

Date: February 24, 2022

At a meeting of the Town of Hempstead Industrial Development Agency (the "Agency"), held at Town Hall Pavilion, 1 Washington Street, Hempstead, New York 11550 on the 24th day of February, 2022, the following members of the Agency were:

Present: Florestano Girardi, Chairman  
Rev. Dr. Eric C. Mallette, Treasurer  
Jack Majkut, Secretary  
Jerry Kornbluth, Ph.D, Member  
Jill Mollitor, Member

Recused:

Absent: Thomas J. Grech, Vice Chairman  
Robert F. Bedford, Member  
Edie Longo, Chief Financial Officer  
*Lorraine Rhoads, Agency Administrator*

Also Present: Frederick E. Parola, Chief Executive Officer  
Michael Lodato, Deputy Executive Director  
Arlyn Eames, Deputy Financial Officer  
Laura Tomeo, Deputy Agency Administrator  
~~Lorraine Rhoads, Agency Administrator~~  
John Ryan, Esq., Agency Counsel  
William F. Weir, Esq., Transaction Counsel

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 modification and extension of certain financial benefits with respect to the Parabit Realty LLC/Parabit Systems, Inc. 2005 Facility, the of certain documents in connection therewith, and the expansion and continued leasing of the facility to Parabit Realty, LLC and the execution of related documents.

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

Voting Aye

5

Voting Nay

4

RESOLUTION OF THE TOWN OF HEMPSTEAD  
INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE  
MODIFICATION AND EXTENSION OF CERTAIN  
FINANCIAL BENEFITS WITH RESPECT TO THE PARABIT  
REALTY LLC/PARABIT SYSTEMS INC. 2005 FACILITY  
AND THE EXPANSION THEREOF AND THE AMENDMENT  
OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH,  
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 529 of the Laws of 1971 of the State of New York, as the same may be amended from time to time (collectively, the “**Act**”), the Town of Hempstead 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 has previously provided its assistance to Parabit Realty LLC, a limited liability company duly organized and validly existing under the laws of the State of New York (the “**Company**”), consisting of the acquisition of an approximately 1.45 acre parcel of land located at 33-35 Debevoise Avenue, Roosevelt, Town of Hempstead, Nassau County, New York (the “**Original Land**”), and the renovation and equipping of an approximately 25,000 square foot existing building located thereon (the “**Original Improvements**”), and leased by the Agency to the Company, and subleased by the Company to, and used by, Parabit Systems, Inc., a New York business corporation (the “**Sublessee**”), for the manufacture and servicing of security, telecommunication, kiosks and enclosure equipment (the “**Original Facility**”); and

WHEREAS, the Agency acquired title to the Original Facility pursuant to a Bargain and Sale Deed, dated December 15, 2005 (the “**Deed**”), from the Company to the Agency, which such Deed was to be recorded in the Nassau County Clerk’s office; and

WHEREAS, the Agency is currently leasing the Original Facility to the Company pursuant to a certain Lease Agreement, dated as of September 1, 2014 (the “**Original Lease Agreement**”), between the Agency, as lessor and the Company, as lessee, a memorandum of such Lease Agreement was to be recorded in the Nassau County Clerk’s office; and

WHEREAS, the Company is currently subleasing the Original Facility to the Sublessee pursuant to a certain Sublease Agreement, dated September 16, 2014 (the “**Sublease Agreement**”), between the Company, as sublessor and the Sublessee, as sublessee, a memorandum of such Sublease Agreement was to be recorded in the Nassau County Clerk’s office; and

WHEREAS, the Sublessee previously transferred title to the Equipment to the Agency pursuant to an Equipment Bill of Sale, dated September 16, 2014 (the “**Original Equipment Bill of Sale**”); and

WHEREAS, the Agency currently leases the Equipment to the Sublessee pursuant to the terms of the Equipment Lease Agreement, dated as of September 1, 2014 (the “**Original Equipment Lease Agreement**”); and

