

MINUTES OF THE MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
November 13, 2023

Meeting was called to order at 5:04 PM by Chairman James Farley.

Present: James B. Farley, Chairman

Lee Mendelson, Treasurer
Douglas Williams, Asst. Treasurer

Absent: Lori Ann Pipczynski, Vice Chairwoman
Anthony Barresi, Secretary

Signifying a quorum.

Others in Attendance: Tracy Stark-James, Executive Director
William Weir, Agency Counsel

Douglas Williams moved to adopt the proposed agenda. Lee Mendelson seconded. The agenda was adopted.

The Chairman then moved to recess the regular meeting and open a public hearing on behalf of Riverhead Housing, LP at 5:05pm

PUBLIC HEARING:

David Pearson and Sam Sjoberg, representing Riverhead Housing, LP, provided an overview of the proposed project for the River Pointe Apartments. They started the discussion with the town about a year ago regarding improving the property. Based on the feedback from meetings with the town, they have worked with the management company to bring about some positive changes, most notably around security. Pending the outcome of the meeting, they are now poised to close on the financing for acquisition of the property, extending the affordable protections for the residents and commence on the \$12 million dollar all - encompassing renovations - 100% of units, water and energy efficiency, upgraded mechanicals, window and roof replacement, landscaping, and enhancing building facades, and security enhancements, additional lighting, additional cameras, access controls and security protocol. They will be enhancing the community room and providing free wifi throughout the property. The residents will not be displaced. They will either use the vacant units or provide transportation, moving assistance and hotel rooms.

They also engaged with local charities such as Island Harvest - a group that provides food security services and workforce training. They will continue to add non profit partnerships. The financing will occur with two primary financing mechanisms, senior loan financing tax exempt bonds issued by Riverhead IDA LDC in the amount of approximately \$31,000,000. Those bonds are sized to the operations of the property (NOI) to achieve 1.15 debt service coverage ratio required by Fannie Mae. They will be credit enhanced by Fannie Mae via Wells Fargo as conduit lender. Those bonds are for a 17 year term with a 35- 40 year amortization

based on capital market conditions. They leverage up the senior loan financing of the property for stability and meet requirements of Fannie Mae DUS program , As part of the Low Income Tax Credit (LIHTC) program, as long as at least 50% of your project cost is financed with tax exempt bonds and you make an application to NYS HCR then you can qualify for LIHTC which ensures the long term affordability and provides the benefit through the credits to help finance the project . The credit amount is based on total project cost and the formula of the code (meant to cover 30% of the project cost). They partner with Wells Fargo. Wells Fargo comes in as a limited partner. The credits are allocated to them, in turn they take a stream of credits over a ten year period. The credits are actually earned over 15 years, but there is an accelerated ten year redemption of credits. Wells Fargo pays upfront for the future stream of credits. This will provide \$20 million of LIHTC equity. Riverhead Housing will contribute developer equity through some income from operations and developer fee note. This rounds out the approximate \$57 million sources of funds. The allocation of tax exempt bonds expires 2023, so they need to close before the end of the year. They cannot get the credits without the bonds. The project is not feasible without the credits.

The Chairman asked who uses the credit. David responded the bank, Wells Fargo which is about \$2 mill per year. They do not pay par for the credits, they pay \$.97 which in todays market very good. Wells Fargo also get a portion 10% of the cash flow after the deferred developer note. 90% general partner, 10% tax credit limited partner and depreciation and interest expense. Related is the .01% partner of the project.

Lee Mendelson asked how long the Director of Security has been in place. Sam Sjoberg responded 9 months. Lee further asked if there has been a difference. Sam reported that his reports all point to a big change, less unwanted traffic, residents are more vigilant, police are roaming more often and residents are more comfortable coming forward.

Doug Williams inquired further into the financing structure by stating: they have first lien with bonds, tax credit partner is Wells Fargo, Developer note is paid prior to their position and net cash flow; Does that note include the operations income for the first year? Mr Pearson responded that its about \$3.8 million of developer note and \$2.2 million of income during the renovations period. It's what can be capitalized as a use that coincides with that source of funds. Mr. Williams asked, Does Wells Fargo continue after the 10 year period? Dave Pearson stated that they stay in due to depreciation aspect and the potential recapture period. Related, as the general partner, provides significant guarantees. After the first 15 years, they are beholden to the regulatory agreements associated with the LIHTC program. There are no recapture provisions after that, but the IRS can come in and sue them for non compliance with the program.

