may exist and not be detected by us even though the audit is properly planned and performed in accordance with US GAAS and GAGAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the Schedule. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting or misappropriation of assets and any material abuse that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

The objective for our audit also includes reporting on:

- Internal control related to the Schedule and compliance with certain provisions of laws, regulations, contracts, and grant agreements, investment policies established by the Agency and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities*, noncompliance with which could have a direct and material effect on the Schedule, in accordance with GAGAS.

As part of obtaining reasonable assurance about whether the Schedule is free of material misstatement, we will perform tests of the Agency's compliance with the provisions of applicable laws, regulations, contracts, agreements, grants, and investment policies established by the Agency and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities for the year ending December 31, 2024*. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to GAGAS.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also include, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, compliance with collateral requirements, and may include direct confirmation of cash correspondence with selected creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement when required based on our professional judgement.

After our planning is complete, we will communicate to management and those charged with governance, the significant risk(s) of material misstatement identified in our audit planning.

### **Audit Procedures – Internal Control**

We will obtain an understanding of the Agency and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the Schedule, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and GAGAS.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the Schedule and to prevent and detect misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the Schedule. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to GAGAS. An audit is also not designed to identify significant deficiencies or material weaknesses. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the Schedule that we have identified during the audit.

### **Audit Procedures – Compliance**

As part of obtaining reasonable assurance about whether the Schedule is free of material misstatement, we will perform tests of the Agency's compliance with the provisions of applicable laws, regulations, contracts, agreements, grants and investment policies established by the Agency and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities*. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report.

### **Reporting**

We will issue a written report upon completion of our audit of the Agency's Schedule. Our report will be addressed to those charged with governance. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We will also provide a report (which does not include an opinion) on internal control related to the Schedule and compliance with certain provisions of laws, regulations, contracts, and grant agreements, investment policies established by the Agency and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities*, noncompliance with which could have a direct and material effect on the Schedule, noncompliance with which could have a material effect on the Schedule as required by GAGAS.

**Reporting (continued)**

The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. The report will also state that the report is not suitable for any other purpose.

We will also communicate with those charged with governance any (a) fraud involving senior management and other fraud that causes a material misstatement of the Schedule; (b) violations of laws or governmental regulations that come to our attention (unless they are clearly inconsequential); (c) disagreements with management and other serious difficulties encountered in performing the audit; and, (d) various matters related to the Agency's accounting policies and Schedule.

**Other Services**

PKF O'Connor Davies will also assist in preparing the financial statements of the Agency in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

PKF O'Connor Davies will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

**Responsibilities of Management for the Schedule**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the Schedule, including all disclosures, in conformity with US GAAP.

Management is responsible for making drafts of the Schedule, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the Schedule, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the Schedule and related matters.

Your responsibilities include adjusting the Schedule to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the Schedule.

Management is responsible for management decisions and assuming all management responsibilities; for designating an individual with suitable skill, knowledge, and/or experience to oversee the assistance with preparation of the Schedule and proposed adjustments and any other non-attest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

**Responsibilities of Management for the Schedule (continued)**

Management is also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the Agency involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the Schedule. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Agency received in communications from employees, former employees, grantors, regulators or others. In addition, you are responsible for identifying and ensuring that the Agency complies with applicable laws, regulations, contracts, agreements, grants and investment policies established by the Agency and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities* and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

In order to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements, management is responsible for establishing and maintaining effective internal control, including internal control over compliance, and for evaluating and monitoring ongoing activities.

Management's responsibilities also include identifying any significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the audit objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. The Agency is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

It is expected that a portion of the audit will be conducted remotely. Management is responsible for ensuring that all electronically provided documents and records are complete and accurate reproductions of the original documents and records. For any part of the engagement performed on premises, management is responsible for ensuring that all applicable safeguards are in place in accordance with Centers for Disease Control guidance and any state and local regulations and guidelines. PKF O'Connor Davies, LLP holds the right to not perform work onsite if we consider the onsite conditions unsafe for any reason. Management, in coordination with PKF O'Connor Davies, LLP, is responsible to arrange for alternative methods for audit procedures that must be performed on the Agency's or a third-party's premises.

