

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AND

LUNAR MODULE PARK, LLC

UNIFORM PROJECT AGREEMENT

DATED AS OF DECEMBER 17, 2020

UNIFORM PROJECT AGREEMENT

THIS UNIFORM PROJECT AGREEMENT (hereinafter, the “Project Agreement”), is made as of the 17th day of December 2020, by and between the NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, having an office at One West Street, Mineola, NY 11501 (the “Agency”), and LUNAR MODULE PARK, LLC, a limited liability company organized and existing under the laws of the State of New York, having an office at 750 Rte. 25A, Suite 3, Setauket, NY 11733 (the “Company”).

WITNESSETH:

WHEREAS, the Agency is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws 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 674 of the 1975 Laws of New York, as amended, constituting Section 922 of said General Municipal Law (said Chapter and the Enabling Act, as in effect as of the Closing Date (even date herewith), being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, among others, 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, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more “projects” (as defined in the Act), or to cause said projects to be acquired, constructed, reconstructed and installed and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, on or about July 1, 2007, the LUNAR MODULE PARK, LLC (the “Company”) (the Company and the presented an application for financial assistance (as amended on October 14, 2008, the “Original Application”) to the Agency, which Original Application requested that the Agency consider undertaking a project (the “Original Project”) consisting, inter alia, of the following: (A) (1) acquisition of an interest in an approximately 29 acre parcel of land located at 500 Grumman Road West, Bethpage, Town of Oyster Bay, County of Nassau, New York (the “Land”), (2) the renovation of an approximately 660,000 square foot building on the Land (the “Building”), together with related improvements to the Land, and (3) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the “Equipment” and together with the Land and the Building, but excluding the LIFT Unit, as such term is hereafter defined, collectively, the “Original Project Facility”); (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential additional exemptions or partial exemptions from sales and use taxes, mortgage recording taxes and real property taxes (but not including

special assessments and ad valorem levies) (collectively, the “Original Financial Assistance”); (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company, or such other entity as may be designated by the Company and agreed upon by the Agency; and (D) the sublease of the Project Facility to the Company or such other entity(ies) as maybe designated by the Company and agreed upon by the Agency; and

WHEREAS, the above referenced Original Project Facility was initially and is currently owned, operated and/or managed by the Company or such other entity as may be designated by the Company and agreed upon by the Agency. The Company received the Original Financial Assistance with respect to the Original Project Facility from the Agency; and

WHEREAS, the LIFT Unit, as such term is defined in that certain Project Conversion Agreement between the Company and the Agency, dated July 1, 2007 (the “Conversion Agreement”), comprising a portion of the Building and being a separate condominium unit, has been sold by the Company to Long Island Forum for Technology; and

WHEREAS, in connection with the Original Project Facility the Agency entered into a straight-lease with the Company and granted the Original Financial Assistance pursuant to that certain Lease Agreement, dated July 1, 2007, said straight-lease having been amended pursuant to that First Amendment to Lease Agreement, dated April 7, 2008, as further amended and restated in its entirety pursuant to that certain Second Amendment to Lease Agreement, dated as of August 26, 2009, as further amended by the Third Amendment to Lease Agreement, dated as of December 1, 2012, between the Company and the Agency (collectively, as amended, the “Lease Agreement”); and

WHEREAS, the Applicants presented an application for additional financial assistance (the “Application”) to the Agency, which Application requested that the Agency consider undertaking a project (the “Project”) consisting, inter alia, of the following: (A)(1) retention of an interest in the Land) and (2) retention of an interest in the Building; (B) agency consent to allow portions of the Land and the Building (collectively, the “Project Facility”) to continue to be utilized for (1) exhibition and event space when not utilized for Film Production operations, (2) license, on a month-to-month or 90 day termination basis, certain portions of the parking lot for temporary storage of auto dealer new vehicle (the “Auto Storage Use”) and (3) the tenancy of B&S Lighting and Furniture Inc. to occupy 40,000 square feet of the designated Non-Production Space in the Building for the storage of furniture/lighting inventory (the “B&S Lease”); (C) the granting of certain additional “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions or partial exemptions from mortgage recording taxes and real property taxes (but not including special assessments and ad valorem levies) (the “Financial Assistance”); (D) the lease (with an obligation to purchase) or sale of the Project Facility to the Applicant, or such other entity as may be designated by the Applicant and agreed upon by the Agency; and (E) the sublease of the Project Facility to the Applicant or such other entity(ies) as maybe designated by the Applicant and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on October 17, 2019 (the “Preliminary Inducement Resolution”), the Agency, following a review of the Application a, determined to take preliminary action toward the acquisition and straight leasing of the Project for the Company and made a determination to proceed with the Project; and

WHEREAS, the Executive Director of the Agency (A) caused notice of a public hearing of the Agency pursuant to Section 859-a of the Act (the “Public Hearing”) to hear all persons interested in the Project and the Financial Assistance contemplated by the Agency with respect to the Project, to be mailed on August 31, 2020 to the chief executive officer of Nassau County, New York and of each other affected tax jurisdiction within which the Project Facility is or is to be located; (B) caused notice of the Public Hearing to be published on August 30, 2020 in the Nassau edition of Newsday, a newspaper of general circulation available to residents of the County of Nassau, New York; (C) caused the Public Hearing to be conducted on September 14, 2020, at 2:00 pm., local time, electronically, in furtherance of the provisions of Section 859-a of the General Municipal Law requiring interested parties be provided a reasonable opportunity, both orally and in writing, to present their views with respect to the Project, and pursuant to Governor Cuomo’s Executive Order 220.15 issued on April 9, 2020, as extended by Executive Order 202.29 issued on May 8, 2020, and Executive Order 202.39, issued on June 7, 2020, suspending the Open Meetings Law and authorizing the conduct of public hearings through use of telephone conference, video conference and/or other similar service, by broadcasting the Public Hearing live on the Agency’s Youtube channel at <https://www.youtube.com/channel/UCuERg-5BYx9VSdBVHUPTYJw/featured>, as well as by providing public access to provide oral comments via Zoom through the Agency’s website at a Nassauida.org; and (D) caused a report of the Public Hearing (the “Report”) to be prepared which fairly summarizes the views presented at the Public Hearing and distributed the Report to the members of the Agency; and

WHEREAS, in accordance with Section 874(4) of the Act, (A) the Executive Director of the Agency caused notice of a meeting of the Agency (the “IDA Meeting”) with respect to the proposed deviation from the Agency’s uniform tax exemption policy and guidelines mailed on August 31, 2020 to the chief executive officer of each affected tax jurisdiction; and (B) the members of the Agency conducted the IDA Meeting on September 17, 2020 and reviewed any written comments or correspondence regarding the proposed deviation from the Agency’s uniform tax exemption policy and approved the proposed deviation; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”), and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (the “Regulations,” and collectively with the SEQR Act, “SEQRA”), the appropriate personnel of the Agency reviewed the environmental assessment form and other materials submitted by the Company and made any necessary comments to the members of the Agency, and by resolution of the members of the Agency adopted on September 17, 2020, the Agency decided to conduct an uncoordinated review of the Project and determined that the Project will not have a significant adverse environmental impact and that an environmental impact statement will not be prepared; and

WHEREAS, by its Authorizing Resolution adopted on September 17, 2020 as amended by the amendment to Approving Resolution adopted October 22, 2020 (collectively, the “Resolution”), the Agency approved certain financial assistance for the benefit of the Company in connection with the Project consisting of: (a) an exemption from mortgage recording taxes with respect to the refinancing of the Project Facility as more particularly set forth herein and (b) a partial additional abatement from real property taxes to be conferred through Payment in Lieu of Tax Agreement, between the Agency and the Company originally dated as of July 1, 2007, as amended and restated pursuant to that certain Amended and Restated Payment in Lieu of Taxes Agreement, dated April 7, 2008, as further amended by the First Amendment to Payment in Lieu of Taxes Agreement, dated as of July 1, 2008, as further amended and restated by an Amended and Restated Payment in Lieu of Taxes Agreement, dated as of August 26, 2009, as further amended by the Third Amendment to Payment in Lieu of Taxes Agreement, dated as of December 1, 2012, and as further amended in connection herewith by the Fourth Amendment to PILOT Agreement dated as of even date herewith by and between the Agency and the Company (as so amended, the “PILOT Agreement”), requiring the Company to make payments-in-lieu-of-taxes, as more particularly set forth therein (“PILOT Payments”) for the benefit of each municipality and school district having taxing jurisdiction over the Project (collectively, the mortgage recording tax exemption benefit and the partial abatement from real property taxes benefit, are hereinafter collectively referred to as the “Financial Assistance”); and

WHEREAS the obligations under the PILOT Agreement, are secured by an Mortgage and Assignment of Leases and Rents dated as of July 1, 2007 (the “PILOT Mortgage”) from the Company and the Agency, as mortgagor, to the County of Nassau, as mortgagee (the “PILOT Mortgagee”), pursuant to which the Agency and the Company have granted a first lien mortgage on the Premises to the PILOT Mortgagee; and

WHEREAS, pursuant to and in accordance with Sections 859-a and 874 of the Act, the Agency requires, as a condition and as an inducement for it to provide any Financial Assistance, that the Company enter into this Project Agreement for the purposes of, among other things, to govern administration of and provide assurances with respect to the provision and recapture of said Financial Assistance upon the terms herein set forth; and

