

RESOLUTION OF THE TOWN OF BABYLON INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ACQUISITION, RENOVATION, CONSTRUCTION, RECONSTRUCTION AND EQUIPPING OF A CERTAIN FACILITY FOR L.I. ADVENTURELAND, INC., WM AMUSEMENTS, INC. AND APSVG REALTY CORP. AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the Town of Babylon Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of Laws of 1969 of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 177 of the Laws of 1973 of New York, as amended, constituting Section 907-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, renovating, improving, maintaining, equipping and furnishing of, among others, manufacturing, warehousing, research, commercial or industrial facilities, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, pursuant to an application (as amended, the “Application”) submitted to the Agency by L.I. Adventureland, Inc. (the “Operating Company”), WM Amusements, Inc. (the “Broadhollow Real Estate Holding Company” or the “Broadhollow REHC”) and APSVG Realty Corp. (the “Smith Real Estate Holding Company” or the “Smith REHC” and, together with the Broadhollow REHC, the “Real Estate Holding Companies”), on behalf of themselves and/or entities formed or to be formed on behalf of the foregoing, the Operating Company and the Real Estate Holding Companies have requested that the Agency undertake a project (the “Project”) consisting of the following: (A)(1) the acquisition from the Broadhollow REHC of an interest in approximately 9.5 acres of real estate located at 2235-2245 Broadhollow Road, East Farmingdale (Tax Map #0100-003.00-01.00-004.014) in the Town of Babylon, Suffolk County, New York (the “Broadhollow Land”), including the existing buildings and amusement park facilities located thereon (the “Broadhollow Existing Improvements”); (2) the construction, equipping and furnishing of a new approximately 1,000 square foot building and the undertaking of various site improvements to the Broadhollow Land and the Broadhollow Existing Improvements, including acquisition and installation of additional and/or replacement amusement park rides, and related infrastructure updates, sitework and major landscaping, all to be located on the Broadhollow Land (the “Broadhollow Improvements”), and the acquisition and installation therein and thereon of certain equipment and personal property not part of the Broadhollow Equipment (as such term is defined herein) (the “Broadhollow Facility Equipment”; and, together with the Broadhollow Land, the Broadhollow Existing Improvements and the Broadhollow Improvements, the “Broadhollow Company Facility”), which Broadhollow Company Facility is to be leased and subleased by the Agency to the Broadhollow REHC and further subleased by the Broadhollow REHC to the Operating Company; and (3) the acquisition and installation of certain equipment and personal property (the “Broadhollow Equipment” and, together with the Broadhollow Company Facility,

the “Broadhollow Facility”), which Broadhollow Facility will be used by the Operating Company for its business as an operator of an amusement park; (B)(1) the acquisition from the Smith REHC of an interest in approximately 1.38 acres of real estate located at 120 Smith Street, East Farmingdale (Tax Map #0100-002.00-01.00-017.002) in the Town of Babylon, Suffolk County, New York (the “Smith Land”), including the existing buildings located thereon (the “Smith Existing Improvements”); (2) the undertaking of various improvements to the Smith Land and the Smith Existing Improvements located on the Smith Land (the “Smith Improvements”), and the acquisition and installation therein and thereon of certain equipment and personal property not part of the Smith Equipment (as such term is defined herein) (the “Smith Facility Equipment”; and, together with the Smith Land, the Smith Existing Improvements and the Smith Improvements, the “Smith Company Facility”), which Smith Company Facility is to be leased and subleased by the Agency to the Smith REHC and further subleased by the Smith REHC to the Operating Company; and (3) the acquisition and installation of certain equipment and personal property (the “Smith Equipment” and, together with the Smith Company Facility, the “Smith Facility”; the Broadhollow Facility and the Smith Facility, together, the “Facility”), which Smith Facility will be used by the Operating Company as a warehouse facility and for related uses for its business as an operator of an amusement park; (C) the granting of certain “financial assistance” (within the meaning of section 854(14) of the Act) with respect to the foregoing limited to potential exemptions from certain sales and use taxes, transfer taxes and real property taxes (collectively, the “Financial Assistance”); and (D)(1) the lease (with an obligation to purchase) or sale of the Broadhollow Company Facility to the Broadhollow REHC or such other person as may be designated by the Broadhollow REHC and agreed upon by the Agency and the lease (with an obligation to purchase) or sale of the Broadhollow Equipment to the Operating Company or such other person as may be designated by the Operating Company and agreed upon by the Agency; and (2) the lease (with an obligation to purchase) or sale of the Smith Company Facility to the Smith REHC or such other person as may be designated by the Smith REHC and agreed upon by the Agency and the lease (with an obligation to purchase) or sale of the Smith Equipment to the Operating Company or such other person as may be designated by the Operating Company and agreed upon by the Agency; and

