

Date: November 18, 2025

At a meeting of the Town of Hempstead Industrial Development Agency (the “Agency”), held at Old Courtroom, 350 Front Street, 2<sup>nd</sup> floor, Hempstead, New York 11550 on the 18th day of November, 2025, the following members of the Agency were:

Present: Thomas Grech, Vice Chairman  
Eric C. Mallette, Treasurer  
Robert F. Bedford, Member  
Jill Mollitor, Member  
Guy Savia, Member  
Tanya Carter, Village Member  
Joylette Williams, Village Member  
William Miller, Village Member

Absent: Jerry Kornbluth, Member  
Jack Majkut, Secretary

Recused:

Also Present: Frederick E. Parola, Chief Executive Officer  
Michael Lodato, Deputy Executive Officer  
Edie Longo, Chief Financial Officer  
Arlyn Eames, Deputy Financial Officer  
Lorraine Rhoads, Agency Administrator  
Laura Tomeo, Deputy Agency Administrator  
John Ryan, Esq., Agency Counsel  
Barry Carrigan, Esq., Transaction 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 acquisition of a leasehold interest in or title to a certain industrial development facility more particularly described herein (209 Franklin Realty LLC 2025 Facility), and the leasing of the Facility to 209 Franklin Realty LLC for further subleasing to LI Autoplex LLC d/b/a North Coast Subaru.

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

Voting Aye

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Voting Nay

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Abstain

RESOLUTION OF THE TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE APPOINTMENT OF 209 FRANKLIN REALTY LLC, A NEW YORK LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF 209 FRANKLIN REALTY LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AND LI AUTOPLEX LLC D/B/A NORTH COAST SUBARU, A NEW YORK LIMITED LIABILITY CORPORATION, ON BEHALF OF ITSELF AND/OR THE PRINCIPLES OF LI AUTOPLEX LLC D/B/A NORTH COAST SUBARU 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 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 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, 209 Franklin Realty 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 209 Franklin Realty LLC and/or an entity formed or to be formed on behalf of the foregoing (collectively, the “Company”), and LI Autoplex LLC d/b/a North Coast Subaru, a New York limited liability corporation, on behalf of itself and/or the principals of LI Autoplex LLC, North Coast Subaru, and /or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Sublessee”), has applied to the Town of Hempstead Industrial Development Agency (the “Agency”), for assistance in the acquisition of an approximately 1.25-acre parcel of land, located at 209 N. Franklin, Hempstead, New York 11590 (the “Land”), the construction of an approximately 35,000 square foot building, including, a new two (2) story metal framed car dealership with a vehicle service center in the basement (the “Improvements”), located thereon, and the equipping thereof (the “Facility Equipment”; and together with the Land and Improvements, the “Company Facility”), which Company Facility is to be leased by the Agency to the Company and subleased by the Company to the Sublessee, and the acquisition and installation therein of certain equipment and personal property, including, but not limited to, vehicle lifts, alignment machines, and any other state of the art shop equipment (the “Equipment”, and together with the Company Facility, the

“**Facility**”), which Facility is to be used but the sublessee as a car dealership for Subaru vehicles (the “**Project**”); and

WHEREAS, the Agency, by resolution duly adopted on September 16, 2025 (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 pursuant to a certain Company Lease Agreement, dated as of November 1, 2025, or such other date as the Chairman, the Chief Executive Officer or the Deputy Executive Officer 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 November 1, 2025, or such other date as the Chairman, the Chief Executive Officer or the Deputy Executive Officer 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 subleases the Company Facility to the Sublessee, pursuant to a certain Sublease Agreement, dated as of November 1, 2025 (the “**Sublease Agreement**”), by and between the Company, as lessor, and the Sublessee, as sublessee; and

WHEREAS, the Sublessee will acquire title to the Equipment pursuant to an Equipment Bill of Sale, dated the Closing Date (the “**Equipment Bill of Sale**”), from the Sublessee to the Agency; and

WHEREAS, the Agency will lease the Equipment to the Sublessee pursuant to the terms of the Equipment Lease Agreement, dated as of November 1, 2025 (the “**Equipment Lease**”), by and between the Agency, as lessor, and the Sublessee, as lessee; 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 \$15,720,000 but not to exceed \$16,000,000, corresponding to mortgage recording tax exemptions presently estimated to be \$117,900, but not to exceed \$119,000.00, 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 \$741,750, 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, the Agency's Uniform Tax Exemption Policy ("UTEP"), provides for the granting of financial assistance by the Agency for a retail facility pursuant to Section I.A.; 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 financial assistance is either an inducement to the Company and/or the Sublessee to maintain the Facility in the Town of Hempstead or is necessary to maintain the competitive position of the Company and/or the Sublessee in its industry; and

WHEREAS, the Facility will be used in making retail sales to customers who will personally visit the Facility and would therefore be considered a retail facility in accordance with the provisions of Section 862(2)(a) of the General Municipal Law, and is subject to the restrictions set forth in such Section 862(2)(a) of the General Municipal Law (the "**IDA Retail Restrictions**"); and

WHEREAS, pursuant to section 862(2)(b) of the General Municipal Law, the IDA Retail Restrictions on providing financial assistance to retail facilities do not apply to projects located in a highly distressed area; and

