

Date: August 18, 2021

At a meeting of the Town of Brookhaven Industrial Development Agency (the "Agency"), held at the offices of the Agency, 1 Independence Hill, 2nd Floor, Farmingville, New York 11738 on the 18th day of August, 2021, the following members of the Agency were:

Present: Frederick C. Braun III, Chairman
Martin Callahan, Treasurer
Gary Pollakusky, Asst. Secretary
Lenore Paprocky, Member

Recused:

Excused: Felix J. Grucci, Jr., Vice Chair
Ann-Marie Scheidt, Secretary
Frank C. Trotta, Asst. Treasurer

Also Present: Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
Jocelyn Linse, Executive Assistant
William F. Weir, 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 acquisition of a leasehold interest in and title to a certain industrial development facility more particularly described below (Surf Land USA LLC/Long Island Surf Park LLC 2021 Facility).

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

Voting Aye

Braun
Callahan
Pollakusky
Paprocky

Voting Nay

RESOLUTION OF THE TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ACQUISITION CONSTRUCTION, RENOVATION, AND EQUIPPING OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY, AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE 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 358 of the Laws of 1970 of the State of New York, as amended from time to time (collectively, the “**Act**”), the Town of Brookhaven 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

Surf Land USA, 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 and/or equity investors of Surf Land USA, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), and Long Island Surf Park 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 and/or equity investors of Long Island Surf Park LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Sublessee**”), have applied to the Agency for assistance in connection with: (a) the acquisition of an approximately 3.49-acre parcel of land located at 91 Precision Drive, Shirley, New York 11967 (SCTM# 0200-554.00-03.00-004.050) (the “**Land**”), the construction of an approximately 6,750 square foot building; plus a detached pool and filtration house of approximately 2,000 square feet thereon (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property, not part of the Equipment (as defined below) (the “**Facility Equipment**”; and together with the Land and the Improvements, the “**Company Facility**”), which Company Facility will be leased by the Company to the Agency and will be subleased by the Agency back to the Company for further subleasing to the Sublessee; and (b) the acquisition and installation of certain equipment and personal property, including but not limited to, an in-ground pool, wave and surf making equipment, Co-gen (Chp) plant, lighting and pool filters (the “**Equipment**”; and together with the Company Facility, the “**Facility**”), which Equipment is to be leased by the Agency to the Sublessee. The Facility is to be used by the Sublessee a state-of-the-art surf park and recreational facility to be used year-round by residents of the Town of Brookhaven, New York (the “**Town**”) and visitors to the Town (the “**Project**”). The Project will provide service, not otherwise reasonably accessible to the residents of the Town. The Company Facility will be initially owned, operated and/or managed by the Company. The Equipment will be initially owned, operated and/or managed by the Sublessee; 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 August 1, 2021 or such other date as the Chairman or Chief 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 August 1, 2021, or such other date as the Chairman or Chief 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 Agency will acquire title to the Equipment pursuant to a certain 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 a certain Equipment Lease Agreement, dated as of August 1, 2021, or such other date as the Chairman or Chief Executive Officer of the Agency and counsel to the Agency shall agree (the “**Equipment Lease Agreement**”), by and between the Agency and the Sublessee; and

WHEREAS, the Facility will be used for recreational use as a state-of-the-art surf park, to customers who personally visit the Facility and would be considered a “recreational facility” as defined in Section 854(9) and a facility described in accordance with the provisions of Section 862(2) of the Act, however, based upon the representations and warranties of the Company in the application for financial assistance filed by the Company with the Agency, dated June 28, 2021 (the “**Application**”), the Facility will provide services not readily available to the residents of the Town of Brookhaven;

WHEREAS, by a confirmation to be executed prior to the closing of the transaction described herein (the “**Confirmation**”), the Town Supervisor of the Town of Brookhaven, New York (the “**Town**”), will have confirmed the Agency’s findings and determinations with respect to the Facility that the Facility qualifies as a “project” under the Act and that the Facility satisfies all other requirements of the Act; and