WHEREAS, the Operating Company and the Real Estate Holding Companies have submitted for the Agency’s consideration a “Visitation Assessment, L.I. Adventureland, Inc., Farmingdale, New York” of HVS Convention, Sports & Entertainment Facilities Consulting, dated January 11, 2025 (the “Market Study”); and

WHEREAS, representatives of the Operating Company and the Real Estate Holding Companies have indicated that the Project will result in the retention and growth of permanent full time jobs and part time, seasonal jobs within the Town of Babylon (the “Town”); and

WHEREAS, in order to induce the Operating Company and the Real Estate Holding Companies to proceed with the Project within the Town it appears necessary for the Agency to assist the Operating Company and the Real Estate Holding Companies by taking a leasehold interest in the Facility so as to afford the Operating Company and the Real Estate Holding Companies certain relief from real property taxation and relief from sales and use taxation for a limited period; and

WHEREAS, in accordance with the requirements of Section 859-a(1-a) of the Act, a copy of the public hearing resolution with respect to the Project adopted by the Agency on June 26, 2024 sent by certified mail, return receipt requested or hand delivered on or about October 25, 2024 to the chief executive officers of each of the Affected Tax Jurisdictions in which the Project Facility is or is to be located (including with respect to the school district the district clerk and the district superintendent); and

WHEREAS, the Agency (A) caused notice of public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the Financial Assistance being contemplated by the Agency with respect to the Project, to be mailed on or about February 11, 2025 to the chief executive officers of the County of Suffolk, the Town of Babylon, the Half Hollow Hills Central School District and the Half Hollow Hills Public Library (collectively, the “Affected Tax Jurisdictions”), (B) caused notice of the Public Hearing to be published on February 15, 2025 in Newsday, a newspaper of general circulation available to the residents of the Town of Babylon, New York, (C) conducted the Public Hearing on February 25, 2025 at 1:00 p.m. at Old Town Hall, 47 West Main Street, Babylon, New York, and (D) prepared a report of the Public Hearing (the “Report”) that fairly summarized the views presented at said public hearing and distributed same to the members of the Agency; and

WHEREAS, in connection with the Agency’s evaluation of the Project for the provision of financial assistance, the Agency has (i) assessed all material information relating to the project included in the Application in order to afford a reasonable basis for the decision of the Agency to provide financial assistance to the Project; (ii) reviewed the Agency’s written cost benefit analysis for the Project, which identifies the extent to which (A) the Project will create or retain permanent, private sector jobs; (B) the estimated value of any tax exemption to be provided to the Project; (C) the amount of private sector investment generated or likely to be generated by the Project; (D) reviewed the likelihood of accomplishing the proposed project in a timely fashion; and (E) considered the extent to which the Project will provide additional sources of revenue for the Town and the school district where the Facility is located; and