James Farley asked about displacement. David Pearson responded that they will use renovated vacancy units and hotel rooms. They will provide necessary moving and transportation needs. They plan on a 10-15 days for reno per unit. There can be turnover in the normal course of business. Turnover is compliance laden and can take more time than normal.

David Pearson then went on to explain shelter rent which is the requested formula by the developer for the PILOT calculations. He explained that Shelter Rent originated through NYS private housing finance laws which looks at the revenue of the property each year subtracting out utilities and then multiplying that by 10%. It primarily aligns the municipality with the operations of the property. As rents increase, the pilot will increase. He added that without the PILOT, the project is not feasible. They really are looking for long term certainty because Fannie Mae has to underwrite a 17 year loan and controllable

operating costs are necessary. Being able to underwrite to some certainty to real estate taxes is critical for the lenders to make sure they can underwrite to their loan amount. Without that, their loan proceeds come down significantly and the project is no longer feasible.

Doug Williams asked if the coverage ratio is only against debt service or does it include property taxes. David responded it includes property taxes as an expense. Doug clarified, Is that formula to achieve 1:15 to 1 is that after granted a PILOT? David responded that it assumes the proposed PILOT.

Agency Counsel William Weir added that with LIHTC the amount of rent is set by federal law. However Shelter Rent, includes the rent the tenants are paying and subsidies. The amount of taxes going to the taxing jurisdictions is more than just what the tenants are paying. David Pearson noted that the first year estimates reflect an increase from the current real estate tax liability. They are not seeking to cut the tax revenue. They are seeking long term stability around the real estate taxes.

James Farley asked if the rent roll is underwritten by Fannie Mae? David Pearson says it is, but rent is set by HUD in terms of contract rent in Section 8 program. A resident pays a portion of the rent and HUD pays the difference between what they pay and the contract rent providing pretty good certainty. It is adjusted every year by operating cost adjustment factor based on local inflation rates. Related projected 2%.

James Farley asked about historic performance in context of the section 8 program? David responded that they have not had a shortfall and the property was last financed 15 years ago. The Chairman opened the floor to the public for comment.

Anthony Fasano with Guercio & Guercia, attorneys representing the Riverhead School District noted, noted that without seeing a PILOT agreement for a project taking place over 30 years, the school would like some assurances. There was some discussion correcting the confusion of the PILOT agreement and the proposed PILOT schedule. Mr. Fasano noted that the number of students assigned to the apartment complex costs the school approximately \$1,8 million dollars annually. He continued that at the end of the 30 year PILOT, this project would produce at most \$686,000., where right now it would be \$390, 000. They would like some assurances that they could be added to the PILOT agreement to make sure that the number of students is at a reasonable amount for over the 30 year period. He questioned the need for the 30 year PILOT. He asked for an analysis of what the post renovation taxes would be. The Executive Director responded that, yes there are cost benefit analysis reports done and are online. There was an analysis conducted to compare current taxes increased by 2% each year going out 30 years compared to the proposed Shelter Rent PILOT. There was also an estimate done on an estimated assessment post renovations and taxes calculated on that as well. However, if there is no PILOT there is no project, therefore no renovations to increase the assessed value. Therefore, no increase in tax revenue. Mr Fasano asked about the deviation from a PILOT and the school district wants to know what assurances will be provided to the community members living there regarding the improvement of health, safety and quality of life is going to continue to be improved for the next 30 years.

Lee Mendelson expressed his indifference to the school coming forward when there will be an increase to the tax revenue over what is currently being received and there are no additional units being added to the project. The increase the project would be paying in the pilot will be to the benefit to the school. He continued, that this is a project for subsidized housing and asked the attorney why the district would be opposed?