WHEREAS, the Sublessee and the Agency will enter into a certain Agency Compliance Agreement, dated as of August 1, 2021, or such other date as may be determined by the Chairman or Chief Executive Officer of the Agency and counsel to the Agency (the “**Agency Compliance Agreement**”), whereby the Sublessee will provide certain assurances to the Agency with respect to the Facility; and

WHEREAS, as security for a loan or loans, the Agency and the Company will execute and deliver to a lender or lenders not yet determined (collectively, the “**Lender**”), a mortgage or mortgages, 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, renovation and equipping of the Facility (collectively, the “**Loan Documents**”); and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company and the Sublessee in the form of: (i) exemptions from mortgage recording taxes for

one or more mortgages securing an amount presently estimated to be \$10,000,000 but not to exceed \$12,000,000, corresponding to mortgage recording tax exemptions presently estimated to be \$75,000 but not to exceed \$90,000, in connection with the financing of the acquisition, construction, renovation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of the acquisition, construction and equipping of the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed \$1,897,500, 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 C hereof); and

WHEREAS, in connection with the abatement of real property taxes as set forth in the PILOT Schedule on Exhibit C hereof, the current pro-rata allocation of PILOT payments to each affected tax jurisdiction in accordance with Section 858(15) of the Act and the estimated difference between the real property taxes on the Facility and the PILOT payments set forth on the PILOT Schedule on Exhibit C hereof are more fully described in the Cost Benefit Analysis (“**CBA**”) developed by the Agency in accordance with the provisions of Section 859-a(5)(b) of the Act, a copy of which CBA is attached hereto as Exhibit D; and

WHEREAS, a public hearing (the “**Hearing**”) was held on August 17, 2021, 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 August 7, 2021 and such notice (together with proof of publication), was substantially in the form annexed hereto as Exhibit A; and

WHEREAS, the report of the Hearing is substantially in the form annexed hereto as Exhibit B; and

WHEREAS, the Agency has given due consideration to the application of the Applicant and to representations by the Applicant that the proposed Facility is either an inducement to the Applicant 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 Applicant 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 Applicant 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 Applicant;

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

Section 1. Based upon the Questionnaire prepared by the Applicant and reviewed by the Agency, and other representations and information furnished regarding the Facility, the Agency determines that the action relating to the acquisition, construction, renovation, equipping and operation of the Facility in an "Unlisted" action, as that term is defined under SEQR. The Agency also determines that the Facility 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 SEQR. Notice of this determination shall be filed to the extent required by the applicable regulations under SEQR or as may be deemed advisable by the Chairman or the Chief Executive Officer of the Agency or counsel to the Agency.

Section 2. The Agency hereby makes its findings and determination of the Facility as Follows:

(a) While the Facility will be a Recreational Facility as defined in 854(9) of the Act and will be used in making sales or providing services to customers who personally visit the Facility would be considered a facility in accordance with the provisions of Section 862(a) of the Act, based upon the representations and warranties of the Company in the Application, the Facility will provide services not readily available to the residents of the Town of Brookhaven.

(b) The Facility will preserve the public purposes of the Act by increasing the number of private sector jobs in the Town of Brookhaven. The Company and the Sublessee have represented to the Agency that they will provide approximately seven (7) full-time equivalent employees ("FTE") within the first year of completion.

Section 3. 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; 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 Brookhaven. The Applicant has represented to the Agency that it expects to provide thirty-two (32) full-time employees within the first year of operation and the Applicant expects the number of jobs to increase upon the second year of operation; and

(d) The acquisition, construction, renovation and equipping of the Facility and the leasing of the Facility to the Applicant, will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of Town of Brookhaven, and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(e) The acquisition, construction, renovation and equipping of the Facility is reasonably necessary to induce the Applicant to maintain and expand its business operations in the State of New York; and

(f) Based upon representations of the Applicant and counsel to the Applicant, the Facility conforms with the local zoning laws and planning regulations of the Town of Brookhaven, Suffolk County, and all regional and local land use plans for the area in which the Facility is located; and

(g) 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

(h) It is desirable and in the public interest for the Agency to lease the Equipment to the Sublessee; and

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

(j) The Lease Agreement will be an effective instrument whereby the Agency leases and subleases 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 Agreement may recapture some or all of the benefits granted to the Company; and

(k) The Equipment Lease Agreement will be an effective instrument whereby the Agency leases the Equipment to the Sublessee; and

(l) The Agency Compliance Agreement will be an effective instrument whereby the Sublessee will provide certain assurances to the Agency with respect to the Facility; and

(m) 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.