WHEREAS, the Company and the Sublessee previously entered into a Recapture Agreement, dated as of September 1, 2014 (the “**Original Recapture Agreement**”), from the Company and the Sublessee to the Agency in order to reflect the repayment of certain obligations of the Company and the Sublessee upon the occurrence of a Recapture Event (as defined therein); and

WHEREAS, in connection with the leasing and the subleasing of the Original Facility, the Agency, the Company and the Sublessee entered into a Payment-in-Lieu-of-Tax Agreement, originally dated as of December 1, 2005, and amended and restated as of September 1, 2014 (the “**Original PILOT Agreement**”), whereby the Company and the Sublessee agreed to make certain payments-in-lieu-of real property taxes on the Original Facility (as defined therein); and

WHEREAS, in connection with the leasing and the subleasing of the Original Facility, the Agency, the Company and the Sublessee entered into an Environmental Compliance and Indemnification Agreement, dated as of September 1, 2014 (the “**Original Environmental Compliance and Indemnification Agreement**”), whereby the Company and the Sublessee agreed to comply with all Environmental Laws (as defined therein) applicable to the Original Facility; and

WHEREAS, the Sublessee made certain assurances to the Agency pursuant to a certain Agency Compliance Agreement, dated as of December 1, 2005, as amended and restated on September 1, 2014 (the “**Original Agency Compliance Agreement**”), by and between the Agency and the Sublessee; and

WHEREAS, the Company has now submitted to the Agency, a proposal to assist in (a) the acquisition of an approximately 0.32-acre parcel of land located at 19 & 23 Debevoise Avenue, Roosevelt, New York 11575 (the “**2022 Land**”, and together with the Original Land, the “**Land**”), the construction and equipping thereon of an approximately 7,820 square foot building and the renovation and equipping of an approximately 21,005 square foot portion of the Original Improvements (the “**2022 Improvements**”, and together with the Original Improvements, the “**Improvements**”) and the acquisition and installation of certain equipment not part of the Equipment (as hereinafter defined) (the “**Facility Equipment**”, and together with the Land and Improvements, the “**Company Facility**”), all to be leased by the Agency to the Company for further sublease by the Company to the Sublessee; (b) the acquisition and installation of certain equipment (the “**Equipment**”, and together with the

Company Facility, the “**Facility**”), which Equipment is to be leased by the Agency to the Sublessee for use as (i) research and development operations and (ii) the manufacture and servicing of security, telecommunication, kiosks and enclosure equipment, including the following as they relate to the acquisition, renovation and equipping of such Facility, whether or not any materials or supplies described below are incorporated into or become an integral part of such Facility (the “**Project**”); and (c) a request for the Agency’s consent to an extension of payments-in-lieu-of-taxes benefits presently provided under the Original PILOT Agreement and in connection therewith, the amendment and modification of certain agreements; and

WHEREAS, in connection with the acquisition, construction and equipping of the Facility, the Company has requested an extension and modification of current abatements of real property taxes, exemptions from sales tax, and exemptions from mortgage recording tax (the “**2022 Benefits**”); and

WHEREAS, in connection with the 2022 Benefits the Agency will acquire a leasehold interest in the Land and Improvements pursuant to a certain Company Lease Agreement, dated as of March 1, 2022 or such other date as may be determined (the “**Company Lease**”), by and between the Agency and the Company; and

WHEREAS, the Company will convey or cause to be conveyed an interest in the Facility Equipment to the Agency pursuant to a Bill of Sale, dated a date to be determined (the “**2022 Bill of Sale**”), from the Company to the Agency; and

WHEREAS, in connection with the 2022 Benefits, the Agency and the Company will amend and restate the Original Lease, the Original PILOT Agreement, the Original Recapture Agreement, and the Original Environmental Compliance and Indemnification Agreement pursuant to a certain Amended and Restated Lease and Project Agreement, to be dated as of March 1, 2022 or such other date as may be determined (the “**Amended and Restated Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, the Sublessee will convey or cause to be conveyed an interest in the Equipment to the Agency pursuant to an Equipment Bill of Sale, dated a date to be determined (the “**2022 Equipment Bill of Sale**”), from the Sublessee to the Agency; and