Mr. Fasano also asked about the number of employees to be retained at the facility including security? The Executive Director responded that the companies submit annual compliance reports and must maintain a certain percentage of the promised employment. There was

also a question about using local employment and the ED responded that the agency has a local labor policy that is encouraged. Lee Mendelson asked about the 1400 students that live outside the district, but attend Riverhead Central School District and what is the School District doing to address this? He continued asking about the proposed development of 2000 potential apartments in the Town of Southampton that will impact Riverhead Central School District. Where does the school district stand on that development? He asked what was the district doing about the students misrepresenting their residency at the project? He asked about the increase to the school budget and the significant increase over the past five years. How many students could have been educated with the salaries being paid to those who have been terminated? He estimated \$750,000 for two positions at the district. Mr. Fasano did not respond to the questions.

The Chairman commented that the board members comments reflect some community frustration regarding the school system at present and that the IDA does try to develop and support projects that add value and tax revenue to the town. He added that it is a bit confusing to the board to comprehend how the agency is meant to restrict occupancy at a particular property when there are no such restrictions elsewhere in the town while allowing the redevelopment of the property in a manner which should add value to everyone in town.

Claudette Bianco commented on the prior comments not the project being heard.

The Chairman then proposed closed the hearing at 5:55pm.

PRESENTATION: 213 East Main Street

Dan Baker, counsel representing the applicants, noted that they presented back in August and that site plan has now been approved. He explained changes in the capital markets and in the project itself as a result of project site plan approvals. He expressed the critical component of the benefit request in making the project move forward. Sean Sallie explained the changes to the site plan and development fees including public community benefits that must be included for site plan. Most notably \$500,000 park and rec fee for town to purchase open space; Riverhead Water District imposed a \$1 million fee for connection and offsite improvements to the water system that services all of downtown; installation of new mains that will be dedicated to the town but purchased by the developer; installation of a sewer dry line providing capacity for the sewer district to accept additional flow in the future for downtown. They will also be paying for a new pump and manhole that is offsite. He noted that they also agreed to onsite parking which is not required by zoning, will be included providing a 1 for 1 ratio for 155 parking stalls at \$3.4 million dollars.

Dan Baker stated that the fees would not be typically required of other projects and they were agreed upon as part of the approval process during negotiating on approvals. They will benefit the town. He requested that the board accept the changes and move forward with a public hearing.

Lee Mendelson asked about the parking and if it was expressly reserved for the residents.

Dan Baker responded affirmatively.

Jim Farley asked about the Main Street activation. The first floor (about 6,000 sq ft) is reserved for non -residential use, but they would like to maintain flexibility. They do not want vacant dark space. The ED asked if the proforma projections included a commercial rent? Sean Sallie responded without rental income.

That concluded the presentation.

MINUTES: The Board moved to table consideration of the October 23, 2023 meeting minutes.

#44-23 RESOLUTION APPROVING MINUTES OF REGULAR MEETING OF October 23, 2023. Member Lee Mendelson motioned to table the resolution, which was seconded by Member Douglas Williams.

RESOLVED, the resolution approving the minutes of October 23, 2023 was tabled.

VOTE: 3 Yes
2 Absent

CORRESPONDENCE: The ED reported that the Agency had received correspondence from the Calverton Aviation and Technology, LLC counsel.

TREASURERS REPORT:

Cash Balance in as of October 31 st	\$ 50,657.50
Money Market	\$45,077.13
Revenue for October	\$10,050.09
Profit and Loss	\$ -9,401.49
Total Expenses Paid	\$19,451.58
Project Deposit Account bal.	\$108,538.07

#45-23 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF November 5, 2023

WHEREAS, Denise Cooper, CPA and Tracy Stark-James, Executive Director, submitted monthly financial reports, including a report of expenses, to the Riverhead Industrial Development Agency for the period of October 1 to October 31, 2023 **as attached,**

NOW, THEREFORE, BE IT RESOLVED, said monthly financial report dated November 5, 2023 covering the month of October be and are hereby accepted and expenses as listed are authorized for payment.

Member Douglas Williams made a motion to accept Treasurer's Report, which was seconded by Member Lee Mendelson. **Motion approved.**

VOTE: 3 Yes
2 Absent

COMMITTEE REPORTS: None

OLD BUSINESS:

The Chairman suggested tabling Resolution #46-23. Lee Mendelson made the motion to table Resolution #46-23 Considering Financial Assistance for Riverhead Housing, LP. Douglas Williams seconded. Motioned carried with three affirmative votes.