Section 4. The Agency has assessed all material information included in connection with the Applicant'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 Applicant.

Section 5. 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) sublease and lease 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 Agreement, (vi) execute, deliver and perform the Equipment Lease Agreement, (vii) execute and deliver the Agency Compliance Agreement, (viii) grant a mortgage on and security interests in

and to the Facility pursuant to the Loan Documents, and (ix) execute and deliver the Loan Documents to which the Agency is a party.

Section 6. 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, the personal property described in Exhibit A to the Equipment Lease Agreement 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 7. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company 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 \$10,000,000 but not to exceed \$12,000,000, corresponding to mortgage recording tax exemptions presently estimated to be \$75,000 but not to exceed \$90,000, 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 the acquisition, construction and equipping of the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed \$1,897,500, 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. In connection with the abatement of real property taxes as set forth in the PILOT Schedule on Exhibit C hereof, the current pro-rata allocation of PILOT payments to each affected tax jurisdiction in accordance with Section 858(15) of the Act and the estimated difference between the real property taxes on the Facility and the PILOT payments set forth on the PILOT Schedule on Exhibit C hereof are more fully described in the CBA developed by the Agency in accordance with the provisions of Section 859-a(5)(b) of the Act, a copy of which CBA is attached hereto as Exhibit D.

Section 8. Subject to the provisions of this resolution, the Company and/or Sublessee is herewith and hereby appointed the agent of the Agency to acquire, construct, renovate and equip the Facility. The Company and/or Sublessee is hereby empowered to delegate its status as agent of the Agency to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company and/or Sublessee may choose in order to acquire, construct, renovate and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company and/or Sublessee as agents 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 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/or 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/or Sublessee, as agent of the Agency. The aforesaid appointment of the Company and/or Sublessee as agent of the Agency to acquire, construct, renovate 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 has

received exemptions from sales and use taxes in an amount not to exceed \$1,897,500, in connection with the purchase or lease of equipment, building materials, services or other personal property; 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 completion of the transaction and the execution of the documents contemplated by this resolution.

Section 9. The Company and the Sublessee are hereby notified that they will be required to comply with Section 875 of the Act. The Company and the Sublessee shall be required to agree to the terms of Section 875 pursuant to the Lease Agreement and the Equipment Lease Agreement. The Company and the Sublessee are further notified that the tax exemptions and abatements provided pursuant to the Act and the appointment of the Sublessee as agent of the Agency pursuant to this Authorizing 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 and the Equipment Lease Agreement.

Section 10. The form and substance of the Company Lease, the Lease Agreement, the Equipment Lease Agreement, the Agency Compliance Agreement, and the Loan Documents 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 and renamed) are hereby approved.

Section 11.

(a) The Chairman, Vice Chairman, Chief Executive 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 Agreement, the Agency Compliance Agreement, 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, Vice Chairman, Chief Executive 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, Vice Chairman, Chief Executive Officer or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, the Chief Executive Officer of the Agency 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).

Section 12. 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 13. Any expenses incurred by the Agency with respect to the Facility shall be paid by the Company and the Sublessee. The Company and the 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 14. This resolution shall take effect immediately.

STATE OF NEW YORK)
 : SS.:
COUNTY OF SUFFOLK)

I, the undersigned Chief Executive Officer of the Town of Brookhaven Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Town of Brookhaven Industrial Development Agency (the “Agency”), including the resolutions contained therein, held on the 18th day of August, 2021, with the original thereof on file in my office, 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.

