OMNIBUS AMENDMENT TO PROJECT DOCUMENTS

THIS OMNIBUS AMENDMENT TO PROJECT DOCUMENTS ("Omnibus Amendment"), effective as of May 1, 2025, amends the 2023 Transaction Documents (as herein defined), dated December 7, 2023 by and among COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation organized and existing under the laws of the State of New York, with its principal office located at 548 Broadway, Monticello, New York 12701 ("Agency"), GIBBERS ESTATES LLC, a New York limited liability company with its offices located at 37 Gafen Lane, Kiamesha Lake, New York 12751 ("Gibbers") and M E P WHOLESALERS CORP., a New York corporation with its offices located at 37 Gafen Lane, Kiamesha Lake, New York 12751 ("M E P" and together with Gibbers collectively, the "Company").

RECITALS

WHEREAS, Title 1 of Article 18-A of the General Municipal Law of the State of New York ("Enabling Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York ("State"); and

WHEREAS, the Enabling Act authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial or industrial facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease any or all of its facilities at such rentals and on such other terms and conditions as it deems advisable; and

WHEREAS, pursuant to and in connection with the provisions of the Enabling Act, Chapter 560 of the Laws of 1970 of the State (collectively referred to as the "Act") created the Agency which is empowered under the Act to undertake the providing, financing and leasing of the facility described below; and

WHEREAS, on or about September 18, 2023, the Company presented an application to the Agency ("Application"), a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project consisting of the: (i) acquisition, construction, installation and equipping of an approximately 15,000 +/- square foot building to include a heating, ventilation, air conditioning, and electrical supply retail sales facility with accessory office and warehousing space ("Building") situate on one (1) parcel of real estate containing approximately 7.01 acres of land located on La Vista Drive, Town of Fallsburg ("Town"), County of Sullivan ("County"), State of New York and identified on the Town tax map as Section 60, Lot 1, Block 21.1 ("Land"); (ii) construction and installation thereon and therein of certain furniture, fixtures, machinery, equipment and tools ("Equipment"); (iii) construction of improvements to the Building, the Land and the Equipment (collectively, the Building, the Land and the Equipment are referred to as the "Project"); and (iv) lease of the Project from the Agency to the Company; and

WHEREAS, by Resolution No. 41-23, dated November 13, 2023, the Agency authorized the Company to act as its agent for the purposes of acquiring, constructing, installing and equipping the Project; (ii) negotiate and enter into an Agent and Project Agreement, the Lease (as hereinafter defined), the Leaseback (as hereinafter defined) and the PILOT Agreement (as hereinafter defined) with the Company (collectively, the "Transaction Documents"); (iii) hold a leasehold interest in the Land, the improvements and personal property thereon which constitute the Project; and (iv) provide financial assistance to the Company in the form of (a) sales tax exemption for purchases related to the reconstruction, renovation, rehabilitation, installation and equipping of the Project; (b) a real property tax abatement on increased value resulting from improvements to the Land through the PILOT Agreement, which PILOT Agreement shall include language permitting the Company to seek enhanced benefits, in accordance with the Agency's Retail Sales Program; and (c) a mortgage tax exemption for financing related to the Project; and

WHEREAS, on or about December 7, 2023, the Agency and the Company entered into the following documents:

1. Agent and Project Agreement;
2. Environmental Compliance and Indemnification Agreement;
3. Bill of Sale to Agency;
4. Bill of Sale to Company;
5. Lease to Agency and memorandum thereto ("Lease");
6. Leaseback to Company and memorandum thereto ("Leaseback"); and
7. Payment in Lieu of Tax Agreement ("PILOT Agreement");

; and

WHEREAS, on or about December 7, 2023, the Company borrowed Two Million One Hundred Thousand and 00/100 ($2,100,000.00) Dollars ("2023 Loan") as evidenced by a Promissory Note payable to Provident Bank ("Lender"); and

WHEREAS, the 2023 Loan was secured by a Building Loan Mortgage and Security Agreement ("Mortgage"); and

WHEREAS, to assist the Company to complete the Project, finance the construction of a new warehouse, for working capital and to cover closing costs, Lender agreed to increase the 2023 Loan by Three Hundred Thousand and 00/100 ($300,000) Dollars to Two Million Four Hundred Thousand and 00/100 ($2,400,000.00) Dollars ("SBA Loan" and together with the 2023 Loan, the "Loan"); and

WHEREAS, by Resolution No. 19-24, dated May 13, 2024, the Agency approved the additional financing for the Project and the execution and delivery of one or more mortgages in favor of Lender in an amount not to exceed Two Million Four Hundred Thousand and 00/100 ($2,400,000.00) Dollars; and