#47-23 RESOLUTION RATIFYING, AFFIRMING AND AUTHORIZING THE PROPOSED BUDGET FOR FISCAL YEAR 01/01/24-12/31/24 AND AUTHORIZING SUBMISSION TO PARIS

Lee Mendelson offered the following resolution, which was seconded by Douglas Williams.

WHEREAS, it is recommended accounting practice that an operating budget be established for the Riverhead Industrial Development Agency; and

WHEREAS, Section 2801 of Public Authorities Law provides budget reporting requirements for state and local public authorities and requires the submission of proposed budget reports not more than 90 days and no less than 60 days before the commencement of their fiscal year; and

WHEREAS, Article 18-A of GML requires a copy of the draft budget to be forwarded to the chief executive office and the governing body of the municipality for whose benefit the agency was established for inspection and comment of its proposed budget for the forthcoming fiscal year, no later than twenty business days before its adoption, and

WHEREAS, a preliminary budget was prepared and submitted to the Riverhead Town Supervisor and Town Clerk for review and comment, and

WHEREAS, there were no comments received from the municipality and no additional amendments, and

NOW, THEREFORE BE IT RESOLVED, that the attached is hereby ratified, affirmed and authorized as the proposed Operating Budget of the Riverhead Industrial Development Agency for fiscal year 01/01/24 through 12/31/24; and

BE IT FURTHER RESOLVED, the members of the board ratify, affirm and authorize the submission of the budget to the PARIS system and copies of this resolution be and hereby are authorized to be filed with all necessary parties as described by law.

Vote: 3 Yes
2 Absent

NEW BUSINESS:

Douglas Williams offered the following resolution, which was seconded by Lee Mendelson.

RESOLUTION #48-23 ACCEPTING AN APPLICATION AND AUTHORIZING PUBLICATION OF A NOTICE OF PUBLIC HEARING WITH RESPECT TO A PROJECT FOR 203 RIVERHEAD, LLC AND 203-213 EAST MAIN ST. LLC

RESOLUTION OF THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY ACCEPTING AN APPLICATION AND AUTHORIZING PUBLICATION OF A NOTICE OF PUBLIC HEARING WITH RESPECT TO 203 RIVERHEAD, LLC, A NEW YORK LIMITED LIABILITY COMPANY ON BEHALF OF ITSELF AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF THE FOREGOING, AND 203-213 EAST MAIN ST. LLC, A NEW YORK LIMITED LIABILITY COMPANY ON BEHALF OF ITSELF AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF THE FOREGOING, AS AGENTS OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND EQUIPPING THE FACILITY.

WHEREAS, the Town of Riverhead Industrial Development Agency was created by Chapter 624 of the Laws of 1980 and is a public benefit corporation and an industrial development agency of the State of New York (the “Agency”) having those powers set forth in, and subject to the requirements of, Article 18-A of the General Municipal Law; and

WHEREAS, (i) 203 Riverhead, 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 203 Riverhead, LLC and/or an entity formed or to be formed on behalf of any of the foregoing, and (ii) 203-213 East Main St. 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 203-213 East Main St. LLC and/or an entity formed or to be formed on behalf of any of the foregoing, as co-applicants (collectively, the “Company”) have submitted an Application for Financial Assistance, dated July 14, 2023, as revised October 19, 2023 (collectively, the “Application”) to the Town of Riverhead Industrial Development Agency (the “Agency”) for assistance in connection with: the acquisition of an approximately 1.42 acre parcel of land located at 203-213 E. Main Street, Riverhead, New York 11901 (SCTM# District 0600, Section 129.00, Block 01.00, Lots 017.000-020.000) (the “Land”), the construction thereon of an approximately 238,342 square foot five-story building (the “Improvements”), and the acquisition and installation therein of certain equipment and personal property (collectively, the “Equipment”; and together with the Land and the Improvements, the “Facility”), which Facility will be leased and subleased by the Agency to the Company to be used as a residential apartment building, consisting of approximately fifty-two (52) studio units, approximately eighty (80) one-bedroom units, approximately thirty-three (33) two-bedroom units,

and approximately 6,000 square feet of amenity and retail space on the ground floor (collectively, the “**Project**”); and

