PRELIMINARY AGREEMENT
(The Hudson Company 2025 Project)

THIS PRELIMINARY AGREEMENT (the "**Preliminary Agreement**"), made as of October 15, 2025 between the **DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation, organized and existing under the General Municipal Law of the State of New York, having offices at Three Neptune Road, Poughkeepsie, New York 12601 (the "**Agency**") and **HUDSON CO, LLC**, a Delaware limited liability company authorized to transact business in the State of New York as Hudson Co of DE, LLC, doing business as The Hudson Company, together with **FIFTH GENERATION PARTNERS LLC**, a New York limited liability company, having offices at 2290 Route 199, Pine Plains, New York 12567 (collectively referred to as the "**Company**").

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York as amended and Chapter 335 of the Laws of 1977 of the State of New York (collectively the "**Act**"), the Agency was created with the authority and power to provide financial assistance for the purpose of, among other things, acquiring, renovating and equipping certain facilities as authorized by the Act; and

WHEREAS, HUDSON CO, LLC, a Delaware limited liability company authorized to transact business in the State of New York as Hudson Co of DE, LLC, doing business as The Hudson Company, having offices at 2290 Route 199, Pine Plains, New York 12567, together with FIFTH GENERATION PARTNERS LLC, a New York limited liability company, having offices at 2290 Route 199, Pine Plains, New York 12567 (collectively referred to as the "**Company**"), have submitted an application to the Agency requesting the Agency provide certain "financial assistance" (within the meaning of the Act) with respect to the Facility (hereinafter defined), including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "**Financial Assistance**") for the following project (the "**Project**") in connection with the acquisition, construction, improvement, reconstruction, repair, renovation, installation, furnishing and equipping of a certain manufacturing, storage and showroom facility (the "**Facility**") consisting of the following:

(A) the acquisition and consolidation of approximately 10.84 acres of land consisting of (i) an approximately 4.0-acre parcel of land located at 2436 Route 83, Pine Plains, New York, bearing Tax Map Grid No. 134200-6871-00-455865-0000 (the "**Existing Lot**") and (ii) an approximately 6.84-acre portion of the approximately 33.65-acre parcel located at 7702-7714 South Main Street, Pine Plains, New York, bearing Tax Map Grid No. 134200-6871-00-437906-0000, which is under contract for acquisition by Fifth Generation Partners LLC, and which 6.84-acre portion is to be combined with the Existing Lot through lot line adjustment into a single consolidated parcel (collectively the "**Land**");

(B) the construction of (i) an approximately 50,425 square foot mill (including warehouse, office, and showroom) with an approximately 5,100 square foot attached, open shed structure at the rear for storage of lumber beams, (ii) an approximately 9,000 square foot

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manufacturing shed with an attached 1,800 square foot covered storage structure for sawmill operations, (iii) an approximately 6,848 square foot standalone showroom for visiting clients and designers; and (iv) infrastructure and other improvements on the Land, including but not limited to 32 parking spaces and new utility infrastructure and new roadway accesses (collectively, the "**Improvements**"); and

(C) the acquisition and installation of new equipment, machinery and other personal property for use in the premises described above (collectively the "**Equipment**") to be owned by the Agency and leased to the Company to be used as part of the Facility for manufacturing of reclaimed and recycled wood products; and

WHEREAS, the Project includes the following, as they relate to the acquisition, construction, improvement, reconstruction, repair, renovation, installation, furnishing, equipping, and completion 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 acquisition, construction, improvement, reconstruction, repair, and renovation of the Facility; and (ii) purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with acquisition, construction, improvement, reconstruction, repair and renovation of the Facility and installation of the equipment; and

WHEREAS, the Agency has determined that the financing of the Project will promote and further the purposes of the Act; and

WHEREAS, on October 15, 2025, the Agency adopted a Preliminary Resolution (the "**Preliminary Resolution**") accepting the Project and authorizing the execution of this Preliminary Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Agency and the Company agree as follows:

1. Undertakings of the Agency. Based upon the statements, representations, and undertakings of the Company and subject to the conditions set forth herein and in the Preliminary Resolution, the Agency agrees as follows:

(a) The Agency shall adopt, or cause to be adopted, such proceedings and authorize the execution of such documents as may be necessary or advisable for (i) construction, installation, furnishing and equipping of the Facility and the financing of such costs; and (ii) the subleasing of the Facility to the Company and leasing the equipment to the Company, all as shall be authorized by law and be mutually satisfactory to the Agency and the Company.