WHEREAS, this Project Agreement sets forth the terms and conditions under which Financial Assistance shall be provided to the Company; and

WHEREAS, no agency appointment in favor of the Company or any subagent thereof, nor any amount of Financial Assistance shall be provided to the Company by the Agency prior to the effective date of this Project Agreement; and

WHEREAS, the Agency proposes to appoint the Company as agent of the Agency to undertake the retention and refinancing of the Project Facility and to continue to sublease the Project Facility to the Company, and the Company desires to act as agent of the Agency to undertake the retention and refinancing of the Project Facility, to lease the Project Facility to the Agency and to sublease the Project Facility from the Agency, all pursuant to the terms and

conditions set forth herein and in that certain Amended Sublease Agreement of even date herewith (as the same may be amended, modified, supplemented or restated from time to time, the “Leaseback Agreement”) between the Agency and the Company; and

WHEREAS, the members of the Agency have determined that (A) the granting of the Financial Assistance by the Agency to the Company is necessary to induce the Company to proceed with the Project, and (B) there is a likelihood that the Project would not be undertaken but for the granting of the Financial Assistance by the Agency to the Company; and

NOW THEREFORE, in consideration of the covenants herein contained and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

ARTICLE I. DEFINITIONS

Section 1.1 Definitions of Terms. The words and terms as used in this Project shall have the same meanings as used in **Schedule A** attached hereto and made a part hereof, unless the context or use indicates another or different meaning or intent.

ARTICLE II. REPRESENTATIONS AND COVENANTS

Section 2.1 Representations and Covenants of the Company. The Company makes the following representations and covenants in order to induce the Agency to proceed with the Project/Facility:

(a) The Company is a limited liability company formed in New York, validly existing and in good standing under the laws of the State of New York, has the authority to enter into this Project Agreement, and has duly authorized the execution and delivery of this Project Agreement.

(b) Neither the execution and delivery of this Project Agreement, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions of this Project Agreement will conflict with or result in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Company is a party or by which it is bound, or will constitute a default under any of the foregoing, or result in the creation or imposition of any lien of any nature upon any of the property of the Company under the terms of any such instrument or agreement.

(c) The Project Facility and the operation thereof will conform in all material respects with all applicable zoning, planning, and building laws and regulations of governmental authorities having jurisdiction over the Project Facility, and the Company shall defend, indemnify and hold the Agency harmless from any liability or expenses resulting from any failure by the Company to comply with the provisions of this subsection (c).

(d) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or, to the knowledge of the Company, threatened against or affecting the Company, to which the Company is a party, and in which an adverse result would in any way diminish or adversely impact on the Company's ability to fulfill its obligations under this Project Agreement.

(e) The Company covenants that the Project Facility will comply in all material respects with all environmental laws and regulations, and, except as set forth on the Environmental Report (as defined in the Sublease Agreement) and, except in compliance with environmental laws and regulations, (i) that no pollutants, contaminants, solid wastes, or toxic or hazardous substances will be stored, treated, generated, disposed of, or allowed to exist on the Project Facility except in compliance with all material applicable laws, (ii) that the Company will take all reasonable and prudent steps to prevent an unlawful release of hazardous substances onto the Project Facility or onto any other property, (iii) that no asbestos will be incorporated into or disposed of on the Project Facility, (iv) that no underground storage tanks will be located on the Project Facility, and (v) that no investigation, order, agreement, notice, demand or settlement with respect to any of the above is threatened, anticipated, or in existence. The Company upon receiving any information or notice contrary to the representations contained in this Section shall immediately notify the Agency in writing with full details regarding the same. The Company hereby releases the Agency from liability with respect to, and agrees to defend, indemnify, and hold harmless the Agency, its executive director, directors, members, officers, employees, agents (other than the Company), representatives, successors, and assigns from and against any and all claims, demands, damages, costs, orders, liabilities, penalties, and expenses (including reasonable attorneys' fees) related in any way to any violation of the covenants or failure to be accurate of the representations contained in this Section. In the event the Agency in its reasonable discretion deems it necessary to perform due diligence with respect to any of the above, or to have an environmental audit performed with respect to the Project Facility, the Company agrees to pay the expenses of same to the Agency upon demand.

(f) Any personal property acquired by the Company in the name of the Agency shall be located in Nassau County, except for temporary periods during ordinary use.

(g) The Company hereby represents to the Agency that facilities and property that are primarily used in making retail sales of goods and services to customers who personally visit the Project Facility will not constitute more than one-third (1/3) of the total costs of the Project Facility, except in accordance with New York General Municipal Law (the "GML") Section 862.

(h) The Company acknowledges and agrees that, except to the extent of bond proceeds (to the extent bonds are issued by the Agency with respect to the Project), the Agency shall not be liable, either directly or indirectly or contingently, upon any such contract, agreement, invoice, bill or purchase order in any manner and to any extent whatsoever (including payment or performance obligations), and the Company or the Sublessee shall be the sole party liable thereunder.

(i) The Company covenants and agrees that at all times, it will (i) maintain its existence and not dissolve, (ii) continue to be a limited liability company subject to service of process in the State and either organized under the laws of the State, or organized under the laws

of any other state of the United States and duly qualified to do business in the State, (iii) not liquidate, wind-up or dissolve or otherwise sell, assign, or dispose of all or substantially all of its property, business or assets. This Project Agreement may not be assigned in whole or part without the prior written consent of the Agency, except as set forth herein or in the Transaction Documents to the contrary, except as set forth herein or in the Transaction Documents to the contrary.

(j) The Company confirms and acknowledges under the penalty of perjury that as of the date hereof, the Company, as owner, occupant, or operator of the Project receiving Financial Assistance from the Agency in connection with the Project, is in substantial compliance with all applicable local, state and federal tax, worker protection and environmental laws, rules and regulations. The Company agrees that it will, throughout the term of this Project Agreement, promptly comply in all material respects with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all federal, state, county, municipal and other governments, departments, commissions, boards, companies or associations insuring the premises, courts, authorities, officials and officers, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Project Facility or any part thereof, or to any use, manner of use or condition of the Project Facility or any part thereof. Notwithstanding the foregoing, the Company may in good faith contest the validity of the applicability of any requirement of the nature referred to in this Section 2.1. In such event, the Company, with the prior written consent of the Agency (which shall not be unreasonably conditioned, delayed or withheld) may fail to comply with the requirement or requirements so contested during the period of such contest and any appeal therefrom unless the Agency shall notify the Company that it must comply with such requirement or requirements.

(k) The Project will not have a “significant adverse environmental impact” (as such term is used in SEQRA) and the Company hereby covenants to comply with all mitigating measures, requirements and conditions enumerated or referenced in the resolution adopted by the Agency on September 17, 2020 under SEQRA applicable to the acquisition, construction, renovation, installation, equipping and operation of the Project Facility contemplated by Section 4.1 of this Project Agreement and in any other approvals issued by any other Governmental Authority with respect to the Project Facility. No material changes with respect to any aspect of the Project have arisen from the date of the adoption of such resolution which would cause the determinations contained therein to be untrue.

(l) The Company is not a Prohibited Person, no Guarantor is a Prohibited Person, no Affiliate of the Company or any Guarantor is a Prohibited Person and no member, manager, director or shareholder of the Company or any Guarantor, as applicable, is a Prohibited Person.

(m) Neither this Project Agreement nor any other Transaction Document nor any other document, certificate, agreement or instrument furnished to the Agency by or on behalf of the Company or any Guarantor contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading.

(n) No funds of the Agency shall be used in connection with the transactions contemplated by this Project Agreement for the purpose of preventing the establishment of an industrial or manufacturing plant, nor shall any funds of the Agency be given hereunder to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State.

(o) Except as approved by the Agency, the Company is, and shall at all times during the term of this Project Agreement, continue to be managed and owned solely by Parviz Farahzad (the “Initial Owner”); provided, however, that the Initial Owner may transfer all or any part of their interests in the Company to members of the respective immediate families (or trusts for the benefit or such immediate family members), and upon the Agency’s written consent only, up to 49% ownership interest to unrelated parties, provided that no transfers permitted hereunder shall result in a change in the day-to-day control of the management and operations of the Company. The Project Facility is, and at all times during the term of this Project Agreement, continue to be occupied and managed by Parviz Farahzad.

(p) The Company shall cause the Sublessee to, and the Sublessee shall maintain the Minimum Employment Requirement pursuant to the Leaseback Agreement.

(q) The Project Facility is located entirely within the boundaries of the Town of Oyster Bay, Nassau County, New York, and is located only within the Bethpage Central School District.

(r) Neither the Company, nor any Guarantor, nor any Affiliate of the Company or any Guarantor has employed or retained any appointed or elected governmental official to solicit or secure the Agency’s undertaking of the Project or its agreement to enter into this Project Agreement or any other Transaction Document upon an agreement of understanding for a commission or percentage, brokerage or contingent fee.

ARTICLE III. GENERAL

Section 3.1 Purpose of Project. The purpose of the Financial Assistance with respect to the Project is to promote, develop, encourage and assist in the retaining, reconstructing, improving, maintaining, equipping and furnishing of the Project Facility to advance job opportunities, health, general prosperity and economic welfare of the people of Nassau County, New York, and to specifically promote the investment commitment, employment commitment, and other commitments of the Company contained herein and in the Application.