WHEREAS, the Agency and the Sublessee will amend and restate the Original Equipment Lease pursuant to an Amended and Restated Equipment Lease Agreement, dated as of March 1, 2022 or such other date as may be determined (the “**Amended and Restated Equipment Lease Agreement**”), whereby the Agency will lease the Equipment to the Sublessee; and

WHEREAS, the Agency and the Sublessee will amend and restate the Original Agency Compliance Agreement pursuant to an Amended and Restated Agency Compliance Agreement, dated as of March 1, 2022 or such other date as may be determined (the

“**Amended and Restated Agency Compliance Agreement**”, and together with the Company Lease, the Amended and Restated, and the Amended and Restated Equipment Lease Agreement, the “**2022 Amendment Documents**”), whereby the Sublessee will make certain assurances to the Agency; 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 (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be \$2,525,000 but not to exceed \$5,000,000, corresponding to mortgage recording tax exemptions presently estimated to be \$18,937.50, but not to exceed \$37,500, 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, demolishing and equipping the Facility, (ii) exemptions from sales and use taxes in an approximate amount not to exceed \$185,437.50, 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; and

WHEREAS, as security for a loan or loans (as such term is defined in the Amended and Restated 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 (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 future refinancing or permanent financing of the costs of the acquisition, construction, equipping and furnishing of the Facility (collectively, the “**Loan Documents**”); and

WHEREAS, the 2022 Benefits under the Amended and Restated Lease Agreement are necessary to allow the Company and the Sublessee to continue their operations in the Town of Hempstead and to remain in the Town of Hempstead; and

WHEREAS, a public hearing (the “**Hearing**”) was held on February 15, 2022 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, 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 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 Facility, and the 2022 Amendment Documents with respect to the Facility and the continued leasing of the Facility to the Company; and

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;

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

(c) The continued leasing of the Facility by the Agency to the Company will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Hempstead and the State of New York and improve their standard of living and thereby serve the public purposes of the Act;

(d) Based upon representations of the Company, the Sublessee and their counsel, the Facility continues to conform with the local zoning laws and planning regulations of the Town of Hempstead and all regional and local land use plans for the area in which the Facility are located;

(e) 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;

(f) The Agency has determined that the acquisition, renovation, installation and equipping of the Facility, will promote and further the purposes of the Act;

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

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

(i) The Amended and Restated 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;

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

(k) The Amended and Restated Agency Compliance Agreement will be an effective instrument whereby the Sublessee makes certain assurances with respect to the Facility and will describe the circumstances in which the Agency may recapture some or all of the benefits granted to the Sublessee;

(l) The 2022 Bill of Sale will be an effective instrument whereby the Agency will acquire an interest in the 2022 Facility Equipment;

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

Section 2. 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 Company Facility to the Company pursuant to the Amended and Restated Lease Agreement, (iv) execute, deliver and perform the Amended and Restated Lease Agreement, (v) lease the Equipment to the Sublessee pursuant to the Amended and Restated Equipment Lease Agreement, (vi) execute, deliver and perform the Amended and Restated Equipment Lease Agreement, (vii) execute and deliver the Amended and Restated Agency Compliance Agreement, (viii) grant a mortgage on and security interests in and to the Facility pursuant to the Loan Documents, and (ix) execute, deliver and perform the Loan Documents to which the Agency is a party.

Section 3. The Agency is hereby authorized to acquire the real property and personal property described in Exhibit A and Exhibit B respectively, to the Amended and Restated 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 4. The form and substance of the 2022 Amendment Documents (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. The Agency is hereby authorized to execute and deliver the Loan Documents in connection with the financing of the costs of acquiring, renovating, constructing and equipping the Facility and any future Loan Documents in connection with any future refinancing or permanent financing of such costs of acquiring, renovating, constructing and equipping of the Facility without the need for any further or future approvals of the Agency.