WHEREAS, pursuant to the Application, other information submitted by the Company and the Sublessee and representations from the Company and the Sublessee, the Facility site is located in a Highly Distressed Area, specifically "a census tract or block numbering area or areas or such census tract or block numbering area contiguous thereto which, according to the most recent census data available, has: (i) a poverty rate of at least twenty percent for the year to which the data relates or at least twenty percent of households receiving public assistance; and (ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates," and the Facility is therefore not subject to the IDA Retail Restrictions; and

WHEREAS, the requested PILOT benefit deviates from the Agency's UTEP, because the proposed benefits will be for a retail facility, however the facility will serve the public purposes of the Act by preserving permanent, private sector jobs or increasing the overall number of permanent, private sector jobs in the state by providing over 70 jobs for the Town of Hempstead, and the project would not be economically viable without the proposed deviation; 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 (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 equipping and furnishing of the Facility (collectively, the "**Loan Documents**"); and

WHEREAS, the Agency has given due consideration to the application of the Company and the Sublessee to the Agency for financial assistance (the “**Application**”) and to representations of the Company and Sublessee therein; and

WHEREAS, on the date hereof, the Agency adopted a resolution pursuant to the requirements of the State Environmental Review Act in which they determined that the proposed project is an Unlisted Action and issued a Negative Declaration; 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 and the Sublessee.

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 Hempstead. The Company and Sublessee have represented to the Agency that they intend to create approximately seventy (70) new full-time equivalent employees within the second year after completion of the Facility; and

(d) 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

(e) The Facility constitutes a “project” and a “retail facility” as such terms are defined in the Act; and

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

(g) The acquisition, construction and equipping of the Facility is reasonably necessary to induce the Company and the Sublessee to maintain and expand their respective business operations in the State of New York; and

(h) Based upon the representations of the Company and the Sublessee, the transactions contemplated by the Lease Agreement is either an inducement to the Company and/or the Sublessee to maintain the Facility in the Town of Hempstead or is necessary to maintain the competitive position of the Company and/or the Sublessee in its industry; and

(i) Pursuant to the Application, other information submitted by the Company and the Sublessee and representations from the Company and Sublessee, the Facility is located in a Highly Distressed Area, specifically "a census tract or block numbering area or areas or such census tract or block numbering area contiguous thereto which, according to the most recent census data available, has: (i) a poverty rate of at least twenty percent for the year to which the data relates or at least twenty percent of households receiving public assistance; and (ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates," and the Facility is therefore not subject to the IDA Retail Restrictions; and

(j) The requested financial assistance with respect to the abatement of real property taxes deviates from the UTEP because the abatement of real property taxes granted pursuant to the proposed Lease Agreement will be for a term of up to fifteen (15) years, however the Facility will provide over seventy (70) jobs for the residents of the Town of Hempstead, and the Facility will provide automobile sales and services not otherwise available to the residents of the Town of Hempstead and surrounding areas, therefore deviation from the UTEP is appropriate; and

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

(l) 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

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

(n) The Lease Agreement will be an effective instrument whereby the Agency will sublease and lease the Company 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

(o) 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; and

(p) The Equipment Lease will be an effective instrument whereby the Agency leases the Equipment to the Sublessee.

Section 2. The Agency has assessed all material information included in connection with the Company's and 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) lease and sublease 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; (vi) execute, deliver and perform the Equipment Lease, (vii) grant a mortgage lien on and security interest in and to the Facility pursuant to the Mortgage, (viii) execute and deliver the Mortgage, and (ix) execute and deliver the Loan Documents to which the Agency is a party, and such other related documents or certificates as may be necessary or appropriate to effect the loan.

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 as Exhibit A to the Equipment Lease and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 5. The Agency is hereby 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 6. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company and Sublessee in connection with the acquisition, 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 \$15,720,000 but not to exceed \$16,000,000, corresponding to mortgage recording tax exemptions presently estimated to be \$117,900, but not to exceed \$119,000.00, 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 \$741,750, 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. The Company and the Sublessee are each herewith and hereby appointed the agent of the Agency to acquire, construct and equip the Facility. The Company and the Sublessee are hereby empowered to delegate their status as agent of the Agency to their respective agents, subagents, contractors, subcontractors, materialmen, suppliers,

vendors and such other parties as the Company and/or 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 purchases 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/or 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/or 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 agents 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/or Sublessee have received exemptions from sales and use taxes in an amount not to exceed \$741,750, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility; provided however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company and/or Sublessee if such activities and improvements are not completed by such time. The aforesaid appointment of the Company and/or Sublessee is subject to the execution of the documents contemplated by this resolution.

Section 8. The Company and Sublessee are hereby notified that they will be required to comply with Section 875 of the Act. The Company and Sublessee are further notified that the exemption of sales and use tax provided pursuant to the Act and the appointment of the Company and Sublessee as agents 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 and the Equipment Lease.

Section 9. The form and substance of the Company Lease, the Lease Agreement, Equipment Lease and the Loan 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 and renamed) are hereby approved.

Section 10.

(a) The Chairman, the Chief Executive Officer, the Chief Financial Officer 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 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 Chief Executive Officer, the 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

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 Chief Executive Officer, the Chief Financial Officer or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, the Chief Executive Officer, the Chief Financial Officer 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 and Equipment Lease).

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. Any expenses incurred by the Agency with respect to the Facility shall be paid by the Company and Sublessee. The Company and Sublessee shall agree to pay such expenses and further agrees 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 13. The provisions of this resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 12 hereof).

Section 14. This resolution shall take effect immediately.