ARTICLE IV. Financial Assistance and Recapture of Benefits

Section 4.1 In accordance with the Resolution and the Cost-Benefit Analysis (or such other equivalent document or report, as determined by the Agency) (the “CBA”), attached hereto as **Exhibit A**, disclosed by the Agency at its public hearing for the Project (the “Public Hearing”), the Company further: (i) confirms that the Mortgage Recording Tax Exemption (as defined in Section 4.7 hereof) shall not exceed the amount of the Maximum Mortgage Principal

Amount, as more fully described in Section 4.7 hereof (it being understood and agreed that nothing herein shall prohibit the Company from obtaining a mortgage if it pays the Mortgage Recording Tax applicable); and (ii) confirms that real property tax abatement to be provided to the Company shall conform to those disclosed within the CBA at the Public Hearing for the Project and as contained within the PILOT Agreement, a form of which PILOT Agreement is attached hereto **Exhibit A**.

Section 4.2 Amended PILOT Agreement. The parties hereto have executed or will execute the Leaseback Agreement and Amended PILOT Agreement. As provided in the Amended PILOT Agreement, the Company agrees to make PILOT Payments (in addition to paying all special ad valorem levies, special assessments or special district taxes and service charges) against real property in the jurisdiction where the Project Facility is located.

Section 4.3 Sales Tax Exemption.

(a) No sales tax exemption has been authorized nor is being provided in connection with the Project Facility.

Section 4.4 Mortgage Recording Tax Exemption. Section 874 of the Act exempts the Agency from paying certain mortgage recording taxes except for the portion of the mortgage recording tax allocated to transportation districts referenced in Section 253(2)(a) of the Tax Law. The Company represents and warrants (1) that the real property secured by the Mortgage is located within a transportation district referenced in Section 253(2)(a) of the Tax Law, and (2) that upon recording the Mortgage, the Company shall pay the mortgage recording tax allocated to transportation districts referenced in Section 253(a)(2) of the Tax Law.

Section 4.5 Recapture of Agency Benefits.

(A) Notwithstanding anything to the contrary in the Lease Agreement with respect to the Benefits as such term is defined in Section 4.5(B) herof, it is understood and agreed by the parties hereto that the Agency is entering into this Project Agreement in order to provide financial assistance to the Company for the Project Facility and to accomplish the public purposes of the Act. In consideration therefor, the Company hereby agrees that if there shall occur a Recapture Event (as defined below) after the after the date hereof, the Company shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency in an amount as follows (such amount, the "Recapture of Benefits"):

- (1) one hundred percent (100%) of the Benefits (as defined below) if the Recapture Event occurs on or before the eighth (8th) anniversary of the Closing Date;
- (2) eighty percent (80%) of the Benefits if the Recapture Event occurs after the eighth (8th) anniversary of the Closing Date but on or before the tenth (10th) anniversary of the Closing Date;

(3) sixty percent (60%) of the Benefits if the Recapture Event occurs after the tenth (10th) anniversary of the Closing Date but on or before the twelfth (12th) anniversary of the Closing Date;

(4) forty percent (40%) of the Benefits if the Recapture Event occurs after the twelfth (12th) anniversary of the Closing Date but on or before the thirteenth (13th) anniversary of the Closing Date;

(5) twenty percent (20%) of the Benefits if the Recapture Event occurs after the thirteenth (13th) anniversary of the Closing Date but on or before the fourteenth (14th) anniversary of the Closing Date;

(6) ten percent (10%) of the Benefits if the Recapture Event occurs after the fourteenth (14th) anniversary of the Closing Date but on or before the fifteenth (15th) anniversary of the Closing Date; or

(7) zero percent (0%) of the Benefits thereafter.

(B) The term “Benefits” shall mean the Agency’s calculation of the additional Financial Assistance only, consisting of:

(1) all real estate tax benefits which have accrued to the benefit of the Company during such time as the Agency held an interest in the Project Facility by reason of such interest, such tax benefits to be computed by subtracting the payments in lieu of taxes paid under the Amended PILOT Agreement (through the date that the Project Facility is returned to the tax rolls as taxable property) from those payments which the Company would have been required to pay through such date had the Company been the owner of the Project Facility and the Agency not been involved in the Project and based on the records of the Nassau County Tax Assessor and any applicable village tax assessor, and treating any negative result as \$0; and

(2) all miscellaneous benefits derived from the Agency’s participation in the transactions contemplated by this Lease, including, but not limited to, any exemption from mortgage recording taxes and any exemption from applicable sales and use taxes, if any; provided, however, that the recapture of the value of any exemption from sales and/or use taxes, if any shall be in the full amount of any exemption taken and shall not be subject to the scheduled percentage reduction set forth in Subsection (A) above.

(C) For the purposes of this Section 4.8 the term “Recapture Event” shall mean the occurrence of any of the following events:

(1) Each of the Company or the Sublessee shall have liquidated its operations and/or assets except if the Company is substituted by a landlord with the Agency’s written consent while the Sublessee continues its operations in conformity with the Transaction Documents; or

(2) The Company or the Sublessee shall have permanently ceased all or substantially all of its operations at the Project Facility (whether by closure or by

relocation to another facility or otherwise, or whether to another facility either within or outside of the County) except if the Company is substituted by a landlord with the Agency's written consent while the Sublessee continues its operations in conformity with the Transaction Documents; or

(3) The transfer of all or substantially all of the employees engaged in the construction, renovation, maintenance or operation of the Project Facility to another location; or

(4) The occurrence and continuance of an Event of Default under this Project Agreement, the Leaseback Agreement or any other Transaction Document; or

(5) The occurrence and continuance of a substantial change in the scope and nature of the operations of the Project Facility without the prior written consent of the Agency; or

(6) The Company shall have sold, leased, subleased, Subleased, assigned, transferred or otherwise disposed of all or any part of its interest in the Project Facility in violation of this Project Agreement or the Lease Agreement; or

(7) The Sublessee fails to maintain or fails to cause to be maintained the Minimum Employment Requirement at any time during the term of this Project Agreement; or

(8) The Application, or documentation submitted by the Company or any Guarantor in support of the Application, contained a knowingly false or knowingly misleading statement as to any fact material to the Application or knowingly omitted any information which, if included, would have rendered any information in the Application or supporting documentation false or misleading in any material respect, and such false or misleading statement or omission was made knowingly and intentionally for the purpose of obtaining the Financial Assistance; or

(9) The Company receives sales Tax Savings in connection with property or services not authorized by the Agency as part of the Project; or

(10) It is further provided that failure to repay the Sales Tax Savings within thirty (30) days shall constitute a Recapture Event with respect to all Recapture Benefits.

Notwithstanding the foregoing, a Recapture Event shall not be deemed to have occurred if the Recapture Event shall have arisen as a direct, immediate result of (i) a Condemnation by governmental authority of all or substantially all of the Project Facility or any interest therein, or (ii) the inability at law of the Company to rebuild, repair, restore or replace the Project Facility after the occurrence of a casualty to substantially its condition prior to such casualty, which inability shall have arisen in good faith through no fault on the part of the Company, or (iii) for the sale of Project Facility after the receipt of the Agency's consent to said transaction..

(D)The Company covenants and agrees to furnish the Agency with written notification upon the occurrence of any Recapture Event, which notification shall set forth the

terms of such Recapture Event as follows: In order to certify and verify the foregoing, the Company shall provide annually, to the Agency, a certified statement and documentation: (i) enumerating the full-time equivalent jobs retained and the full-time equivalent jobs created as a result of the financial assistance, by category, including full-time equivalent independent contractors or employees of independent contractors that work at the project location, (ii) indicating that the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created that was provided in the application for Financial Assistance is still accurate and if it is not still accurate, providing a revised list of salary and fringe benefit averages or ranges for categories of jobs retained and jobs created, and (iii) such other information, as so requested from time to time, to enable the Agency to assess the progress of the Project toward achieving the investment, job retention, job creation, or other objectives of the Project indicated in the Application for Financial Assistance.

(E) In the event any payment owing by the Company under this Section shall not be paid on demand by the Agency, such payment shall bear interest from the date of such demand at an interest rate equal to sixteen percent (16%) per annum or the maximum lawful prevailing rate permitted by Applicable Law, whichever is less until the Company shall have made such payment in full, together with such accrued interest to the date of payment, to the Agency (except as otherwise specified above).

(F) The Agency shall be entitled to deduct all reasonable out of pocket expenses of the Agency, including without limitation, reasonable legal fees, incurred with the recovery of all amounts due under this Section 4.8, from amounts received by the Agency pursuant to this Section 4.8.

ARTICLE V. INSURANCE

Section 5.1 Insurance Required. During the term of this Project Agreement, the Company shall maintain insurance with respect to the Project Facility as required pursuant to Leaseback Agreement and particularly as set forth in Sections 6.3, 6.4 and 5.5 of the Leaseback Agreement.