WHEREAS, on or about June 11, 2024, the Agency joined in execution of a Mortgage and related documents to secure a Loan of Two Million Four Hundred Thousand and 00/100 ($2,400,000.00) Dollars; and

WHEREAS, at the time of the Application, adoption of Resolution #41-23 and execution of the PILOT Agreement, it was anticipated that the Project would be completed and open for business prior to the March 1, 2024 taxable status date; and

WHEREAS, the Project was not completed by March 1, 2024 but has now been completed and is open for business; and

WHEREAS, it is the Agency's intent to provide the benefits contemplated by the Agency's Retail Sales Uniform Tax Exemption Policy over the operating life of the Project; and

WHEREAS, by Resolution No. 07-25, dated April 7, 2025, the Agency authorized the execution and delivery of an Omnibus Amendment to Project Documents to amend the PILOT Agreement to delay each applicable year of the exemption schedule contemplated by the PILOT Agreement by one year and to provide for a PILOT payment equal to what taxes would have been if the Agency was not involved in the Project for the payment due February 1, 2025; and (ii) authorizing its Chairman, Chief Executive Officer or Executive Director to execute and deliver the same; and

WHEREAS, amending the PILOT Agreement makes it necessary to extend the term of the Lease and Leaseback.

NOW THEREFORE, in consideration of the foregoing recitals and the mutual terms, conditions, limitations and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is mutually agreed as follows:

AMENDMENT OF PILOT AGREEMENT

1. Section 3 of the PILOT Agreement is hereby deleted and the following inserted in its place and stead:

"3. Computation of PILOT Payments. PILOT Payments shall be made in the amounts and in the manner contemplated by this PILOT Agreement:

Section, Block & Lot
60 – 1 – 21.1

3.1 Computation of PILOT Payments – Pre-Opening. For the PILOT Payment due February 1, 2025, the Company shall pay the Agency an amount equal to what real estate taxes would have been if the Agency had not been involved with the Project.

3.2 Computation of PILOT Payments – Project Operation. For the PILOT Payment due February 1, 2026 and thereafter, the Company shall make PILOT Payments to the Agency as contemplated by this Sub-Section 3.2.

(a) Total Value Subject to PILOT. The total value subject to PILOT ("TVSP") shall be the following amounts for the following years:

Payment Date	Present Value	Improvement Value	Exemption Percentage	Exemption Amount	Improvement Net	TVSP
2/1/2026	$350,000.00	$ 741,500.00	50%	$ 370,750.00	$370,750.00	$720,750.00
2/1/2027	$350,000.00	$ 741,500.00	45%	$ 333,675.00	$407,825.00	$757,825.00
2/1/2028	$350,000.00	$ 741,500.00	40%	$ 296,600.00	$444,900.00	$794,900.00
2/1/2029	$350,000.00	$ 741,500.00	35%	$ 259,525.00	$481,975.00	$831,975.00
2/1/2030	$350,000.00	$ 741,500.00	30%	$ 222,450.00	$519,050.00	$869,050.00
2/1/2031	$350,000.00	$ 741,500.00	25%	$ 185,375.00	$556,125.00	$906,125.00
2/1/2032	$350,000.00	$ 741,500.00	20%	$ 148,300.00	$593,200.00	$943,200.00
2/1/2033	$350,000.00	$ 741,500.00	15%	$ 111,225.00	$630,275.00	$980,275.00
2/1/2034	$350,000.00	$ 741,500.00	10%	$ 74,150.00	$667,350.00	$1,017,350.00
2/1/2035	$350,000.00	$ 741,500.00	5%	$ 37,075.00	$704,425.00	$1,054,425.00
2/1/2036	$350,000.00	$ 741,500.00	0%	$ --	$741,500.00	$1,091,500.00
2/1/2037	$350,000.00	$ 741,500.00	0%	$ --	$741,500.00	$1,091,500.00
2/1/2038	$350,000.00	$ 741,500.00	0%	$ --	$741,500.00	$1,091,500.00
2/1/2039	$350,000.00	$ 741,500.00	0%	$ --	$741,500.00	$1,091,500.00
2/1/2040	$350,000.00	$ 741,500.00	0%	$ --	$741,500.00	$1,091,500.00

(b) Calculation of Annual Payment in Lieu of Tax. The calculation of the annual PILOT Payments shall be made as follows:

(i) The TVSP shall be multiplied by the equalization rate as defined in ¶3(c) hereof; and

(ii) The annual PILOT Payment shall be determined by multiplying the amount derived in ¶3(b)(i) hereof by the tax rates identified in ¶3(d) hereof.

(c) Equalization Rate. The equalization rate to be used in making the computation contemplated by ¶3(b)(i) hereof shall mean the equalization rate for the Town used by the County to allocate and levy County taxes in connection with the January 1st tax roll immediately preceding the due date of the PILOT Payments. In the event that the equalization rate shall exceed one hundred (100%) percent, the equalization rate used in making the computation contemplated by ¶3(b)(i) shall be one hundred (100%) percent.

