

Date: March 7, 2023

At a meeting of the Town of Hempstead Industrial Development Agency (the “Agency”), held at 350 Front Street, Room 234-A, Hempstead, New York 11550 on the 7th day of March, 2023, the following members of the Agency were:

Present: Florestano Girardi, Chairman  
Thomas Grech, Vice Chairman  
Eric C. Mallette, Treasurer  
Jack Majkut, Secretary  
Jerry Kornbluth, Member  
Daniel Oppenheimer, Member  
Joylette Williams, Member  
Kevin Boone, Member

Absent: Robert F. Bedford, Member  
Jill Mollitor, Member  
Stacey Lucas (nee Hargraves), Member  
Barry Carrigan, Esq., Transaction Counsel

Also Present: Frederick E. Parola, Chief Executive Officer  
Edie Longo, Chief Financial Officer  
Michael Lodato, Deputy Executive Director  
Arlyn Eames, Deputy Financial Officer  
Laura Tomeo, Deputy Agency Administrator  
John Ryan, Esq., Agency Counsel  
Paul O’Brien, 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 Agency’s 110 Graham Realty LLC 2011 Facility.

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

Voting Aye

6

Voting Nay

2

RESOLUTION OF THE TOWN OF HEMPSTEAD  
INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING  
THE EXTENSION OF CERTAIN PAYMENT-IN-LIEU OF TAX  
BENEFITS AND SALES TAX BENEFITS, AND THE  
EXECUTION OF RELATED DOCUMENTS.

WHEREAS, the Agency previously provided its assistance to 110 Graham Realty LLC, a limited liability company duly authorized and validly existing under the laws of the State of New York (the “**Company**”) with a certain industrial development facility which consisted of the acquisition of an approximately 3.8 acre parcel of land located at 110 West Graham Avenue, Village of Hempstead, Town of Hempstead, New York (the “**Land**”), and the construction, renovation and equipping thereon of an existing approximately 83,400 square foot building, together with an approximately 12,445 square foot addition totaling an approximately 98,755 square foot facility which will include a two-story building with indoor parking, and the installation of certain equipment including, but not limited to, lifts, air compressors, prep equipment, office furniture and car wash equipment (collectively, the “**Original Improvements**” and “**Original Equipment**”; and, together with the Land, the “**Original Facility**”), all to be subleased by the Company to the Agency and sub-subleased by the Agency to, and used by, the Company in the operation of a Mercedes Benz, USA dealership offering sales of new and used automobiles and service of automobiles to its customers, including the following, as they relate to the acquisition, renovation and equipping of such Original Facility, whether or not any materials or supplies described below are incorporated into or become an integral part of such Original Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, renovation and equipping of the Original Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, renovation and equipping of the Original Facility, and (iii) all equipment, machinery and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Original Facility (the “**Original Project**”); and

WHEREAS, the Company is currently leasing the Original Facility from Marvin L. Lindner Associates LLC (the “**Landlord**”) pursuant to a Lease Agreement, dated September 14, 2010, as may be amended to date (the “**Ground Lease Agreement**”), by and between the Landlord, as lessor, and the Company, as lessee; and

WHEREAS, the Company leased the Land and the Original Improvements to the Agency pursuant to the terms of a certain Company Lease Agreement, dated as of December 1, 2011 (the “**Original Company Lease**”), by and between the Company and the Agency; and

WHEREAS, the Agency leased the Original Facility to the Company pursuant to a certain Lease Agreement, dated as of December 1, 2011 (the “**Original Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, in connection with the leasing and subleasing of the Original Facility, the Agency and the Company entered into a certain Payment-in-Lieu-of-Tax Agreement, dated as of December 1, 2011 (the “**Original PILOT Agreement**”), whereby the Company agreed to make payments in lieu of real property taxes on the Facility; and