ARTICLE VI. EVENTS OF DEFAULT AND REMEDIES

Section 6.1 The following shall each be “Events of Default” under this Project Agreement:

- (a) the failure by the Company to observe and perform any covenant contained in Sections 2.1(g), 2.1(i), 4.3, 4.4, 4.5, 4.8, 5.1, 7.1, 7.2, 7.3, 7.6 and 8.1;
- (b) the failure by the Company to pay the Recapture Benefits on the date due;
- (c) the occurrence and continuation of a Recapture Event;
- (d) The occurrence of an “Event of Default” under any other Transaction Document, which has not been cured within any applicable grace, notice or cure period; and

(e) the dissolution or liquidation of the Company other than pursuant to the Agency's consent; or the failure by the Company to release, stay, discharge, lift or bond within thirty (30) days of receipt of notice from the Agency of any execution, garnishment, judgment or attachment of such consequence as may impair its ability to carry on its operations; or the failure by the Company generally to pay its debts as they become due; or an assignment by the Company for the benefit of creditors; or the commencement by the Company (as the debtor) of a case in bankruptcy or any proceeding under any other insolvency law; or the commencement of a case in bankruptcy or any proceeding under any other insolvency law against the Company (as the debtor), wherein a court having jurisdiction in the premises enters a decree or order for relief against the Company as the debtor, or such case or proceeding is consented to by the Company or remains undismissed for forty (40) days, or the Company consents to or admits the material allegations against it in any such case or proceeding; or a trustee, receiver or agent (however named) is appointed or authorized to take charge of substantially all of the property of the Company for the purpose of enforcing a lien against such Property or for the purpose of general administration of such Property for the benefit of creditors.

Section 6.2 Remedies on Default.

(a) Whenever any Event of Default shall have occurred and be continuing, the Agency may take, to the extent permitted by law, any one or more of the following remedial steps:

(i) declare, by written notice to the Company, to be immediately due and payable, whereupon the same shall become immediately due and payable: (A) all due and owing Recapture Benefits and (B) all other payments due under this Project Agreement (other than PILOT payments not currently due at such time); or

(ii) terminate this Project Agreement as well as the Company Lease Agreement and the Sublease Agreement; or

(iii) take any other action at law or in equity which may appear necessary or desirable to collect the payments then due or thereafter to become due hereunder, and to enforce the obligations, agreements and covenants of the Company under this Project Agreement.

(b) No action taken pursuant to this Section 6.2 (including termination of the Project Agreement) shall relieve the Company from its obligation to make all payments required by the Leaseback Agreement, the Amended PILOT Agreement or Recapture Benefits (other than PILOT payments not currently due at such time).

Section 6.3 Remedies Cumulative. No remedy herein conferred upon or reserved to the Agency is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Project Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right and power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Agency to exercise any remedy

reserved to it in this Article VI it shall not be necessary to give any notice, other than such notice as may be herein expressly required in this Project Agreement.

Section 6.4 Agreement to Pay Attorneys' Fees and Expenses. In the event the Company should default under any of the provisions of this Project Agreement and the Agency should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Company herein contained, the Company shall, on demand therefor, pay to the Agency the fees of such attorneys and such other expenses so incurred.

ARTICLE VII. SPECIAL COVENANTS

Section 7.1 Employment Opportunities

(a) The Company shall ensure that all employees and applicants for employment with regard to the Project, including, without limitation, the employees of and applicants for employment with the Company, are afforded equal employment opportunities without discrimination in violation of Applicable Law.

(b) Pursuant to Section 858-b of the Act, except as otherwise provided by collective bargaining contracts or agreements, the Company agrees (1) to list or cause to be listed all new employment opportunities created as a result of the Project with the New York State Department of Labor, Community Services Division (the "NYSDOL") and with the administrative entity (collectively with NYSDOL, the "JTPA Referral Entities") of the service delivery area created by the federal Job Training Partnership Act (P.L. No. 97-300) (including any successor statute thereto, including, without limitation, the Workforce Investment Act of 1998 (P.L. No. 105-270), collectively, the "JTPA") in which the Project Facility is located, and (2) where practicable, to first consider and to cause to be first considered for such new employment opportunities persons eligible to participate in federal JTPA programs who shall be referred by the JTPA Referral Entities.

(c) Pursuant to the requirements of subsection one of Section 6 of Chapter 127 of the 1995 Laws of the State, the Company agrees to file with the Agency, prior to the effective date of this Project Agreement, an employment plan, in form and substance satisfactory to the Agency.

(d) The Company agrees to file with the Agency on a calendar year basis not later than February 10 of each year during the term of this Project Agreement, measured as of December 31st of the immediately preceding calendar year, reports (i) certifying the full-time equivalent jobs retained and the full time equivalent jobs created as a result of the granting of the Financial Assistance, by category, including full-time equivalent independent contractors and employees of independent contractors that work at the Project Facility, and (ii) certifying that the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created that were set forth in the Application are then still accurate or, if not then still accurate, providing a revised list of salary and fringe benefit averages or ranges for categories of jobs retained and jobs created. Said annual reports shall be in substantially the form promulgated from time to time by the Agency. The current forms of reports are annexed hereto as **Exhibit B**. The Company shall

provide such annual reports (and supporting documentation) with respect to its employees and shall cause its Affiliates, contractors and agents to provide such reports (and supporting documentation) with respect to their respective employees, if any, at the Project Facility. The Agency shall have the right, at the Company's expense, to audit, confirm and/or require additional information with regard thereto and the Company agrees to reasonably cooperate with and to cause its Affiliates and such third parties to cooperate with the Agency in connection therewith.

(e) The Company shall, at all times during the term of this Project Agreement, maintain or cause to be maintained the Minimum Employment Requirement. The Company agrees to give the Agency written notice of the occurrence of any default under this subsection (E) within ten (10) days after the Company becomes aware of the occurrence of such default.

(f) Subject to (i) collective bargaining contracts or agreements and other existing contracts or agreements to which the Company is a party or by which the Company is bound and (ii) compliance with Applicable Laws, the Company agrees to list or cause to be listed all new employment opportunities created as a result of the Project on the Nassau County TweetMyJobs website or other website designated by the Agency from time to time, provided that such listing shall be at no cost to the Company.

(g) Subject to (i) collective bargaining contracts or agreements and other existing contracts or agreements to which the Company is a party or by which the Company is bound and (ii) compliance with Applicable Laws, the Company agrees that to the greatest extent possible new employment opportunities shall be provided to Nassau County or Suffolk County residents first.

Section 7.2 Company to Terminate Existence or Dispose of Assets. The Company agrees that, during the term of this Project Agreement, except as consented to by the Agency in writing (A) it will maintain its existence as in effect on the Closing Date, (B) will not dissolve or otherwise dispose of all or substantially all of its assets, and (C) will not consolidate with or merge into another corporation or other Person, or permit one or more corporation, limited liability companies or other Persons to consolidate with or merge into it, without giving prior written notice to the Agency and obtaining the written consent of the Agency. The Company agrees that it will not change its name or its state of organization without giving prior written notice to the Agency and obtaining the written consent of the Agency, which consent shall not be unreasonably withheld or delayed.

Section 7.3 Agreement to Provide Information. The Company to promptly provide and certify or cause to be provided and certified such information concerning the Project Facility, the Company, the Guarantors and/or the Company's and/or the Guarantors' finances, operations and affairs and other topics as the Agency from time to time reasonably considers necessary or appropriate, including, but not limited to, such information as to enable the Agency to make any reports required by Applicable Laws or other governmental regulation or to ensure compliance with the provisions of this Project Agreement and the other Transaction Documents.

Section 7.4 Books of Record and Account; Compliance Certificates. The Company agrees to maintain proper accounts, records and books in which full and correct entries

shall be made, in accordance with generally accepted, applied accounting principles or sound and consistently applied accounting principles of all business and affairs of the Company.

(b) On or before February 10th of each year, the Company shall furnish to the Agency a certificate of an Authorized Representative of the Company stating that no Event of Default hereunder or under any other Transaction Document has occurred or is continuing or, if any Event of Default exists, specifying the nature and period of existence thereof and what action the Company has taken or proposes to take with respect thereto, it being understood and agreed that the Agency's annual employment report attached as **Exhibit B** may serve as such "No Event of Default" certificate. The Company represents to the Agency that the Company's fiscal year currently ends on December 31st.

Section 7.5 Financial Statements. Within one hundred twenty (120) days after the end of each fiscal year, the Company shall deliver to the Agency the financial statements of the Company and the Sublessee prepared and compiled by an independent certified public accountant, certified by the chief financial officer of the Company, including a balance sheet as of the last day of such period and an operating statement through the last day of such period. The Company represents to the Agency that each of the Company's and the Sublessee's fiscal year ends on December 31st. The Company may satisfy its obligations to deliver financial statements of the Sublessee by delivering the publicly available financial statements of Sublessee's publicly traded parent or ultimate parent.

Section 7.6 Compliance with Applicable Laws.

(a) The Company agrees, for the benefit of the Agency, that it will, during the term of this Project Agreement, promptly comply with all Applicable Laws.

(b) Notwithstanding the provisions of subsection (A) of this Section 7.6, the Company may in good faith actively contest the validity or the applicability of any Applicable Law, provided that the Company (1) first shall have notified the Agency in writing of such contest, (2) no Event of Default (other than the non-compliance with the Applicable Law being contested) shall have occurred and be continuing under any of the Transaction Documents beyond any applicable notice or cure period, so long as the same does not violate §7.6(c) hereof, (3) shall have set aside adequate reserves for any such requirement, (4) demonstrates to the reasonable satisfaction of the Agency that noncompliance with such Applicable Law will not subject the Project Facility or any part thereof to loss or forfeiture, (5) demonstrates to the reasonable satisfaction of the Agency that such contest shall not result in the Company or the Agency being in any danger of any civil or criminal liability for failure to comply therewith, and (6) diligently prosecutes such contest to completion. Otherwise, the Company shall promptly take such action with respect thereto as shall be reasonably satisfactory to the Agency.