WHEREAS, in the Application the Company has estimated that the total project costs of the Project will be approximately \$81,920,683; and

WHEREAS, in the Application the Company has indicated that they intend to sublease the retail portion of the Facility to commercial tenants, who have not yet been identified, for use as retail space; and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Project and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, pursuant to this resolution, the Agency accepts the Application submitted by the Company with respect to the Project and authorizes the Executive Director and Chief Executive Officer to engage Camoin Associates to prepare an absorption and impact study for the Project; and

WHEREAS, the Agency reserves the right to require the Company and any other third-parties to supplement the Application in the future with any additional information that the Agency deems necessary, in its sole discretion, to complete its due diligence review, including without limitation an independent assessment of the Facility; and

WHEREAS, prior to the date of the Hearing (defined below), the Agency will have prepared a written cost-benefit analysis based on the benefits requested by the Company, which cost-benefit analysis will be available for review by the public at the Hearing; and

WHEREAS, prior to the closing of the transaction described herein, a public hearing (the “**Hearing**”) will be held 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 can be heard; and

WHEREAS, notice of the Hearing will be given 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 has given due consideration to the application of the Company and to representations by the Company that the proposed financial assistance is either an inducement to the Company to attract and maintain the Facility in the Town of Riverhead or 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 "State Agency"; and

WHEREAS, to aid the Agency in determining whether the Facility may have a significant effect upon the environment, the Company has prepared and submitted to the Agency an Environmental Assessment Form 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 Questionnaire has been reviewed by the Agency; 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 for the further subleasing by the Company.

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

Section 1. The Agency hereby accepts for review the Application from the Company. The Agency and Nixon Peabody LLP, transaction counsel to the Agency, reserve the right to request additional information with respect to the Application, the Company, the Project, the costs of the Project and any financing of the Project at any time as may be necessary to process the Application and determine whether to proceed with a public hearing.

Section 2. The Executive Director and Chief Executive Officer is hereby authorized to engage Camoin Associates for the preparation of an absorption and impact study of the Project, to be prepared at the expense of the Company.

Section 3. Based upon the Environmental Assessment Form completed by the Company and reviewed by the Agency and other representations and information furnished by the

Company regarding the Facility, the Agency determines that the action relating to the acquisition, construction, equipping, furnishing and operation of the Facility is a Type I Action, as that term is defined in the SEQRA Act. The Agency also determines that the action will not have a “significant effect” on the environment, and, therefore, an environmental impact statement will not be prepared. This determination constitutes a negative declaration for purposes of SEQRA. Notice of this determination shall be filed to the extent required by the applicable regulations under SEQRA or as may be deemed advisable by the Chairman or Executive Director of the Agency or counsel to the Agency.

Section 4. The acquisition, construction and equipping of the Facility by the Agency, the subleasing and leasing of the Facility to the Company, and the provision of financial assistance on the Facility pursuant to the Act will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the Town of Riverhead and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act, and the same is, therefore, approved.

Section 5. Subject to the provisions of this resolution, the holding of the Hearing and the publication of notice thereof is hereby authorized.

Section 6. 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 and Project Agreement, dated a date to be determined (the “**Lease Agreement**”), by and between the Company and the Agency. 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 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 7. Nothing herein shall be construed as committing the Agency to consider the inducement of the Project, the holding of a public hearing, or approval of the acquisition, construction, equipping and financing of the Project until such time as: (i) the Agency has satisfactorily completed its due diligence analysis and review, (ii) an absorption and impact study has been prepared and finalized, (iii) an independent assessment of the Facility has been received and reviewed, (iv) all necessary and appropriate reports and studies have been received and

WHEREAS, upon proceedings held, the Agency induced Calverton Addiction and Treatment LLC (the "**Company**") to acquire real property at 525 Jan Way, Calverton, New York 11933 to be constructed as an addiction and treatment recovery center as more particularly set forth in Agency resolution adopted March 5, 2018 (the "**Facility**"), which, among other inducements, granted an exemption from mortgage recording tax on (i) a previous mortgage in a principal amount up to \$11,198,000 (the "**Project Loan Mortgage**") and (ii) a previous mortgage in a principal amount up to \$36,302,000 (the "**Building Loan Mortgage**"; and, together with the Project Loan Mortgage, the "**Existing Mortgages**"); and