(b) The Agency shall acquire a leasehold interest in the Facility and enter into an agreement to sublease the Facility to the Company (the "**Lease Agreement**"). The Lease Agreement shall contain all provisions required by law and such other provisions as shall be mutually acceptable to the Agency and the Company.

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(c) The Agency shall take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

2. Representations of the Company. The Company hereby represents to the Agency that:

(a) The Facility is located in Dutchess County, New York;

(b) The proposed financing of the Project will contribute to increased employment opportunities in Dutchess County, New York; and

(c) The Project will comply with all applicable federal, state, and local laws, ordinance, rules, and regulations and the Company shall obtain all necessary approvals and permits required thereunder.

3. Undertakings of the Company. Based upon the statements, representations, and undertakings of the Agency and subject to the conditions set forth herein and in the Preliminary Resolution, the Company agrees as follows:

(a) The Company shall use all reasonable efforts necessary or desirable to enter into a contract or contracts for the acquisition of the Facility (to the extent not heretofore acquired) and on the terms and conditions set forth in the Lease Agreement, transfer to the Agency, or cause to be transferred to the Agency, title to or a leasehold interest in, the Facility.

(b) (i) To the extent the Agency is not defended and indemnified under a policy of insurance maintained by the Company, and subject to any subrogation waivers contained in the Lease Agreement, the Company shall defend and indemnify the Agency and hold the Agency harmless from all losses, expenses, claims, damages and liabilities arising out of or based on: (1) labor, services, materials and supplies, including equipment, ordered or used in connection with the acquisition of the Facility and installation of equipment in the Facility (including any expense incurred by the Agency in defending any claims, suits or actions which may arise as a result of any of the foregoing) except that the Company shall not be required to indemnify the Agency for the willful or grossly negligent conduct of the Agency, its employees, agents, or representatives; or (2) any untrue statement or alleged untrue statement of a material fact necessary in order to make the statements herein, in the light of the circumstances under which they were made, not misleading.

(ii) The Company shall not permit to stand, and shall at its own expense take all steps reasonably necessary to remove, any mechanic's or other liens against the Facility for labor for the construction, renovation, installation, furnishing and equipping of the Facility.

(iii) To the extent the Agency is not defended and indemnified under a policy of insurance maintained by the Company, and subject to any subrogation waivers contained

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in the Lease Agreement, the Company shall indemnify and hold the Agency harmless from all claims and liabilities for loss or damage to property or any injury to or death of any person that may be occasioned subsequent to the date hereof by any cause whatsoever in relation to the Project, including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of the foregoing, except that the Company shall not be required to indemnify the Agency for the willful or grossly negligent conduct of the Agency, its employees, agents, or representatives.

(c) The Company shall take such further action and adopt such further proceedings as may be required to implement its aforesaid undertakings or as it may deem appropriate in pursuance thereof.

4. General Provisions.

(a) This Preliminary Agreement shall take effect on the date of execution hereof until the Lease Agreement becomes effective. It is the intent of the Agency and the Company that this Preliminary Agreement be superseded in its entirety by the Lease Agreement.

(b) It is understood and agreed by the Agency and the Company that the execution of the Lease Agreement and related documents are subject to: (i) obtaining all necessary governmental approvals; and (ii) approval of the members of the Agency.

(c) The Company agrees that they will reimburse the Agency for all reasonable and necessary direct out-of-pocket expenses which the Agency may incur as a consequence of executing this Preliminary Agreement or performing its obligations hereunder, including but not limited to, the cost of causing a notice of any public hearing held with respect to the Project to be published, the cost of making and transcribing records of said hearings and the reasonable fees and expenses charged and incurred by Agency Counsel in connection with their representation of the Agency in this matter and their preparation of any documents pertaining to the provisions of Financial Assistance.

(d) All commitments of the Agency under ¶1 hereof and of the Company under ¶¶2 and 3 hereof (excepting the obligations of the Company set forth in subparagraphs 3(b) and 4(c) hereof, which shall survive the termination of this Preliminary Agreement) are subject to the condition that the Lease Agreement shall have been executed no later than fifteen (15) months from the date hereof (or such other date as shall be mutually satisfactory to the Agency and the Company).

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IN WITNESS WHEREOF, the parties hereto have entered into this Preliminary Agreement as of the 15th day of October, 2025.

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Ronald J. Piccone, II, Vice Chairman

HUDSON CO, LLC, a Delaware limited liability company authorized to transact business in the State of New York as Hudson Co of DE, LLC, doing business as The Hudson Company

By: _____
Jamie Hammel, Authorized Signatory

FIFTH GENERATION PARTNERS LLC

By: _____
Jamie Hammel, Authorized Signatory

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