(c) Notwithstanding the provisions of subsection (b) of this Section 7.6, if the Agency or any of its members, officers, agents (other than the Company), attorneys, servants or employees, past, present or future, would be liable for prosecution for failure to comply therewith, the Company shall promptly take such action with respect thereto as shall be satisfactory to the Agency.

Section 7.7 Performance of the Company's Obligations. Should the Company fail to make any payment or to do any act as provided in the Transaction Documents beyond applicable notice and/or cure periods, if any, the Agency may, but shall not be obligated to, without notice to or demand on the Company and without releasing the Company from any obligation herein, make or do the same, including, without limitation, appearing in and defending any action purporting to affect the rights or powers of the Company or the Agency, and paying all fees, costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by the Agency in connection therewith; and the Company shall pay promptly upon demand all sums so incurred or expended by the Agency under the authority hereof, together with interest thereon, at the Default Interest Rate, from the date of written demand to the Company.

ARTICLE VIII. MISCELLANEOUS

Section 8.1 Hold Harmless Provision. The Company hereby releases the Agency from, agrees that the Agency shall not be liable for, and agrees to indemnify, defend and hold the Agency and its executive director, directors, members, officers, employees, agents (other than the Company), representatives, successors and assigns harmless from and against, any and all (i) liability for loss or damage to property or injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to the Facility or arising by reason of or in connection with the occupation or the use thereof or the presence on, in or about the Facility or breach by the Company of this Project Agreement or (ii) liability arising from or expense incurred by the Agency's financing, acquiring, constructing, equipping, owning and leasing of the Equipment or of the Facility, including without limiting the generality of the foregoing, all causes of action and reasonable attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. The foregoing indemnities shall apply notwithstanding the fault or negligence on the part of the Agency, or any of its respective executive director, directors, members, officers, agents or employees and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability, except that such indemnities will not be applicable with respect to willful misconduct or gross negligence on the part of the Agency or any other person or entity to be indemnified.

Section 8.2 This Project Agreement may be executed in any number of counterparts each of which shall be deemed an original but which together shall constitute a single instrument.

Section 8.3 All notices, claims and other communications hereunder shall be in writing and shall be deemed to be duly given if personally delivered or mailed first class, postage prepaid, or by a nationally-recognized overnight courier, addressed as follows:

To the Agency: Nassau County Industrial Development Agency
One West Street
Mineola, NY 11501
Attn: Chief Executive Officer

With a copy to: Harris Beach PLLC
333 Earle Ovington Blvd, Suite 901
Uniondale, NY 11553
Attn: Andrew Komaromi, Esq.

To the Company: LUNAR MODULE PARK, LLC
750 Rte. 25A, Suite 3
Setauket, NY 11733
Attn: Parviz Farahzad

With a copy to: Forchelli Deegan Terranna LLP
333 Earle Ovington Boulevard, Suite 1010
Uniondale, New York 11553
Attn: Daniel P. Deegan, Esq.

or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section. All notices shall be deemed given when mailed or personally delivered in the manner provided in this Section.

Section 8.4 This Project Agreement shall be governed by, and all matters in connection herewith shall be construed and enforced in accordance with, the laws of the State of New York applicable to agreements executed and to be wholly performed therein and the parties hereto hereby agree to submit to the personal jurisdiction of the federal or state courts located in Nassau County, New York.

Section 8.5 The warranties, representations, obligations and covenants of the Company under this Project Agreement shall be absolute and unconditional (except as set forth herein) and shall remain in full force and effect during the term of this Project Agreement, shall be deemed to have been relied upon by the Agency, and shall survive the delivery and termination of this Project Agreement to the Agency, regardless of any investigation made by the Agency. This Project Agreement shall survive any termination or expiration of the Leaseback Agreement or the Amended PILOT Agreement, as described below.


Section 8.6 By executing this Project Agreement, the Company covenants and agrees to pay all fees, costs and expenses incurred by the Agency for (a) legal services, including but not limited to those provided by the Agency's general counsel or bond/transaction counsel, (b) other consultants retained by the Agency, if any, in connection with the Project; and (c) with respect to Agency's enforcement of any event of default or failure to comply with the terms of this Project Agreement (including reasonable attorney fees). The Company further covenants and agrees that the Company is liable for payment to the Agency of all charges referred to above, as well as all other actual costs and expenses incurred by the Agency in undertaking the Project notwithstanding the occurrence of any of (i) the Company's withdrawal, abandonment, cancellation or failure to pursue the Project; (ii) the inability of the Agency or the Company to procure the services of one or more financial institutions to provide financing for the Project; or (iii) the Company's failure, for whatever reason, to undertake and/or successfully complete the Project.

[Remainder of This Page Intentionally Left Blank]

[Signature Page to Uniform Project Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Project Agreement as of the day and year first above written.

**NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By:  _____
Harry Coghlan
Chief Executive Officer / Executive Director

LUNAR MODULE PARK, LLC

By: _____
Parviz Farahzad
Managing Member


[Signature Page to Uniform Project Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Project Agreement as of the day and year first above written.

**NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Harry Coghlan
Chief Executive Officer / Executive Director

LUNAR MODULE PARK, LLC

By:  _____
Parviz Farahzad
Managing Member

SCHEDULE A

SCHEDULE OF DEFINITIONS

“Applicable Law or Applicable Laws” shall have the meaning as defined in the Leaseback Agreement.

“Authorized Representative” means, in the case of the Agency, the Executive Director, the Chairman or the Vice Chairman and such additional persons as, at the time, are designated to act on behalf of the Agency; and in the case of the Company, the members and such additional persons as, at the time, are designated to act on behalf of the Company.

“Guarantor” or “Guarantors” means, individually or collectively, as the context may require, Parviz Farahzad, a natural person.

“Independent Accountant” shall mean an independent certified public accountant or firm of independent certified public accountants selected by the Company and approved by the Agency (such approval not to be unreasonably withheld or delayed).

“Leaseback Agreement” shall mean that certain Amended Sublease Agreement, dated as of December 17, 2020 by and between the Company and the Agency.

“Maximum Mortgage Principal Amount” shall mean **\$25,000,000**.

“Maximum Mortgage Tax Exemption” shall mean the maximum dollar amount of Mortgage Recording Tax Savings that the Company is permitted to receive under this Project Agreement, which shall equal **\$187,500.00**, or such maximum dollar amount as may be determined by the Agency pursuant to such additional documents as may be required by the Agency by such increase.

“Prohibited Person” means (i) any Person (A) that is in default or in breach, beyond any applicable grace or cure period, of its obligations under any written agreement with the Agency or the County, or (B) that directly or indirectly controls, is controlled by or is under common control with a Person that is in default or in breach, beyond any applicable grace or cure period, of its obligations under any written agreement with the Agency or the County, unless such default or breach has been waived in writing by the Agency or the County, as the case may be, and (ii) any Person (A) that has been convicted in a criminal proceeding for a felony or any crime involving moral turpitude or that is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure, or (B) that directly or indirectly controls, is controlled by or is under common control with a Person that has been convicted in a criminal proceeding for a felony or any crime involving moral turpitude or that is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure.

“Sales Tax Exemption” shall mean an exemption from Sales and Use Taxes resulting from the Agency’s participation in the Project Facility.

“State Sales Tax Savings” shall mean all Sales Tax Exemption savings relating to State Sales and Use Taxes realized by or for the benefit of the Company, including any savings realized by any Subagent, pursuant to this Project Agreement.

“Transaction Documents” shall have the meaning as defined in the Leaseback Agreement.