WHEREAS, in connection with the leasing and subleasing of the Original Facility, the Agency and the Company entered into a certain Environmental Compliance and Indemnification Agreement, dated as of December 1, 2011 (the “**Original Environmental Compliance and Indemnification Agreement**”), between the Agency and the Company; and

WHEREAS, in connection with the leasing of the Original Facility, the Company entered into a certain Recapture Agreement, dated as of December 1, 2011 (the “**Original Recapture Agreement**”), by and between the Agency and the Company in order to reflect the repayment obligations of the Company upon the occurrence of a Recapture Event (as defined therein); and

WHEREAS, the Company has submitted a request to the Agency for financial assistance and a modification and extension of the abatement of real property taxes on the Original Facility for a term of up to two (2) additional years (the “**PILOT Extension**”), in connection with the renovation and equipping of the Original Improvements, together with the acquisition and installation of furniture, fixtures and equipment (the “**2023 Improvements**” (and together with the Original Improvements, the “**Improvements**”), and the “**2023 Equipment**” (and together with the Original Equipment, the “**Equipment**”); and together with the Land, the “**2023 Facility**”, and the 2023 Facility together with the Original Facility, the “**Facility**”), all to be subleased by the Company to the Agency and sub-subleased by the Agency to, and continued to be used by, the Company in the operation of a Mercedes Benz, USA dealership offering sales of new and used automobiles and service of automobiles to its customers, 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: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, renovation and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, renovation and equipping of the Facility, and (iii) all equipment, machinery and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Facility (the “**2023 Project**”, and together with the Original Project, the “**Project**”); and

WHEREAS, in connection with the PILOT Extension and the Project, the Agency contemplates that it will amend and restate the Original Lease Agreement, the Original PILOT Agreement and the Original Environmental Compliance and Indemnification Agreement, pursuant to a certain Amended and Restated Lease and Project Agreement dated as of March 1, 2023, or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the “**Amended and Restated Lease Agreement**”); and

WHEREAS, further, the Agency contemplates it will amend and restate the Original Company Lease in order to extend the term thereof in connection with the PILOT Extension, pursuant to an Amended and Restated Company Lease Agreement dated as of March 1, 2023, or such other date as the Chairman or Executive Director of the Agency and counsel to the Agency shall agree (the “**Amended and Restated Company Lease**”); 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, by resolution duly adopted on December 20, 2022, decided to proceed under the provisions of the Act; and

WHEREAS, a public hearing (the “**Hearing**”) was held on February 16, 2023, 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 February 5, 2023 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, in connection with the PILOT Extension, 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 approximate amount not to exceed \$108,000, in connection with the purchase or lease of equipment, building materials, services (construction, demolition, and equipping) or other personal property with respect to the Facility, and extended, amended and modified abatement of real property taxes on the Facility as shown on Exhibit C annexed hereto, all consistent with the policies of the Agency; and

WHEREAS, the Agency has given due consideration to the application of the Company, and to the representations by the Company, that the actions of the Agency as contemplated by this resolution, the Amended and Restated Lease Agreement, are either an inducement to the Company to maintain and expand the Facility in the Town of Hempstead or are necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, the Company and has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the 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 Hempstead. The Company has represented to the Agency that they intend to provide and maintain (by preserving and retaining current jobs) approximately one hundred six (106) full time employees (total) at the Facility within the second year after completion of the Facility; and

(d) The continued leasing and subleasing 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;

(e) Based upon representations of the Company and its 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;

(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 2023 Project, PILOT Extension 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 2023 Project, PILOT Extension and financial assistance therefore and to continue to lease the Facility to the Company;

(i) The Amended and Restated Lease Agreement and Amended and Restated Company Lease will be an effective instrument whereby the Agency and the Company agree to extend the term of the Original Lease Agreement and Original Company Lease in connection with the PILOT Extension and the Agency will continue to lease the Facility to the Company, and amend and restate the Original Lease Agreement, the PILOT Agreement and the Environmental Compliance and Indemnification Agreement.