WHEREAS, in order to consummate the Project and the granting of the Financial Assistance described in the notice of the Public Hearing, the Agency proposes to enter into the following documents: (A) a company lease (and a memorandum thereof) (the “Company Lease”) by and between each Real Estate Holding Company and the Agency, pursuant to which, among other things, the Agency will acquire a leasehold interest in the Land and the improvements now or hereafter located on the Land from the respective Real Estate Holding Company; (B) a lease and project agreement (and a memorandum thereof) (the “Lease Agreement”) by and between the Agency and each Real Estate Holding Company, and agreed to and accepted by the respective Operating Company, pursuant to which, among other things, the respective Real Estate Holding Company will agree to undertake and complete the Project as agent of the Agency and each Real Estate Holding Company further will agree to lease the Broadhollow Company Facility or the Smith Company Facility, as applicable, from the Agency and, as rental thereunder, to pay the Agency’s administrative fee relating to the Project and to pay all expenses incurred by the Agency with respect to the Project and each Real Estate Holding Company will agree to make certain payment in lieu of taxes; (C) agency compliance agreements (the “Agency Compliance Agreement”) by and between the Agency and the Operating Company with respect to each of the

Broadhollow Company Facility and the Smith Company Facility, pursuant to which the Operating Company will agree to lease the Broadhollow Equipment or the Smith Equipment, as applicable, from the Agency; and (D) various other documents and certificates relating to the Project (the “Other Documents” and, collectively with the Company Lease, the Lease Agreement and the Agency Compliance Agreement, the “Agency Documents”); and

WHEREAS, in connection with the Project, (A) the Real Estate Holding Companies will execute and deliver to the Agency one or more bills of sale (the “Bills of Sale to Agency”), which convey from the Real Estate Holding Companies to the Agency all right, title and interest of the Real Estate Holding Companies in the Broadhollow Equipment and the Smith Equipment; and (B) the Operating Company will execute and deliver to the Agency one or more bills of sale (the “Operating Company Bills of Sale to Agency”), which convey from the Operating Company to the Agency all right, title and interest of the Operating Company in the Broadhollow Equipment and the Smith Equipment; and

WHEREAS, the Agency will file with the assessor and mail to the chief executive officers of each “affected tax jurisdiction” (within the meaning of such quoted term in Section 854(16) of the Act) a copy of a New York State Board of Real Property Services Form RP-412-a (the form required to be filed by the Agency in order for the Agency to obtain a real property tax exemption with respect to the Facility under Section 412-a of the Real Property Tax Law) (a “Real Property Tax Exemption Form”) relating to the Project; and

WHEREAS, simultaneously with the execution of the Agency Documents, the Agency will file with the New York State Department of Taxation and Finance one or more forms entitled “IDA Appointment of Project Operator or Agent for Sales Tax Purposes” (the form required to be filed pursuant to Section 874(9) of the Act) (the “Thirty-Day Sales Tax Forms”); and

WHEREAS, for purposes of exemption from New York State (the “State”) sales and use taxation as part of the Financial Assistance requested, “sales and use taxation” shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “SEQRA”), the Project has been subject to an environmental review resulting in the issuance of a Negative Declaration by the Agency by resolution dated February 26, 2025;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TOWN OF BABYLON INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Agency, based upon the representations made by the Operating Company and the Real Estate Holding Companies to the Agency in the Application, hereby finds and determines that:

(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 Project constitutes a “project”, as such term is defined in the Act; and

(C) The acquisition, renovation, construction, reconstruction and equipping of the Facility and the leasing of the Facility to the Real Estate Holding Companies and the Operating Company will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Babylon and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(D) The acquisition, renovation, construction, reconstruction and equipping of the Facility and the leasing of the Facility to the Real Estate Holding Companies and the Operating Company is reasonably necessary to induce the Real Estate Holding Companies and the Operating Company to maintain and expand their business operations in the Town and in the State; and

(E) Based upon representations of the Real Estate Holding Companies, the Operating Company and counsel to the Real Estate Holding Companies and the Operating Company, the Facility conforms with the local zoning laws and planning regulations of the Town and all regional and local land use plans for the area in which the Facility is located; and

(F) The completion of the Facility will not result in the removal of a plant or facility of the Real Estate Holding Companies, the Operating Company or any other proposed occupant of the Facility from one area of the State to another area of the State or in the abandonment of a plant or facility of the Real Estate Holding Companies, the Operating Company or of any proposed occupant of the Facility located in the State; and