EXHIBIT A

COST BENEFIT ANALYSIS AND FORM OF AMENDED PILOT AGREEMENT

[Attached]

PREPARED FOR:

Nassau County Industrial Development Agency
1 West St., 4th Floor
Mineola, NY 11501

Economic and Fiscal Impact

LUNAR MODULE PARK, LLC AND 101 CHANNEL DR., LLC

Nassau County
Industrial Development Agency

DECEMBER 2020

PREPARED BY:



120 West Avenue, Suite 303
Saratoga Springs, NY 12866
518.899.2608
www.camoinassociates.com

CAMOIN 310

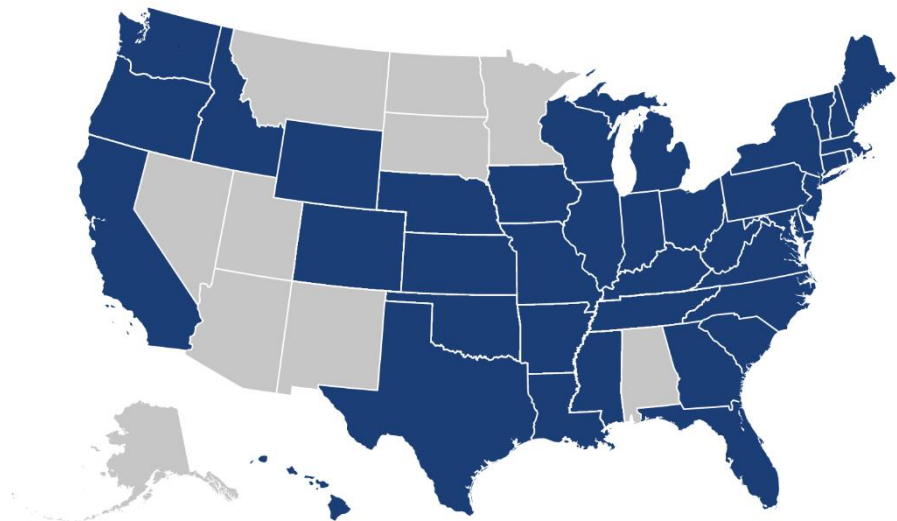
ABOUT CAMOIN 310

Camoin 310 has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin 310 has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Amazon, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$6 billion. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 32 states and garnered attention from national media outlets including Marketplace (NPR), Crain's New York Business, Forbes magazine, The New York Times, and The Wall Street Journal. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. We are based in Saratoga Springs, NY, with regional offices in Portland, ME; Boston, MA; Richmond, VA and Brattleboro, VT. To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com. You can also find us on Twitter [@camoinassociate](https://twitter.com/camoinassociate) and on **Facebook**.

THE PROJECT TEAM

Rachel Selsky
Vice President

Jessica Ulbricht
Analyst



CAMOIN 310

ABOUT THE STUDY

Camoin 310 was retained by the Nassau County Industrial Development Agency to measure the potential economic and fiscal impacts of a project proposed by Lunar Module Park, LLC and 101 Channel Dr., LLC. for the modification to the terms of an existing PILOT agreement on a 385,480 square foot facility at 500 Grumman Road West, Bethpage, Town of Oyster Bay, Nassau County, New York and the renovation of a 100,000 square foot facility at 101 Channel Drive, Port Washington, Town of North Hempstead, Nassau County, New York

The goal of this analysis is to provide a complete assessment of the total economic, employment, and tax impacts of the project on Nassau County that result from the construction phase and on-site operations.

The primary tool used in this analysis is the input-output model developed by Economic Modeling Specialists Intl. (Emsi). Primary data used in this study was obtained from the developer's application for financial assistance to the Nassau County Industrial Development Agency and included the following data points: construction spending, new jobs, and PILOT schedule information.

The economic impacts are presented in four categories: direct impact, indirect impact, induced impact, and total impact. The indirect and induced impacts are commonly referred to as the "multiplier effect." Note that previous impact reports commissioned by the Nassau County Industrial Development Agency were presented in only three categories: direct impact, indirect impact, and total impact. Prior to 2020, Camoin 310 included both the indirect and induced impacts in the "indirect impact" category. Beginning in 2020, the indirect and induced impacts will be reported separately to allow for more accurate interpretation of results.

STUDY INFORMATION

Data Source:
Lunar Module Park, LLC and 101 Channel Dr., LLC Application for Assistance and the Nassau County Industrial Development Agency

Geography:
Nassau County

Study Period:
2020

Modeling Tool:
Emsi

DIRECT IMPACTS

This initial round of impacts is generated as a result of spending on renovations and operations.

INDIRECT IMPACTS

The direct impacts have ripple effects through business to business spending. This spending results from the increase in demand for goods and services.

INDUCED IMPACTS

Impacts that result from spending by facility employees and employees of suppliers. Earnings of these employees enter the economy as employees spend their paychecks in the County on food, clothing, and other goods and services.

ECONOMIC & FISCAL IMPACT

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY: **LUNAR MODULE PARK LLC and 101 Channel Dr., LLC**



TOTAL NUMBER OF
JOBS CREATED:

320 JOBS



Assistance

PILOT
15-year
(Port Washington)
9-year
(Bethpage, extension)

SALES TAX
EXEMPTION
\$876,000

MORTGAGE
TAX
EXEMPTION
\$187,500

Port Washington: Increase in County
Revenues From Property:

\$2.8 MILLION

Total PILOT
Payments: **\$14.8 MN**

Total Otherwise
Applicable
Property Taxes:

\$12.0 MN



Bethpage: Decrease in County
Revenues From Extension:

\$2.5 MILLION

Total PILOT
Payments: **\$20.8 MN**

Total Otherwise
Applicable
Property Taxes:

\$23.3 MN



Annual Earnings:
\$14.8 MN

Annual Sales:
\$49.9 MN

Construction:

\$15.3
MILLION
spending



\$5.9
MILLION
earnings

Average
Annual
Sales Tax
Revenue:

\$110,223



NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY



CONTENTS

EXECUTIVE SUMMARY	1
ECONOMIC IMPACT ANALYSIS	3
FISCAL IMPACT ANALYSIS	5
ATTACHMENT A: WHAT IS ECONOMIC IMPACT ANALYSIS?.....	13

This page intentionally left blank.

EXECUTIVE SUMMARY

The Nassau County Industrial Development Agency (the "Agency") received an application for financial assistance from Lunar Module Park, LLC and 101 Channel Dr, LLC (the "Applicant") for the modification to the terms of an existing PILOT agreement on a 385,480 square foot facility (the "Project") at 500 Grumman Road West, Bethpage, Town of Oyster Bay, Nassau County, New York (the "Bethpage site") and the renovation of a 100,000 square foot facility at 101 Channel Drive, Port Washington, Town of North Hempstead, Nassau County, New York (the "Port Washington site"). The Project being proposed by the Applicant entails the renovation of the property along with the acquisition of related furniture, fixtures, and equipment all for use as a film and TV studio. The Agency commissioned Camoin 310 to conduct an economic and limited fiscal impact of the Project on Nassau County (the "County").

This study analyzes the impact that the Project will have on the Nassau County economy and on local municipal revenues, net of any economic activity that would occur even if the Project were not completed. Based on previous studies conducted by Camoin 310, it is assumed that 115 jobs will be on-site in Port Washington once the Project is completed. This study analyzes the impact that the net new jobs would have on the County economy and on municipal revenue sources.

The following is a summary of our findings from this study, with details in the following sections.

Table 1

Summary of Benefits to County

Renovation Phase	
Total Jobs	82
On-Site Jobs	56
Total Earnings	\$ 5,915,007
On-Site Earnings	\$ 4,215,142
One-Time Sales Tax Revenue to County	\$ 43,993
Annual Impacts	
Total Jobs	238
Direct Jobs	115
Indirect and Induced Jobs	123
Total Earnings	\$ 14,819,886
Direct Earnings	\$ 7,671,526
Indirect and Induced Earnings	\$ 7,148,360
Average Annual Sales Tax Revenue to County	\$ 110,223
Average Annual PILOT Payment (Port Washington)	\$ 989,523
Average Annual PILOT Payment (Bethpage)	\$ 2,307,143

CAMOIN 310

Renovation Impact

- ◆ The renovation associated with the Project would result in approximately 56 new direct construction jobs generating over \$4.2 million in direct new earnings on-site and an additional \$1.7 million in indirect and induced earnings. Figure 1 to the right displays more detail on the economic impact of construction.
- ◆ Sales associated with the renovation phase would be taxed, and therefore generate sales tax revenue for the County. Sales tax associated with the renovation phase of the Project are estimated to contribute approximately \$43,993 to the County.

Annual Impact

- ◆ The Project would support 238 net new jobs in the county, with over \$14.8 million in associated earnings. Figure 2 summarizes the annual economic impact of the Project.
- ◆ Sales associated with on-site operations are estimated to generate \$110,223 in sales tax revenue to the county annually.
- ◆ The Applicant has negotiated terms of a proposed PILOT agreement with the Agency for the Port Washington site, which includes a 15-year PILOT agreement. Under this proposed PILOT agreement, the Applicant would pay approximately \$14.8 million over the 15-year PILOT term, or an average of approximately \$1.0 million per year.
- ◆ The Applicant has also proposed a 9-year extension to the existing PILOT agreement on the Bethpage site. Under this proposed extension, the Applicant would pay approximately \$20.8 million over the 9-year extension term, or an average of approximately \$2.3 million per year.
- ◆ Through negotiations with the Agency, the Applicant could have access to a sales tax exemption valued at up to \$776,250 and a mortgage tax exemption valued at \$90,000. However, if we assume that the Project would not occur absent IDA benefits, this is not actually a “cost” to the county since no future revenue stream would exist without the exemptions.
- ◆ The schedule of payments to be made by the Applicant under the draft 15-year PILOT agreement would be approximately \$2.8 million more than the property tax payments generated by the Site if the Project were not to occur. In other words, the PILOT represents a benefit to the affected taxing jurisdictions averaging \$187,696 per year. Under the draft 9-year PILOT extension, the schedule of payments to be made by the Applicant would be approximately \$2.5 million less than the property tax payments generated without this agreement- a loss averaging \$280,966 per year.