At the conclusion of the engagement, we will request from management written confirmation concerning representations made to us in connection with the audit. The representation letter, among other things, will confirm management's responsibility for: (1) the preparation of the Schedule in conformity with US GAAP, (2) the availability of financial records and related data, and (3) the completeness and availability of all minutes of board meetings. Management's representation letter will further confirm that: (1) the effects of any uncorrected misstatements aggregated by us during the engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate to the Schedule, and (2) we have been informed of, or that there were no incidences of, fraud involving management or those employees who have significant roles in the Agency's internal control.

**Responsibilities of Management for the Schedule (continued)**

You will also be required to acknowledge in the management representation letter, when applicable, our assistance with preparation of the Schedule and that you have reviewed and approved the Schedule and related notes prior to their issuance and have accepted responsibility for them. We will place reliance on these representations in issuing our report.

In the event that we become obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, as a direct or indirect result of an intentional, knowing or reckless misrepresentation or provision to us of inaccurate or incomplete information by the Agency or, any elected official, member of management or employee thereof in connection with this engagement, and not any failure on our part to comply with professional standards, you agree to indemnify us against such obligations.

To the best of your knowledge, you are unaware of any facts which might impair our independence with respect to this engagement.

The Schedule is the property of the Agency and can be reproduced and distributed as management desires. However, you must notify us in advance and obtain our approval if you intend to make reference to our firm in a document that includes our auditors' report on the Schedule. Because our engagement does not contemplate the foregoing, there may be an additional fee in connection with our review of any such documents. In the event our auditor/client relationship has been terminated when the Agency seeks such consent, we will be under no obligation to grant such consent or approval.

With regard to the electronic dissemination of the audited Schedule, including the Schedule published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

We understand that your accounting department personnel will assist us to the extent practicable in completing the audit. They will provide us with detailed trial balances, supporting schedules, and other information we deem necessary. A list of these schedules and other items of information will be furnished to you before we begin the audit. The timely and accurate completion of this information is an essential condition to our completion of the audit and the issuance of the audit report.

We keep documents related to this engagement in accordance with our records retention policy and applicable regulations or for any additional period requested by the New York State. If we are aware that New York State or the Agency is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation. We do not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

As part of our engagement, we may propose standard, adjusting, or correcting journal entries to your financial statements. Management, however, has final responsibility for reviewing the proposed entries and understanding the nature and impact of the proposed entries to the financial statements. It is our understanding that management has designated qualified individuals with the necessary expertise to be responsible and accountable for overseeing the acceptance and processing of such journal entries

**Non-Reliance on Oral Advice**

It is our policy to put all advice on which a client intends to rely in writing. We believe that is necessary to avoid confusion and to make clear the specific nature and limitations of our advice. You should not rely on any advice that has not been put in writing by our firm after a full supervisory review.

### **Electronic and Other Communication**

During the course of the engagement, we may communicate with you or with Agency personnel via fax or e-mail. You should be aware that communication in those media may be unsafe to use and contains a risk of misdirection and/or interception by unintended third parties, or failed delivery or receipt. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of e-mail or other electronic transmissions, including any consequential, incidental, direct, indirect or special damages.