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. The Agency has determined the Company has satisfied all prerequisites set forth in Section 6(i) of the Inducement Resolution dated December 20, 2023.

3. In consequence of the foregoing, the Agency hereby determines to: (i) amend and restate the Original Lease Agreement, the Original PILOT Agreement, and the Original Environmental Compliance Agreement pursuant to the Amended and Restated Lease Agreement, as applicable, to reflect the 2023 Project, and the PILOT Extension, including extending the term of the Original Lease Agreement in connection therewith and in accordance with the term of PILOT Extension, (ii) amend and restate the Original Company Lease pursuant to the Amended and Restated Company Lease, to reflect the 2023 Project and the PILOT Extension, including the term of the Original Company Lease in connection therewith and in accordance with the term of the PILOT Extension, and (iii) execute, deliver and perform the Amended and Restated Lease Agreement and the Amended and Restated Company Lease and any related documents in connection therewith.

4. 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 sales and use taxes in an approximate amount not to exceed \$108,000, in connection with the purchase or lease of equipment, building materials, services (construction, demolition, and equipping) or other personal property with respect to the Facility and (ii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit C hereof).

5. Subject to the provisions of this resolution, the Company is herewith and hereby appointed the agent of the Agency to acquire and equip the Facility. The Company is 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 may choose in order to acquire and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company as agent 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, or (b) a date which the Agency designates. The aforesaid appointment of the Company is subject to the execution of the documents contemplated by this resolution.

6. The form and substance of the Amended and Restated Lease Agreement and Amended and Restated Company Lease 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.

7. 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 Lease Agreement and Amended and Restated Company Lease 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.

8. The Company hereby agrees to comply with Section 875 of the Act. The Company is further notified that the exemption of sales and use tax provide pursuant to the Act and the appointment of the Company as agent of the Agency pursuant to this Authorizing Resolution is 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.

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

10. Counsel to the Agency and Transaction Counsel are hereby authorized to work with counsel to the Company and others to prepare, for submission to the Agency, all documents necessary to effect the described 2023 Project, the PILOT Extension in the foregoing resolution.

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.

12. 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. By acceptance hereof, the Company agrees 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.

13. This resolution shall take effect immediately.



STATE OF NEW YORK )

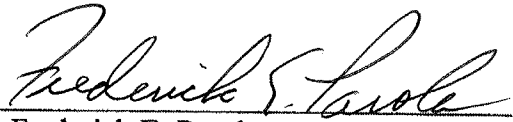
COUNTY OF NASSAU ) : SS.:

We, the undersigned Chief Executive Officer and Chairman of the Town of Hempstead Industrial Development Agency, DO HEREBY CERTIFY THAT:

That we 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 March 7, 2023, with the original thereof on file in the office of the Agency, 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.

WE 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, we have hereunto set our hands as of the 7th day of March, 2023.

By:   
Frederick E. Parola  
Chief Executive Officer

By:   
Florestano Girardi  
Chairman

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 Hempstead Industrial Development Agency (“the **Agency**”) on the 16th day of February, 2023, at \_\_\_\_\_ a.m., local time, at 350 Front Street 2<sup>nd</sup> Floor, Hempstead, New York, in connection with the following matters:

The Agency previously provided its assistance to 110 Graham Realty LLC, a limited liability company duly authorized and validly existing under the laws of the State of New York (the “**Company**”) with a certain industrial development facility which consisted of the acquisition of an approximately 3.8 acre parcel of land located at 110 West Graham Avenue, Village of Hempstead, Town of Hempstead, New York (the “**Land**”), and the construction, renovation and equipping thereon of an existing approximately 83,400 square foot building, together with an approximately 12,445 square foot addition totaling an approximately 98,755 square foot facility includes a two-story building with indoor parking, and the installation of certain equipment including, but not limited to, lifts, air compressors, prep equipment, office furniture and car wash equipment (collectively, the “**Original Improvements**” and “**Original Equipment**”; and, together with the Land, the “**Original Facility**”), all subleased by the Company to the Agency and sub-subleased by the Agency to, and used by, the Company in the operation of a Mercedes Benz, USA dealership offering sales of new and used automobiles and service of automobiles to its customers, including the following, as they relate to the acquisition, renovation and equipping of such Original Facility, whether or not any materials or supplies described below are incorporated into or are an integral part of such Original Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, renovation and equipping of the Original Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, renovation and equipping of the Original Facility, and (iii) all equipment, machinery and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Original Facility (the “**Original Project**”).