Figure 1

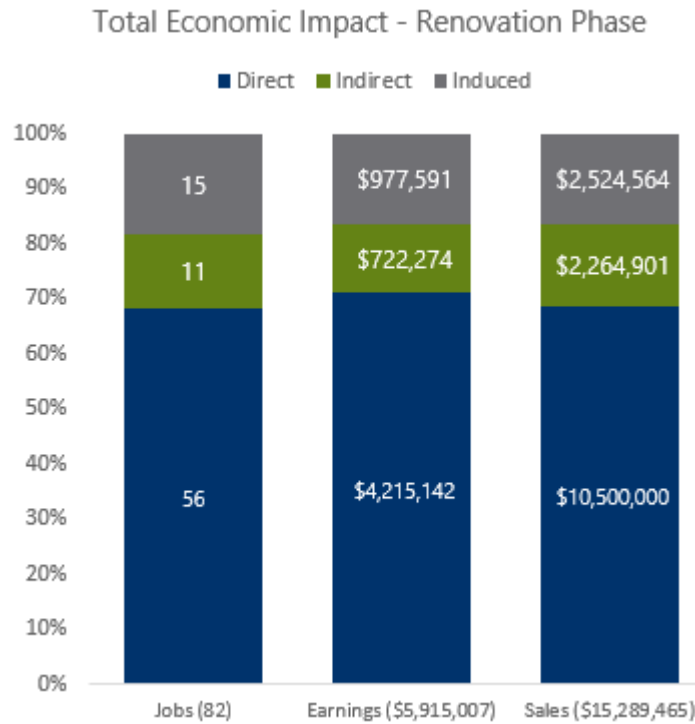
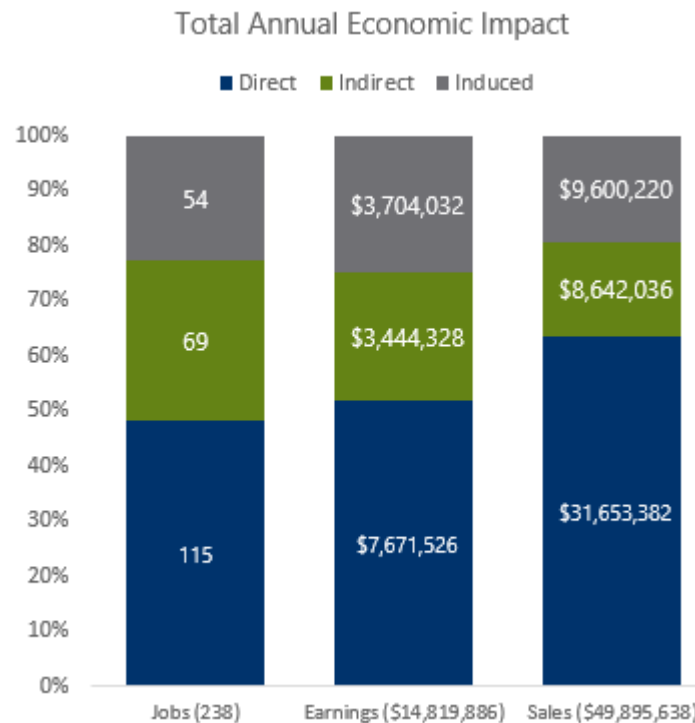


Figure 2



CAMOIN 310

ECONOMIC IMPACT ANALYSIS

The estimates of direct economic activity generated during the renovation phase and Project occupation as provided by the Applicant and estimated by Camoin 310 were used as the direct inputs for the economic impact model. Camoin 310 used the input-output model designed by Economic Modeling Specialist International (Emsi) to calculate total economic impacts. Emsi allows the analyst to input the amount of new direct economic activity (spending or jobs) occurring within the county and uses the direct inputs to estimate the spillover effects that the net new spending or jobs have as these new dollars circulate through the Nassau County economy. This is captured in the indirect and induced impacts and is commonly referred to as the “multiplier effect.” See Attachment A for more information on economic impact analysis.

RENOVATION PHASE IMPACTS

The Applicant anticipates that private sector investment in the renovation of the Port Washington site would cost \$21.0 million¹. According to the Applicant 50% of the renovation spending would be sourced from within the county, representing \$10.5 million in net new spending in the county associated with the renovation phase of the Project.

Table 2

Renovation Phase Spending

Total Renovation Cost	\$ 21,000,000
Percent Sourced from County	50%
Net New Renovation Spending	\$ 10,500,000

Source: Applicant, Camoin 310

Based on \$10.5 million worth of net new direct spending associated with the renovation phase of the Project, we determined that there would be nearly \$15.3 million in total one-time renovation related spending supporting 82 jobs² over the renovation period throughout the county and over \$5.9 million in earnings. Table 3 outlines the economic impacts of renovation.

Table 3

Economic Impact - Renovation Phase

	<u>Jobs</u>	<u>Earnings</u>	<u>Sales</u>
Direct	56	\$ 4,215,142	\$ 10,500,000
Indirect	11	\$ 722,274	\$ 2,264,901
Induced	15	\$ 977,591	\$ 2,524,564
Total	82	\$ 5,915,007	\$ 15,289,465

Source: Emsi, Camoin 310

Based solely on information in the application, the project timeline should allow the Agency to reach the conclusion that there is a likelihood of accomplishing the Project in a timely manner. Although we are not construction experts, nothing has come to our attention that would cause us to reach a contrary conclusion.

¹ Includes project costs as provided by the Applicant in Part III of the application.

² The Applicant projects 125 direct renovation jobs (Schedule C of the application), however we estimate 4 based on \$800,000 in renovation spending.

CAMOIN 310

IMPACTS OF ON-SITE EMPLOYMENT

Upon Project completion, the Port Washington site will be renovated to raise the ceiling of the existing building and construct six new studios. According to the Applicant, the film production business is not conducive to permanent “stationary” jobs at the studios however a major movie production could bring a few hundred jobs during the course of filming.³ In 2018, there were 346 total film related industry related jobs in Nassau County.⁴ Based on previous research and industry information previously provided by the Agency, as well as an understanding of the proposed Project, it is assumed that 115 net new jobs can be attributed to the Port Washington site, annually.⁵

Using these new jobs as direct inputs into the model, Emsi was used to calculate the economic impacts of the on-site activity. Table 4 details the impact that the on-site activity will have on Nassau County in terms of employment, earnings, and sales.

Table 4

Economic Impact - On-Site Operations			
	<u>Jobs</u>	<u>Earnings</u>	<u>Sales</u>
Direct	115	\$ 7,671,526	\$ 31,653,382
Indirect	69	\$ 3,444,328	\$ 8,642,036
Induced	54	\$ 3,704,032	\$ 9,600,220
Total	238	\$ 14,819,886	\$ 49,895,638

Source: Emsi, Camoin 310

³ Application Schedule 1, Part II, Item C.

⁴ See the *Economic and Fiscal Impact, Nassau County Film Industry 2018 Update* prepared by Camoin 310 for the Nassau County Industrial Development Agency in September 2019.

⁵ Based on the square footage of the proposed Project along with the 2018 industry employment.

FISCAL IMPACT ANALYSIS

In addition to the economic impact of the Project on the local economy (outlined above), there would also be a fiscal impact in terms of annual property tax and sales tax generation. The following section of the analysis outlines the impact of the completion of the Project on the local taxing jurisdictions in terms of the cost and/or benefit to municipal budgets.

PAYMENT IN LIEU OF TAXES (PILOT) – PORT WASHINGTON SITE

The Applicant has applied to the Agency for a Payment In Lieu of Taxes (PILOT) agreement for the Port Washington site. The Applicant has proposed a 15-year payment schedule based on the current tax rate, taxable value, and assessed value of the Project, as shown in Table 5.

Table 5

Tax Payments with PILOT, Port Washington	
<u>Year</u>	<u>PILOT Payments</u>
1	\$ 683,126
2	\$ 721,916
3	\$ 760,930
4	\$ 801,607
5	\$ 843,507
6	\$ 886,661
7	\$ 931,101
8	\$ 976,859
9	\$ 1,023,969
10	\$ 1,072,464
11	\$ 1,122,379
12	\$ 1,173,749
13	\$ 1,226,612
14	\$ 1,281,003
15	\$ 1,336,962
Total	\$ 14,842,845
Average	\$ 989,523

Source: Nassau County IDA, Camoin 310

CAMOIN 310

TAX POLICY COMPARISON – PORT WASHINGTON SITE

Without financial assistance from the Agency, Camoin 310 assumes the Applicant would not undertake the Project. Based on the current taxes applicable on the Site and an assumed annual increase to the tax rate of 2.00%⁶ (holding taxable value constant), the following table outlines the estimated tax payments made by the building owner without the Project:

Table 6

Tax Payments without Project, Port Washington	
<u>Year</u>	<u>Property Tax</u>
	<u>Payment</u> <u>Without Project*</u>
1	\$ 695,491
2	\$ 709,400
3	\$ 723,589
4	\$ 738,060
5	\$ 752,821
6	\$ 767,878
7	\$ 783,235
8	\$ 798,900
9	\$ 814,878
10	\$ 831,176
11	\$ 847,799
12	\$ 864,755
13	\$ 882,050
14	\$ 899,691
15	\$ 917,685
Total	\$ 12,027,410
Average	\$ 801,827

Source: Nassau County IDA, Camoin 310

*Assumes an average annual increase of 2.00%

⁶ The tax rate is increased by 2.00% annually, the maximum inflation factor that can be reasonably anticipated into the future. New York State property tax cap legislation limits tax levy growth to an inflation factor set by the State or 2.00%, whichever is less, the amount by which a government entity may increase its annual tax levy (certain exceptions apply). Although in recent years the inflation has been less than 2.00%, using 2.00% for the purposes of comparing future otherwise applicable property tax payments without the Project to the proposed PILOT schedule provides a conservative estimate of the Project's benefit/cost to the County.