WHEREAS, the Company duly acquired the real property and constructed the Facility and has placed the Facility into service at a total detailed cost of \$94,151,744; and

WHEREAS, the Agency acquired a leasehold interest in the Facility pursuant to a certain Ground Lease dated as of August 1, 2018 (the "**Ground Lease**"), by and between the Agency and the Company; and

WHEREAS, the Agency leased the Facility back to the Company pursuant to a certain Lease Agreement dated as of August 1, 2018 (the "**Lease Agreement**"), as amended to date, by and between the Agency and the Company; and

WHEREAS, the Existing Mortgages were used to finance the acquisition and construction of the Facility; and

WHEREAS, Manufacturers and Traders Trust Company (the "**Lender**") has approved certain amendments and modifications to the Existing Mortgages and the Company has requested the Agency to consent to the Amendment and Modifications; and

WHEREAS, the Agency now contemplates that it will authorize the execution of (i) an Amendment and Modification to Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (Project Loan) (the "**Project Loan Mortgage Amendment and Modification**"), and (ii) an Amendment and Modification to Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (Building Loan) (the "**Building Loan Mortgage Amendment and Modification**"; and together with the Project Loan Mortgage Amendment and Modification, the "**Amendment and Modifications**"), to encumber the Facility; and

WHEREAS, the Amendment and Modifications will be used to amend and modify the Existing Mortgages; and

WHEREAS, as security for the Amendment and Modifications being made to the Company by the Lender, the Company has further requested to the Agency that it join with the Company in executing and delivering to the Lender the Amendment and Modifications and such other loan documents, satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably requested by the Lender (the "**Loan Documents**"); and

WHEREAS, the Agency is not authorizing exemptions from mortgage recording taxes or any other financial assistance in connection with the Amendment and Modifications, and the Company shall pay mortgage recording taxes to the same extent as if the Agency were not a party to the Loan Documents; and

NOW, THEREFORE BE IT RESOLVED,

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 continues to constitute a “project” as such term is defined in the Act.
- (c) The Amendment and Modifications of the Existing Mortgages will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Riverhead, Suffolk County and the State of New York and improve their standard of living and thereby serve the public purposes of the Act.
- (d) The Amendment and Modifications of the Existing Mortgages as contemplated in this resolution are reasonably necessary to maintain the competitive position of the Company in its industry.
- (e) It is desirable and in the public interest for the Agency to assist in the Amendment and Modifications of the Existing Mortgages.
- (f) The Loan Documents will be effective instruments whereby the Agency and the Company agree to secure the Amendment and Modifications and assign to the Lender their respective rights under the Lease Agreement (except the Agency’s certain unassigned rights).

Section 1. In consequence of the foregoing, the Agency hereby determines to execute, deliver and perform the Amendment and Modifications to which the Agency is a party.

Section 2. The Agency is hereby authorized to execute and deliver the Loan Documents without the need for any further or future approvals of the Agency.

Section 3. The Agency hereby authorizes and approves the execution of the Amendment and Modifications to the Existing Mortgages.

Section 4. The Chairman or Vice Chairman are hereby authorized, on behalf of the Agency, to execute and deliver the Amendment and Modifications to the Existing Mortgages and other 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 and Vice Chairman or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman, Vice Chairman, and counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “Agency Documents”).

Section 5. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

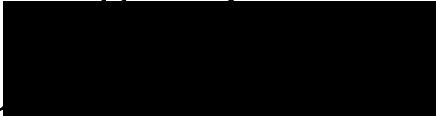
Section 6. Any expenses incurred by the Agency with respect to the Facility shall be paid by the Company. The Company agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, 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.

BE IT FURTHER RESOLVED that this resolution shall become effective upon the payment by Calverton Addiction and Treatment LLC of the Agency fee of \$5,000.00 and all reasonable Agency counsel fees.

VOTE: 3 Yes
2 Absent

Seeing no further business, Douglas Williams motioned to close the board meeting. Lee Mendelson seconded. Motion carried by three affirmative votes. The board meeting adjourned at approximately 6:08pm.

Dated: 12/15/23


Secretary/Asst