That the Agency Documents contained in this transcript of proceedings are each in substantially the form presented to the Agency and/or approved by said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 18th day of August, 2021.

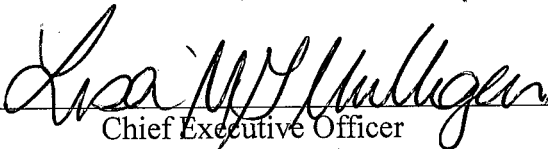
By: 
Chief Executive Officer

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York State General Municipal Law will be held by the Town of Brookhaven Industrial Development Agency (the "**Agency**") on the 17th day of August, 2021, at 10:30 a.m. local time, at the Agency's offices located at the Town of Brookhaven Town Hall, 2nd Floor, One Independence Hill, Farmingville, New York 11738, in connection with the following matters:

Surf Land USA, 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 and/or equity investors of Surf Land USA, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "**Company**"), and Long Island Surf Park 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 and/or equity investors of Long Island Surf Park LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "**Sublessee**"), have applied to the Agency for assistance in connection with: (a) the acquisition of an approximately 3.49-acre parcel of land located at 91 Precision Drive, Shirley, New York 11967 (SCTM# 0200-554.00-03.00-004.050) (the "**Land**"), the construction of an approximately 6,750 square foot building; plus a detached pool and filtration house of approximately 2,000 square feet thereon (the "**Improvements**"), and the acquisition and installation therein of certain equipment and personal property, not part of the Equipment (as defined below) (the "**Facility Equipment**"; and together with the Land and the Improvements, the "**Company Facility**"), which Company Facility will be leased by the Company to the Agency and will be subleased by the Agency back to the Company for further subleasing to the Sublessee; and (b) the acquisition and installation of certain equipment and personal property, including but not limited to, an in-ground pool, wave and surf making equipment, Co-gen (Chp) plant, lighting and pool filters (the "**Equipment**"; and together with the Company Facility, the "**Facility**"), which Equipment is to be leased by the Agency to the Sublessee. The Facility is to be used by the Sublessee a state-of-the-art surf park and recreational facility to be used year-round by residents of the Town of Brookhaven, New York (the "**Town**") and visitors to the Town (the "**Project**"). The Project will provide service, not otherwise reasonably accessible to the residents of the Town. The Company Facility will be initially owned, operated and/or managed by the Company. The Equipment will be initially owned, operated and/or managed by the Sublessee.

The Agency will acquire a leasehold interest in the Land and the Improvements and title to the Facility Equipment from the Company and title to the Equipment from the Sublessee. The Agency will sublease and lease the Company Facility to the Company for further subleasing to the Sublessee. The Agency will lease the Equipment to the Sublessee. The Agency contemplates that it will provide financial assistance to the Company and the Sublessee in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Facility, exemptions from sales and use taxes in connection with the

construction and equipping of the Facility and abatement of real property taxes consistent with the uniform tax exemption policies (“**UTEP**”) 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 financial assistance to the Company and the Sublessee 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://brookhavenida.org/>), the application for financial assistance filed by the Company and the Sublessee with the Agency and an analysis of the costs and benefits of the proposed Facility.

Due to COVID-19 protocols, all persons attending the Public Hearing will be required to wear face masks and maintain proper social distancing.

Dated: August 7, 2021

TOWN OF BROOKHAVEN INDUSTRIAL
DEVELOPMENT AGENCY

By: Lisa MG Mulligan
Title: Chief Executive Officer

EXHIBIT B

MINUTES OF PUBLIC HEARING HELD ON
AUGUST 17, 2021 AT 10:30 A.M.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
(SURF LAND USA LLC/LONG ISLAND SURF PARK LLC 2021 FACILITY)

Section 1. Lisa MG Mulligan, Chief Executive Officer of the Town of Brookhaven Industrial Development Agency (the “**Agency**”) called the hearing to order.

Section 2. Lisa MG Mulligan then appointed herself the hearing officer of the Agency, to record the minutes of the hearing.