### **Access to Working Papers**

During the course of this engagement, we will develop files of various documents, schedules and other related engagement information known as our working papers. As we are sure you can appreciate, these working papers may contain confidential information and our firm's proprietary data. You understand and agree that these working papers are, and will remain, our exclusive property. Except as discussed below, any requests for access to our working papers will be discussed with you before making them available to requesting parties:

- (1) Our firm, as well as other accounting firms, participates in a peer review program covering our audit and accounting practices. This program requires that once every three years we subject our system of quality control to an examination by another accounting firm. As part of this process, the other firm will review a sample of our work. It is possible that the work we perform for you may be selected for review. If it is, the other firm is bound by professional standards to keep all information confidential.
- (2) We may be requested to make certain working papers available to regulators pursuant to authority given to them by law, regulation or subpoena. Such regulators may include (i) a federal Agency providing direct or indirect funding or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities; (ii) the American Institute of Certified Public Accountants; and (iii) the State Board of Accountancy. If requested, access to such working papers will be provided under the supervision of our personnel. Furthermore, upon request, we may provide photocopies of selected working papers to them. The regulator may intend, or decide, to distribute the photocopies or information contained therein to others, including other government agencies.

### **Fees and Billing**

The fee for the services described above is incorporated into the overall fee stated in the engagement letter dated December 3, 2024 pertaining to the audit of the Agency's financial statements as of and for the year ended December 31, 2024.

The fee is based on anticipated cooperation from your personnel, audit condition of the books and records and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

### **Liability**

Any and all claims by the Agency arising under this engagement must be commenced by the Agency within one year following the date on which our firm delivered our report on the Schedule associated with this engagement, or the date the Agency is informed of the engagement's termination in the event our report is not delivered, for any reason.

Our firm's maximum liability to the Agency for any reason relating to the services under this letter shall be limited to three times the fees paid to the firm for the services or work product giving rise to liability, except to the extent it is finally determined that such liability resulted from the willful or intentional misconduct or fraudulent behavior of the firm. In no event shall the firm be liable to the Agency, whether a claim be in tort, contract or otherwise, for any consequential, indirect, lost profit or similar damages.

### **Reimbursement**

You agree to reimburse our firm, its partners, principals and employees, to the fullest extent permitted by law for any expense, including compensation for our time at our standard billing rates and reimbursement for our out-of-pocket expenses and reasonable attorneys' fees, incurred in complying with or responding to any request (by subpoena or otherwise) for testimony, documents or other information concerning the Agency by any governmental Agency or investigative body or by a party in any litigation or dispute other than litigation or disputes involving claims by the Agency against the firm. This agreement will survive termination of this engagement.

### **Dispute Resolution**

Any claim or controversy ("dispute") arising out of or relating to this engagement, the services provided thereunder, or any other services provided by or on behalf of the firm or any of its subcontractors or agents to the Agency or at its request (including any dispute involving any person or entity for whose benefit the services in question are or were provided), except any claim by our firm seeking payment of our fees and disbursement, shall first be submitted in good faith for mediation administered by the American Arbitration Association ("AAA") under its Mediation Rules. Each party shall bear its own costs in the mediation. Absent an agreement to the contrary, the fees and expenses of the mediator shall be shared equally by the parties.

If the dispute is not resolved by mediation within 90 days of its submission to the mediator, then, and only then, the parties shall submit the dispute for arbitration administered by the American Arbitration Association under its Professional Accounting and Related Services Dispute Resolution Rules (the "Rules"). The arbitration will be conducted before a single arbitrator selected from the AAA's Panel of Accounting Professionals and Attorneys and shall take place in New York, New York.

Any discovery sought in connection with the arbitration must be expressly approved by the arbitrator upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitrator may disclose the existence, content or result of the arbitration only as expressly provided by the Rules.

The arbitrator shall issue his or her final award in a written and reasoned decision to be provided to each party. In his or her decision, the arbitrator will declare one party the prevailing party. The arbitrator shall have the power to award to the prevailing party reasonable legal fees associated with the arbitration and prior mediation. The arbitrator shall have no authority to award non-monetary or equitable relief of any sort. The arbitrator shall not have authority to award damages that are punitive in nature, or that are not measured by the prevailing party's actual compensatory loss.

### **Dispute Resolution (continued)**

The award reached as a result of the arbitration will be binding on the parties and confirmation of the arbitration award may be sought in any court having jurisdiction.