(d) Tax Rates. For the purposes of determining the amount of the PILOT Payments as contemplated by ¶3(b)(ii) hereof, the tax rates for each Taxing Jurisdiction shall mean the last tax rate used for levy of taxes by each such jurisdiction. For County and Town purposes, the tax rates used to determine the PILOT Payment shall be the tax rates relating to the calendar year which includes the PILOT Payment due date. For School tax purposes, the tax rates used to determine the PILOT Payment shall be the rate relating to the School tax year which began in the calendar year immediately preceding the year in which the PILOT Payment is due. The chart which follows sets forth the years of the overall fifteen (15) year period governed by this Agreement; the date that a PILOT Payment is due; and the appropriate tax periods utilized in determining the tax rates for computing the PILOT Payment:

Year	Payment Date	School Fiscal Year Beginning	County & Town
Pre-opening	February 15, 2025	July 1, 2024	January 1, 2025
1	February 15, 2026	July 1, 2025	January 1, 2026
2	February 15, 2027	July 1, 2026	January 1, 2027
3	February 15, 2028	July 1, 2027	January 1, 2028
4	February 15, 2029	July 1, 2028	January 1, 2029
5	February 15, 2030	July 1, 2029	January 1, 2030
6	February 15, 2031	July 1, 2030	January 1, 2031
7	February 15, 2032	July 1, 2031	January 1, 2032
8	February 15, 2033	July 1, 2032	January 1, 2033
9	February 15, 2034	July 1, 2033	January 1, 2034
10	February 15, 2035	July 1, 2034	January 1, 2035
11	February 15, 2036	July 1, 2035	January 1, 2036
12	February 15, 2037	July 1, 2036	January 1, 2037
13	February 15, 2038	July 1, 2037	January 1, 2038
14	February 15, 2039	July 1, 2038	January 1, 2039
15	February 15, 2040	July 1, 2039	January 1, 2040

"

2. Section 4 of the PILOT Agreement is hereby deleted and the following inserted in its place and stead:

> "4. Other Agreements Relating to PILOT Payments. The Agency shall remit to the Taxing Jurisdictions amounts received hereunder within thirty (30) days of receipt and shall allocate the PILOT Payments among the Taxing Jurisdictions in the same proportion as normal Real Estate Taxes would have been allocated but for the Agency's involvement.
>
> The PILOT Payments were paid as contemplated by Subsection 3.1, followed by the first (1st) year of an approximately fifteen (15) year period in which the Company is to receive tax benefits relative to the Facility. In no event shall the Company be entitled to receive tax benefits relative to the Facility for more than the period provided in this Agreement. The Company agrees that it will not seek any tax exemption for the Facility which could provide benefits for more than the periods provided for in this Agreement and specifically agrees that the exemptions provided for in this Agreement, to the extent actually received (based upon the number of years elapsed), supersede and are in substitution of the exemptions provided by §485-b of the Real Property Tax Law ("RPTL"). It is hereby agreed and understood that the Taxing Jurisdictions can rely upon and enforce this waiver to the same extent as if it were signatories hereto."

AMENDMENT OF LEASE

4. Section 2.4(b) of the Lease is hereby deleted and the following inserted in its place and stead:

> "(b) The leasehold estate created hereby shall terminate at 11:59 P.M. on February 15, 2040, or on such earlier date as may be permitted by Section 6.1 hereof."

5. The Company and the Agency shall execute, deliver and record an Amended Memorandum of Lease to memorialize the extension of the Lease term on the public record.

AMENDMENT OF LEASEBACK

6. Section 2.5(b) of the Leaseback is hereby deleted and the following inserted in its place and stead:

> "(b) The leasehold estate created hereby shall terminate at 11:59 P.M. on February 15, 2040 or on such earlier date as may be permitted by Section 8.1 hereof."

7. The Company and the Agency shall execute, deliver and record an Amended Memorandum of Leaseback to memorialize the extension of the Lease term on the public record.

8. This Omnibus Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but which together shall constitute a single instrument.

9. Except as herein amended, all other terms and conditions of the Transaction Documents shall remain in full force and effect.

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IN WITNESS WHEREOF, the Company and the Agency have caused this Omnibus Amendment to be executed in their respective names, all as of the date first above written.

COUNTY OF SULLIVAN INDUSTRIAL
DEVELOPMENT AGENCY

____
By: Howard Siegel, Chairman

GIBBERS ESTATES LLC

____
By: Chaim Katz, Sole Member

M E P WHOLESALERS CORP.

____
By: Chaim Katz, President