Section 3. The hearing officer then described the proposed transfer of the real estate, the other financial assistance proposed by the Agency and the location and nature of the Facility as follows:

Surf Land USA, 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 and/or equity investors of Surf Land USA, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), and Long Island Surf Park 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 and/or equity investors of Long Island Surf Park LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Sublessee**”), have applied to the Agency for assistance in connection with: (a) the acquisition of an approximately 3.49-acre parcel of land located at 91 Precision Drive, Shirley, New York 11967 (SCTM# 0200-554.00-03.00-004.050) (the “**Land**”), the construction of an approximately 6,750 square foot building; plus a detached pool and filtration house of approximately 2,000 square feet thereon (the “**Improvements**”), and the acquisition and installation therein of certain equipment and personal property, not part of the Equipment (as defined below) (the “**Facility Equipment**”; and together with the Land and the Improvements, the “**Company Facility**”), which Company Facility will be leased by the Company to the Agency and will be subleased by the Agency back to the Company for further subleasing to the Sublessee; and (b) the acquisition and installation of certain equipment and personal property, including but not limited to, an in-ground pool, wave and surf making equipment, Co-gen (Chp) plant, lighting and pool filters (the “**Equipment**”; and together with the Company Facility, the “**Facility**”), which Equipment is to be leased by the Agency to the Sublessee. The Facility is to be used by the Sublessee a state-of-the-art surf park and recreational facility to be used year-round by residents of the Town of Brookhaven, New York (the “**Town**”) and visitors to the Town (the “**Project**”). The Project will provide service, not otherwise reasonably accessible to the residents of the Town. The Company Facility will be initially owned, operated and/or managed

by the Company. The Equipment will be initially owned, operated and/or managed by the Sublessee.

The Agency will acquire a leasehold interest in the Land and the Improvements and title to the Facility Equipment from the Company and title to the Equipment from the Sublessee. The Agency will sublease and lease the Company Facility to the Company for further subleasing to the Sublessee. The Agency will lease the Equipment to the Sublessee. The Agency contemplates that it will provide financial assistance to the Company and the Sublessee in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Facility, exemptions from sales and use taxes in connection with the construction and equipping of the Facility and abatement of real property taxes consistent with the uniform tax exemption policies (“**UTEP**”) of the Agency.

Section 4. The hearing officer then opened the hearing for comments from the floor for or against the proposed transfer of real estate, the other financial assistance proposed by the Agency and the location and nature of the Facility. The following is a listing of the persons heard and a summary of their views:

N/A

Section 5. The hearing officer then asked if there were any further comments, and, there being none, the hearing was closed at 11:00 a.m.

STATE OF NEW YORK)
 : SS.:
COUNTY OF SUFFOLK)

I, the undersigned Chief Executive Officer of the Town of Brookhaven Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the foregoing copy of the minutes of a public hearing held by the Town of Brookhaven Industrial Development Agency (the "Agency") on August 17, 2021 at 10:30 a.m., local time, with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of the minutes in connection with such matter.

IN WITNESS WHEREOF, I have hereunto set my hand as of August 17, 2021.

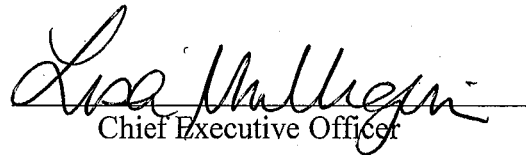

Chief Executive Officer

EXHIBIT C

Proposed PILOT Schedule

Schedule of payments-in-lieu-of-taxes: Town of Brookhaven, (including any existing incorporated village and any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), William Floyd School District, Suffolk County and Appropriate Special Districts

Property Address: 91 Precision Drive, Shirley, New York

Tax Map Nos. 0200-554.00-02.00-004.050

School District: William Floyd School District

| <u>Year</u> | <u>PILOT Amount</u> |
|-------------|---------------------|
| 1. | \$5,911 |
| 2. | \$6,029 |
| 3. | \$6,150 |
| 4. | \$6,273 |
| 5. | \$6,398 |
| 6. | \$6,526 |
| 7. | \$6,657 |
| 8. | \$6,790 |
| 9. | \$6,926 |
| 10. | \$7,064 |