Section 6. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company 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

\$2,525,000 but not to exceed \$5,000,000, corresponding to mortgage recording tax exemptions presently estimated to be \$18,937.50, but not to exceed \$37,500, for 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 \$185,437.50, 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 7. Subject to the provisions of this resolution, the Company and the Sublessee are herewith and hereby appointed the agents of the Agency to acquire, renovate equip the Facility. The Company and the Sublessee are hereby empowered to delegate their respective status as agent of the Agency to its 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 and 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 agent 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/or Sublessee purchases or leases \$185,437.50 of equipment, building materials, services or other personal property in connection with the Facility; 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 completion of the transaction and the execution of the documents contemplated by this resolution.

Section 8. The Company and the Sublessee are hereby notified that they will be required to comply with Section 875 of the Act. The Company shall be required to agree to the terms of Section 875 pursuant to the Amended and Restated Lease Agreement. The Sublessee shall be required to agree to the terms of Section 875 pursuant to the Amended and Restated 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 Amended and Restated Lease Agreement and the Amended and Restated Agency Compliance Agreement.

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

Section 10. (a) The Chairman, the Executive Director and Chief Executive Officer, the Deputy Executive Director and Chief Financial Officer, or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the 2022 Amendment Documents, and any Loan Documents to which the Agency is a party in substantially the form thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, the Executive Director and Chief Executive Officer, the Deputy Executive Director and Chief Financial Officer, or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman 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 Chairman, the Executive Director and Chief Executive Officer, the Deputy Executive Director and Chief Financial Officer, or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, the Executive Director and Chief Executive Officer, the Deputy Executive Director and Chief Financial Officer, 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 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 NASSAU    )


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

That I have compared the annexed extract of the minutes of the meeting of the Town of Hempstead Industrial Development Agency (the “Agency”), including the resolutions contained therein, held on the 24th day of February, 2022, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

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

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

IN WITNESS WHEREOF, I have hereunto set my hand as of the 24th day of February, 2022.

By:   
\_\_\_\_\_  
Frederick E. Parola  
Chief Executive Officer


By:   
\_\_\_\_\_  
Florestano Girardi  
Chairman

EXHIBIT A

Form of proposed PILOT Benefits

Schedule of In-Lieu-of-Taxes Payment **less any amounts payable by the Company in connection with any special ad valorem levies, special assessments or Special District Taxes and service charges levied against the Facility** to the Town of Hempstead, Roosevelt Union Free School District and Appropriate Special Districts:

Section; 55, Block: 415, Lots: 260 (261), 1, & 2  
Parcels: 3  
School District - Roosevelt

Lots: 260 and 261 are currently within the Original PILOT Agreement  
Current PILOT Payments Remaining:  
2022 General/2021-2022 School \$81,451.00  
2023 General/2022-2023 School \$84,709.00  
Current Taxes if property was not exempt: \$104,427.74  
Estimated As Built Taxes: \$125,000.00

<b>General Tax Year/Village Tax Year/School Tax Year</b>	<b>Total PILOT Payments</b>
2022 General/2021-2022 School	\$81,451.00
2023 General/2022-2023 School	\$84,709.00
2024 General/2023-2024 School	\$84,709.00
2025 General/2024-2025 School	\$84,709.00
2026 General/2025-2026 School	\$91,327.00
2027 General/2026-2027 School	\$100,000.00
2028 General/2027-2028 School	\$105,000.00
2029 General/2028-2029 School	\$110,000.00
2030 General/2029-2030 School	\$120,000.00
2031 General/2030-2031 School	\$135,000.00
2032 General/2031-2032 School	\$145,000.00
2033 General/2032-2033 School	\$150,000.00

All annual PILOT Payments as described above shall be payable in two equal semi-annual installments: (i) with respect to the school taxes, two equal semi-annual installments on or prior to November 10 and May 10 of each year of the Lease Term or on such other due dates as may be established from time to time during the Lease Term and (ii) with respect to the general taxes, two equal semi-annual installments on or prior to February 10 and August 10 of each year of the Lease Term or on such other due dates as may be established from time to time during the Lease Term and (iii) with respect to the village taxes June 1 and

December 1 or on such other due dates as may be established from time to time during the Lease Term.