(G) Although the Project will constitute a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost, the Project falls within an exception in Section 862(2)(a) of the Act, because, based upon the Market Study and representations of the Operating Company and the Real Estate Holding Companies and counsel to the Operating Company and the Real Estate Holding Companies, the Project constitutes a “tourism destination” that is likely to attract a significant number of visitors from outside the economic development region in which the Project is located, consisting of Suffolk County and Nassau.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (A) proceed with the Project; (B) acquire (i) a leasehold interest in the Broadhollow Land and the Smith Land and all improvements now or hereafter located on the Broadhollow Land and the Smith Land from the Real Estate Holding Companies pursuant to the Company Lease, (ii) title to the Broadhollow Facility Equipment and the Smith Facility Equipment pursuant to the Bills of Sale to Agency from the Real Estate Holding Companies to the Agency, and (iii) title to the Broadhollow Equipment and the Smith Equipment pursuant to the Operating Company Bills of Sale to Agency from of the Operating Company to the Agency; (C) lease the Company Facility to the Real Estate Holding Companies pursuant to the Lease Agreement; (D) lease the Equipment to the Operating Company pursuant to the Agency Compliance Agreement; (E) acquire, renovate, construct, reconstruct and

install the Project, or cause the Project to be acquired, renovated, constructed, reconstructed, and installed, as provided in the Lease Agreement; (F) grant to the Real Estate Holding Companies exemptions from real estate taxes with respect to the Broadhollow Company Facility and the Smith Company Facility, provided that the Real Estate Holding Companies execute and deliver to the Agency the Lease Agreement; and (G) grant to the Real Estate Holding Companies and the Operating Company the Financial Assistance with respect to the Project. In the event of the occurrence of a recapture event under the Lease Agreement, the Agency will pursue recapture of Financial Assistance as provided therein.

Section 3. The Agency is hereby authorized to acquire an interest in the Facility and to do all things necessary or appropriate for the accomplishment of the Project, and all acts heretofore taken by the Agency with respect to such Project are hereby approved, ratified and confirmed.

Section 4. (A) The Agency Documents shall be in form and substance satisfactory to the Chief Executive Officer (“CEO”) or the Chief Financial Officer (“CFO”) and the Agency Counsel and shall be in substantially similar form to the documents used in connection with prior Agency projects. The CEO, the CFO, the Chairman and the Secretary (each an “Authorized Representative”) are each hereby authorized, on behalf of the Agency, to execute and deliver the Agency Documents, and, where appropriate, the Secretary of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same.

(B) The CEO, the CFO and any other Authorized Representatives are each hereby further authorized, on behalf of the Agency, to designate any additional Authorized Representatives to execute any Agency Documents or certificates of the Agency authorized pursuant to this Resolution and determine the terms of 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, to 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. The Agency hereby delegates to the Real Estate Holding Companies and the Operating Company, as agents of the Agency, the authority to designate (following the execution and delivery of the Agency Documents), agents and sub-agents of the Agency (each, a “Sub-Agent”) for purposes of utilizing the Agency sales and use tax exemption with respect to the acquisition, reconstruction and installation of the Facility; provided that any such sub-agency designation shall become effective only upon submission to the Agency within fifteen (15) days of such agency and sub-agency designation: (1) an executed sub-agent appointment agreement (in a form approved by the Agency) and (2) a completed Form ST-60 of the New York State Department of Taxation and Finance (IDA Appointment of Project Operator or Agent for Sales Tax Purposes). Such agents and sub-agents may include contractors and subcontractors involved in the acquisition, reconstruction and installation of the Facility.