EXHIBIT D

Cost Benefit Analysis

Cost-Benefit Analysis for Surf Land USA LLC / Long Island Surf Park LLC

Prepared by Town of Brookhaven using InformAnalytics

<https://ny.informanalytics.org/cba/report/830>

08/09/2021

Executive Summary

INVESTOR
Surf Land USA LLC

TOTAL JOBS
78 Ongoing;
20 Temporary

TOTAL INVESTED
\$24.2 Million

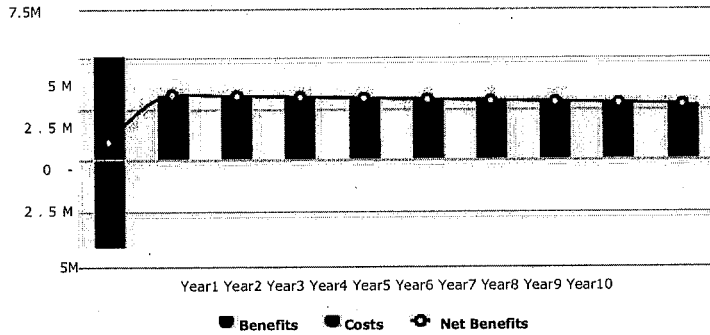
LOCATION
91 Precision Drive Shirley, NY

TIMELINE
10 Years

F1 FIGURE 1

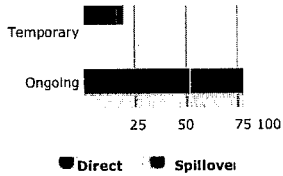
Discounted* Net Benefits for Surf Land USA LLC / Long Island Surf Park LLC by Year

Total Net Benefits: \$27,338,000



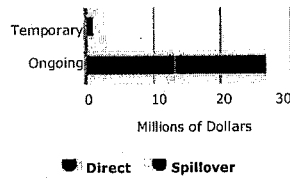
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

Surf Land USA LLC proposes to invest \$24.2 million at 91 Precision Drive Shirley, NY over 10 years. Town of Brookhaven staff summarize the proposed with the following: Applicant proposes to build a recreational facility on 3.5 acres of vacant land at 91 Precision Drive Shirley, NY. The year-round outdoor surf park will include the surf pool and a 6,750 sf club house. The project is expect to cost \$24 million, and they are requesting a mortgage recording tax exemption, sales & use tax exemptions and a PILOT. We expect that this project will be completed in a timely fashion. As per our Uniform Project Evaluation Criteria Policy, the criteria met for this project include, but are not limited to, jobs created and investment by the applicant.

T1 TABLE 1

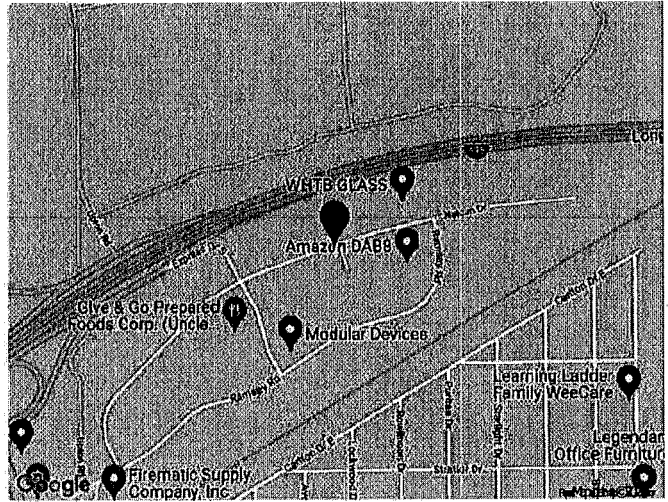
Proposed Investments

| Description | Amount |
|--------------------------------|--------------|
| CONSTRUCTION SPENDING | |
| | \$2,375,000 |
| OTHER SPENDING | |
| land aquisition | \$415,000 |
| site work | \$100,000 |
| machinery and equipment | \$21,000,000 |
| legal fees | \$75,000 |
| architectural/engineering fees | \$250,000 |
| Total Investments | \$24,215,000 |
| Discounted Total (2%) | \$24,215,000 |

May not sum to total due to rounding.