The Company has submitted a request to the Agency for financial assistance and a modification and extension of the abatement of real property taxes on the Original Facility for a term of up to two (2) additional years (the “**PILOT Extension**”), in connection with the renovation and equipping of the Original Improvements, together with the acquisition and installation of furniture, fixtures and equipment (the “**2022 Improvements**” (and together with the Original Improvements, the “**Improvements**”), and the “**2022 Equipment**” (and together with the Original Equipment, the “**Equipment**”); and together with the Land, the “**2022 Facility**”, and the 2022 Facility together with the Original Facility, the “**Facility**”), all to be subleased by the Company to the Agency and sub-subleased by the Agency to, and

continued to be used by, the Company in the operation of a Mercedes Benz, USA dealership offering sales of new and used automobiles and service of automobiles to its customers, 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: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, renovation and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, renovation and equipping of the Facility, and (iii) all equipment, machinery and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Facility (the “**2022 Project**”, and together with the Original Project, the “**Project**”). The Facility will continue to be owned, operated and/or managed by the Company.

The Agency has previously acquired a leasehold interest in the Original Facility, and will continue to lease and sublease the Facility to the Company. The Agency contemplates that it will continue to provide financial assistance to the Company in the form of exemptions from sales and use taxes, exemptions from mortgage recording taxes, and the modification and extension of current abatements 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 grant of financial assistance to the Company by the Agency or the location or nature of the Facility. Prior to the hearing, all persons will have the opportunity to review on the Agency’s website (<https://tohida.org/>) the application for financial assistance filed by the Company with the Agency and an analysis of the costs and benefits of the construction and on-going operation of the proposed Facility.

Dated: February 16, 2023

TOWN OF HEMPSTEAD INDUSTRIAL  
DEVELOPMENT AGENCY

By: Frederick E. Parola  
Title: Chief Executive Officer

EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON  
FEBRUARY 16, 2023

EXHIBIT C

Proposed PILOT Schedule

Scheduled of PILOT Payments 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, the Village of Hempstead, Nassau County, Hempstead School District and Appropriate Special Districts

110 W Graham Avenue  
Hempstead, NY 11550  
Section; 36, Block: 486, Lots: 40 and 41  
Parcels: 2  
SD- Hempstead

Current Total Taxes: Currently within a PILOT  
Total Tax if not within a PILOT: \$1,082,554.54  
Estimated Taxes as per special tax cert. counsel to the Company: \$367,509.79  
Last Year of PILOT: 12/31/22  
Amount of Last PILOT Payment: \$345,000.00  
Estimated Taxes Once Built: N/A (only internal renovations being made)

<b>General Tax Year/Village Tax Year/School Tax Year</b>	<b>Total PILOT Payments</b>
2023 General/2022-2023 Village/2022-2023 School	\$400,000.00
2024 General/2023-2024 Village/2023-2024 School	\$410,000.00

**NOTE:** The Lease Agreement and schedule of PILOT Payments shall expire on December 31, 2024. All payments for the 2023-2024 School Tax Year, the 2023-2024 Village Tax Year, and the 2024 General Tax Year must be paid in full prior to the expiration of the Lease Agreement. Full taxes will go into effect on January 1, 2025.

PILOT Payments shall be allocated among the Taxing Authorities in proportion to the amount of real property tax and other taxes which would have been received by each Taxing Authority if the Facility was owned by the Company exclusive of the Agency's leasehold interest.

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.