Any claim by our firm seeking payment of our fees and disbursements related to this engagement and the services provided hereunder shall be brought in a federal or state court of appropriate jurisdiction sitting without a jury. **YOU AND OUR FIRM IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING RELATED TO NON-PAYMENT OF ANY OF OUR FEES AND DISBURSEMENTS.**

This engagement will be governed by the laws of the State of New York, without giving effect to any provisions relating to conflict of laws that would require the laws of another jurisdiction to apply.

### **Corporate Transparency Act/Beneficial Ownership Reporting**

Assisting you with your compliance with the Corporate Transparency Act ("CTA"), including beneficial ownership information ("BOI") reporting, is not within the scope of this engagement. You have sole responsibility for your compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership information. We shall have no responsibility resulting from your failure to comply with CTA. Information regarding the BOI reporting requirements can be found at <https://www.fincen.gov/boi>. Consider consulting with legal counsel if you have questions regarding the applicability of the CTA's reporting requirements and issues surrounding the collection of relevant ownership information.

### **Hosting Services**

In order to maintain our independence in accordance with the AICPA's Code of Professional Conduct, we cannot host or maintain any client information. You are expected to retain all financial and non-financial information including anything you upload to a portal and are responsible for downloading and retaining anything we upload in a timely manner. Portals are only meant as a method of transferring data, are not intended for the storage of client information, and may be deleted at any time. You are expected to maintain control over your accounting systems to include the licensing of applications and the hosting of said applications and data. We do not provide electronic security or back-up services for any of your data or records. Giving us access to your accounting system does not make us hosts of information contained within.

### **Employment of Firm Partner or Professional Employee**

The Agency acknowledges that hiring current or former PKF O'Connor Davies, LLP personnel participating in the engagement may be perceived as compromising our objectivity, and depending on the applicable professional standards, impairing our independence in certain circumstances. Accordingly, prior to entering into any employment discussions, with such known individuals, you agree to discuss the potential employment, including any applicable independence ramifications, with the engagement partner responsible for the services.

In addition, during the term of this Engagement Letter and for a period of one (1) year after the services are completed, we both agree not to solicit, directly or indirectly, or hire the other's personnel participating in the engagement without express written consent. If this provision is violated, the violating party will pay the other party a fee equal to the hired person's annual salary in effect at the time of the violation to reimburse the estimated costs of hiring and training replacement personnel.

Town of Islip Industrial Development Agency  
December 3, 2024

### **Confirmation and Other**

Brian Petersen is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

GAGAS require that we provide you with a copy of our most recent external peer review report, and any subsequent peer review reports received during the period of the contract. Our latest peer review report accompanies this letter.

We will provide copies of our reports to the Agency; however, management is responsible for distribution of the reports and the Schedule. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

Our audit engagement for each year ends on delivery of our audit report covering that year. Requests for services other than those included in this engagement letter will be agreed upon separately.

PKF O'Connor Davies LLP ("LLP") and PKF O'Connor Davies Advisory LLC ("Advisory") practice in an alternative practice structure in accordance with applicable law, regulations and professional standards. LLP provides attest services to its clients. Advisory is not a registered CPA firm and does not provide audit or attest services. LLP has a contractual arrangement with Advisory, whereby Advisory provides LLP with professional and support personnel to perform professional services on behalf of LLP. In connection with our services, we may share information that we currently have and/or receive in the future between LLP and Advisory. Unless you indicate otherwise, your acceptance of the terms of this engagement shall be understood by us as your consent for LLP, Advisory and its employees to share confidential information between LLP and Advisory. LLP and Advisory have policies in place that require their employees to maintain as confidential all client information that is not otherwise publicly available.

All rights and obligations set forth herein shall become the rights and obligations of any successor firm to PKF O'Connor Davies, LLP by way of merger, acquisition or otherwise.