F4 FIGURE 4

Location of Investment



Cost-Benefit Analysis

A cost-benefit analysis of this proposed investment was conducted using InformAnalytics, an economic impact model developed by CGR. The report estimates the impact that a potential project will have on the local economy based on information provided by Town of Brookhaven. The report calculates the costs and benefits for specified local taxing districts over the first 10 years, with future returns discounted at a 2% rate.

T2 TABLE 2

Estimated Costs or Incentives

Town of Brookhaven is considering the following incentive package for Surf Land USA LLC.

| Description | Nominal Value | Discounted Value* |
|----------------------------------|---------------|-------------------|
| Sales Tax Exemption | \$1,898,000 | \$1,898,000 |
| Mortgage Recording Tax Exemption | \$75,000 | \$75,000 |
| PILOT | \$2,300,000 | \$2,300,000 |
| Total Costs | \$4,272,000 | \$4,272,000 |

May not sum to total due to rounding.

* Discounted at 2%

T3 TABLE 3

State & Regional Impact (Life of Project)

The following table estimates the total benefits from the project over its lifetime.

| Description | Direct | Spillover | Total |
|----------------------------------|---------------------|---------------------|---------------------|
| REGIONAL BENEFITS | \$16,649,000 | \$15,450,000 | \$32,099,000 |
| To Private Individuals | \$15,471,000 | \$15,246,000 | \$30,717,000 |
| Temporary Payroll | \$984,000 | \$276,000 | \$1,260,000 |
| Ongoing Payroll | \$14,488,000 | \$14,970,000 | \$29,458,000 |
| To the Public | \$1,178,000 | \$204,000 | \$1,382,000 |
| Temporary Sales Tax Revenue | \$13,000 | \$4,000 | \$17,000 |
| Ongoing Sales Tax Revenue | \$193,000 | \$200,000 | \$393,000 |
| Purchases Sales Tax Revenue | \$971,000 | N/A | \$971,000 |
| STATE BENEFITS | \$1,278,000 | \$948,000 | \$2,226,000 |
| To the Public | \$1,278,000 | \$948,000 | \$2,226,000 |
| Temporary Income Tax Revenue | \$51,000 | \$14,000 | \$65,000 |
| Ongoing Income Tax Revenue | \$209,000 | \$758,000 | \$967,000 |
| Temporary Sales Tax Revenue | \$11,000 | \$3,000 | \$15,000 |
| Ongoing Sales Tax Revenue | \$167,000 | \$173,000 | \$340,000 |
| Purchases Sales Tax Revenue | \$840,000 | N/A | \$840,000 |
| Total Benefits to State & Region | \$17,927,000 | \$16,398,000 | \$34,325,000 |
| Discounted Total Benefits (2%) | \$16,615,000 | \$14,995,000 | \$31,610,000 |

May not sum to total due to rounding.

T4 TABLE 4

Benefit to Cost Ratio

The following benefit to cost ratios were calculated using the discounted totals.

| Description | Benefit* | Cost* | Ratio |
|-------------|--------------|-------------|-------|
| Region | \$29,498,000 | \$3,318,000 | 9:1 |
| State | \$2,112,000 | \$955,000 | 2:1 |
| Grand Total | \$31,610,000 | \$4,272,000 | 7:1 |

May not sum to total due to rounding.

* Discounted at 2%

CGR has exercised reasonable professional care and diligence in the production and design of the InformAnalytics™ tool. However, the data used is provided by users. InformAnalytics does not independently verify, validate or audit the data supplied by users. CGR makes no representations or warranties with respect to the accuracy of the data supplied by users.