Section 7. The terms and conditions of subdivision 3 of Section 875 of the Act are herein incorporated by reference and the Real Estate Holding Companies and the Operating Company shall agree to such terms as a condition precedent to receiving or benefiting from an exemption from New York State sales and use exemptions benefits. Notwithstanding anything herein to the contrary, the amount of State and local sales and use tax exemption benefits comprising the Financial Assistance approved herein shall not exceed **\$1,543,875 and shall last no longer than four years from the execution and delivery of the Agency Documents.**

Section 8. Notwithstanding anything herein to the contrary, the amount of real property tax exemption benefits comprising the Financial Assistance approved herein shall be approximately **\$1,251,900**, which such amount reflects the total estimated real property tax exemptions for the Facility (which constitute those taxes that would have been paid if the Facility were on the tax rolls and not subject to the Lease Agreement) of approximately **\$4,063,932** less the estimated payments in lieu of taxes of approximately **\$2,812,032** to be made by the Real Estate Holding Companies to the affected tax jurisdictions with respect to the Facility during the terms of the Lease Agreement. The approximate amount of estimated real property tax exemptions and the approximate amount of estimated payments in lieu of taxes are estimated based on an assumed assessed value of the Facility and assumed future tax rates of the affected tax jurisdictions. The actual amount of real property tax abatement benefit is subject to change over the terms of the Lease Agreement depending on any changes to assessed value and/or tax rates of the Affected Tax Jurisdictions. Exhibit A attached hereto reflects the calculation for the annual amount of the payments in lieu of taxes to be made to the affected tax jurisdictions in each year during the terms of the Lease Agreement.

Section 9. The Agency Documents shall be deemed the obligations of the Agency, and not of any member, officer, agent or employee of the Agency in his/her individual capacity, and the members, officers, agents and employees of the Agency shall not be personally liable thereon or be subject to any personal liability or accountability based upon or in respect hereof or of any transaction contemplated hereby. The Agency Documents shall not constitute or give rise to an obligation of the State of New York or Suffolk County, New York and neither the State of New York nor Suffolk County, New York shall be liable thereon, and further, such agreement shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency.

Section 10. This resolution shall take effect immediately upon adoption.

Exhibit A

For the period commencing on the PILOT Commencement Date (to be defined in the Lease Agreement) until the earlier of (i) the Abatement Termination Date (to be defined in the Lease Agreement) or (ii) the date on which the Agency no longer has a leasehold interest in the Land and the Improvements, the Real Estate Holding Companies shall make payment in lieu of real estate taxes (the “PILOT Payments”) as follows:

Definitions

X = the then current assessed value of the Land and Improvements from time to time.

PILOT Commencement Date = the Taxable Status Date of the Town immediately following the execution and delivery of the Agency Documents.

Normal Tax Due = those payments for taxes and assessments, other than special ad valorem levies, special assessments and service charges against real property located in the Town of Babylon (including any existing incorporated village or any village which may be or may have been incorporated after the date hereof, within which the Project is wholly or partially located) which are or may be imposed for special improvements or special district improvements, which the Real Estate Holding Companies would pay without exemption.

Tax Year = the Tax Year of the Town commencing each December 1 and ending the following November 30.

Payment
Tax Year

1	40.0% Normal Tax Due on X
2	45.0% Normal Tax Due on X
3	50.0% Normal Tax Due on X
4	55.0% Normal Tax Due on X
5	60.0% Normal Tax Due on X
6	65.0% Normal Tax Due on X
7	70.0% Normal Tax Due on X
8	75.0% Normal Tax Due on X
9	80.0% Normal Tax Due on X
10	85.0% Normal Tax Due on X
11	90.0% Normal Tax Due on X
12	95.0% Normal Tax Due on X
13 and thereafter	100% Normal Tax Due on X

The tax benefits provided for shall be deemed to commence on the PILOT Commencement Date. In no event shall the Real Estate Holding Companies be entitled to receive real property tax benefits due to the Project under the Lease Agreement for a period longer than the period set forth in the formula immediately above. Notwithstanding the foregoing schedule, the Real Estate Holding Companies will further covenant and agree that for any period that the Agency continues to hold a leasehold interest in the Land and Improvements after termination, the Real Estate Holding Companies shall pay 100% of the Normal Tax Due on X together with any special assessment and services charges relating to the Facility whichever may be imposed for special district improvements in accordance with the provisions of the Lease Agreement.