If this letter correctly expresses your understanding of the terms of our engagement, including our respective responsibilities, please sign the enclosed copy where indicated and return it to us.

We are pleased to have this opportunity to serve you.

Very truly yours,

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Enc.



## **REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL**

January 25, 2024

To the Partners of PKF O'Connor Davies, LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of PKF O'Connor Davies, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended December 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### ***Firm's Responsibility***

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### ***Peer Reviewer's Responsibility***

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control therewith based on our review.

### ***Required Selections and Considerations***

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act; audits of employee benefit plans; and examinations of services organizations (SOC 1 and SOC 2 engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

***Opinion***

In our opinion, the system of quality control for the accounting and auditing practice of PKF O'Connor Davies, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended December 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. PKF O'Connor Davies, LLP has received a peer review rating of *pass*.

*David Kaplan, CPA, P.C.*

DAVIE KAPLAN, CPA, P.C.

Town of Islip Industrial Development Agency  
December 3, 2024

The services and terms described in the foregoing letter are in accordance with our requirements and are acceptable to us.

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT SIGNATURE:

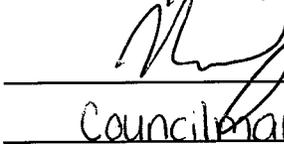
  
\_\_\_\_\_  
Executive Director

TITLE:

DATE:

12/18/24  
\_\_\_\_\_

GOVERNANCE SIGNATURE:

  
\_\_\_\_\_  
Councilman

TITLE:

DATE:

12/18/24  
\_\_\_\_\_

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

RESOLUTION OF THE TOWN OF ISLIP INDUSTRIAL  
DEVELOPMENT AGENCY AUTHORIZING THE AGENCY  
TO ENTER INTO A CONTRACT WITH GROW AMERICA  
FOR THE PRODUCTION OF A FEASIBILITY STUDY IN  
CONNECTION WITH D&G REALTY VENTURES, LLC 2024  
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, D&G Realty Ventures, 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 construction of a mixed-use development including a four-story building with 9,000 square feet of medical office space, 140 mixed-income residential apartments, as well as a separate nine-unit townhouse building at 1793 Union Boulevard, Bay Shore, New York (the "**Project**"); and

WHEREAS, the Agency, subject to the provisions of a certain resolution, (the "**Resolution**"), will consider the acquisition of a leasehold interest in the Land and the Improvements and title to the Equipment and will lease and sublease the Facility to the Company, all pursuant to the Act;

WHEREAS, prior to the inducement of the Project, the Agency has required a feasibility report (the "**Feasibility Study**"), together with such letters or reports from interested parties and governmental agencies or officials (the "**Letters of Support**"; and together with the Feasibility Study, the "**Requisite Materials**"), to enable the Agency to make findings and determinations that the Facility qualifies as a "project" under the Act and that the Facility satisfies all other requirements of the Act; and

WHEREAS, in connection therewith, the Agency will enter into a contract, dated a date to be determined (the "**GA Contract**"), between the Agency and Grow America ("**GA**"), authorizing GA to prepare the Feasibility Study in connection with the Project; 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 execution and delivery of the GA contract.

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 GA Contract will be an effective instrument whereby the Agency authorizes the GA to prepare the Feasibility Study with respect to the Project; and

(c) It is desirable and in the public interest for the Agency to enter into the GA Contract.

Section 2. In consequence of the foregoing, the Agency hereby determines to enter into the GA Contract.

Section 3. The form and substance of the GA Contract (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 GA Contract 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 certificated, 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 the terms, covenants and provisions of the Agency documents binding upon the Agency.

Section 6. Any expenses incurred by the Agency with respect to the GA Contract and the Project, including the expenses of Transaction Counsel, shall be paid by the Company. The Company agrees 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 Project.

Section 7. 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 17 day of December, 2024, with the original thereof on the 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 the 17 day of December, 2024.

By \_\_\_\_\_  
Assistant Secretary