CAMOIN 310

Table 7 calculates the benefit (or cost) to the affected taxing jurisdictions as the difference between the PILOT payments associated with the Project at the Port Washington site and the property tax payments without the Project. Over the course of the proposed PILOT term, the average annual collection by local jurisdictions would be approximately \$187,696 more in PILOT revenue than property taxes without the Project. The total benefit to the affected taxing jurisdictions of the PILOT agreement over 15 years would be approximately \$2.8 million.

Table 7

Tax Policy Comparison - Port Washington

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) To County of Project
1	\$ 695,491	\$ 683,126	\$ (12,365)
2	\$ 709,400	\$ 721,916	\$ 12,516
3	\$ 723,589	\$ 760,930	\$ 37,341
4	\$ 738,060	\$ 801,607	\$ 63,547
5	\$ 752,821	\$ 843,507	\$ 90,686
6	\$ 767,878	\$ 886,661	\$ 118,783
7	\$ 783,235	\$ 931,101	\$ 147,866
8	\$ 798,900	\$ 976,859	\$ 177,959
9	\$ 814,878	\$ 1,023,969	\$ 209,091
10	\$ 831,176	\$ 1,072,464	\$ 241,288
11	\$ 847,799	\$ 1,122,379	\$ 274,580
12	\$ 864,755	\$ 1,173,749	\$ 308,994
13	\$ 882,050	\$ 1,226,612	\$ 344,562
14	\$ 899,691	\$ 1,281,003	\$ 381,312
15	\$ 917,685	\$ 1,336,962	\$ 419,277
Total	\$ 12,027,410	\$ 14,842,845	\$ 2,815,435
Average	\$ 801,827	\$ 989,523	\$ 187,696

Source: Nassau County IDA, Camoin 310

CAMOIN 310

PAYMENT IN LIEU OF TAXES (PILOT) – BETHPAGE SITE

The Applicant has applied to the Agency for a Payment In Lieu of Taxes (PILOT) extension for the existing Bethpage studio. The Applicant has proposed a 9-year extension schedule based on the current tax rate, taxable value, and assessed value of the Project, as shown in Table 8.

Table 8

**Tax Payments with PILOT,
Bethpage**

<u>Year</u>	<u>PILOT Payments</u>
1	\$ 2,145,098
2	\$ 2,183,924
3	\$ 2,223,453
4	\$ 2,263,698
5	\$ 2,304,671
6	\$ 2,346,385
7	\$ 2,388,855
8	\$ 2,432,093
9	\$ 2,476,114
Total	\$ 20,764,290
Average	\$ 2,307,143

Source: Nassau County IDA, Camoin 310

CAMOIN 310

TAX POLICY COMPARISON – BETHPAGE SITE

Based on the current taxes applicable on the Site and an assumed annual increase to the tax rate of 2.00%⁷ (holding taxable value constant), the following table outlines the estimated tax payments made by the building owner without the PILOT extension:

Table 9

Tax Payments without PILOT, Bethpage	
<u>Year</u>	<u>Property Tax</u>
	<u>Payment</u>
	<u>Without Project*</u>
1	\$ 2,387,890
2	\$ 2,435,648
3	\$ 2,484,361
4	\$ 2,534,048
5	\$ 2,584,729
6	\$ 2,636,424
7	\$ 2,689,152
8	\$ 2,742,935
9	\$ 2,797,794
Total	\$ 23,292,981
Average	\$ 2,588,109

Source: Nassau County IDA, Camoin 310

*Assumes an average annual increase of 2.00%

⁷ The tax rate is increased by 2.00% annually, the maximum inflation factor that can be reasonably anticipated into the future. New York State property tax cap legislation limits tax levy growth to an inflation factor set by the State or 2.00%, whichever is less, the amount by which a government entity may increase its annual tax levy (certain exceptions apply). Although in recent years the inflation has been less than 2.00%, using 2.00% for the purposes of comparing future otherwise applicable property tax payments without the Project to the proposed PILOT schedule provides a conservative estimate of the Project's benefit/cost to the County.

CAMOIN 310

Table 7 calculates the benefit (or cost) to the affected taxing jurisdictions as the difference between the PILOT payments associated with the PILOT extension at the Bethpage studio and the property tax payments without the Project. Over the course of the proposed PILOT term, the average annual collection by local jurisdictions would be approximately \$280,966 less in PILOT revenue than property taxes without the extension. The total cost to the affected taxing jurisdictions of the PILOT agreement over 9 years would be approximately \$2.5 million.

Table 10

Tax Policy Comparison - Bethpage

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) To County of Project
1	\$ 2,387,890	\$ 2,145,098	\$ (242,792)
2	\$ 2,435,648	\$ 2,183,924	\$ (251,724)
3	\$ 2,484,361	\$ 2,223,453	\$ (260,908)
4	\$ 2,534,048	\$ 2,263,698	\$ (270,350)
5	\$ 2,584,729	\$ 2,304,671	\$ (280,058)
6	\$ 2,636,424	\$ 2,346,385	\$ (290,039)
7	\$ 2,689,152	\$ 2,388,855	\$ (300,297)
8	\$ 2,742,935	\$ 2,432,093	\$ (310,842)
9	\$ 2,797,794	\$ 2,476,114	\$ (321,680)
Total	\$ 23,292,981	\$ 20,764,290	\$ (2,528,691)
Average	\$ 2,588,109	\$ 2,307,143	\$ (280,966)

Source: Nassau County IDA, Camoin 310

CAMOIN 310

OTHER EXEMPTIONS

The PILOT program would offer the Applicant savings in terms of property tax benefits, but there are other benefits to working with the Agency including a sales tax exemption on construction materials and furniture, fixtures, and equipment and a mortgage tax exemption.

Table 11

Summary of Costs to County	
Sales Tax Exemption	\$ 876,000
Mortgage Tax Exemption	\$ 187,500

Source: Applicant, Camoin 310

The additional incentive offered by the Agency will benefit the Applicant but will not negatively affect the county because, without the Project, the County by definition would not be receiving any associated sales tax or mortgage tax revenue.

SALES TAX REVENUE

SALES TAX REVENUE – RENOVATION PHASE

The one-time renovation phase earnings described by the total economic impact of the renovation work (described in above section) would lead to additional sales tax revenue for the County. It is assumed that 70%⁸ of the renovation phase earnings would be spent within Nassau County and that 25% of those purchases would be taxable.

Table 12

One-Time Sales Tax Revenue Renovation Phase	
Total New Earnings	\$ 5,915,007
Amount Spent in County (70%)	\$ 4,140,505
Amount Taxable (25%)	\$ 1,035,126
County Sales Tax Rate	4.25%
New County Tax Revenue	\$ 43,993

Source: Nassau County, Camoin 310

As a result of the renovation phase employment, the County would receive approximately \$43,993 in new sales tax revenue from the economic impacts of renovation.

SALES TAX REVENUE – EMPLOYEE EARNINGS

The earnings generated by on-site jobs that will occur as a result of building occupation at the Project (described under Impacts of On-Site Employment) would lead to additional annual sales tax revenue for the county. It is assumed that 70% of the earnings would be spent within Nassau County and that 25% of those purchases will be taxable. Table 13 displays the annual tax revenue that the County will receive.

⁸ A retail leakage analysis of Nassau County suggests that a vast majority of the goods and services that employees will be purchasing are available within the county (food, clothing, vehicles, computers, etc.), but there still will be some outside spending on travel and through purchases made online and in neighboring counties. Based on third party proprietary retail spending data, 70% is a reasonable assumption for the amount of in-county spending. (Source: Esri Business Analyst Online Retail Market Profile)

CAMOIN 310

Table 13

Annual Sales Tax Revenue On-Site Operations	
Total New Earnings	\$ 14,819,886
Amount Spent in County (70%)	\$ 10,373,920
Amount Taxable (25%)	\$ 2,593,480
County Sales Tax Rate	4.25%
New County Tax Revenue	\$ 110,223

Source: Nassau County, Camoin 310

ATTACHMENT A: WHAT IS ECONOMIC IMPACT ANALYSIS?

The purpose of conducting an economic impact study is to ascertain the total cumulative changes in employment, earnings and output in a given economy due to some initial “change in final demand”. To understand the meaning of “change in final demand”, consider the installation of a new widget manufacturer in Anytown, USA. The widget manufacturer sells \$1 million worth of its widgets per year exclusively to consumers in Canada. Therefore, the annual change in final demand in the United States is \$1 million because dollars are flowing in from outside the United States and are therefore “new” dollars in the economy.

This change in final demand translates into the first round of buying and selling that occurs in an economy. For example, the widget manufacturer must buy its inputs of production (electricity, steel, etc.), must lease or purchase property and pay its workers. This first round is commonly referred to as the “Direct Effects” of the change in final demand and is the basis of additional rounds of buying and selling described below.

To continue this example, the widget manufacturer’s vendors (the supplier of electricity and the supplier of steel) will enjoy additional output (i.e. sales) that will sustain their businesses and cause them to make additional purchases in the economy. The steel producer will need more pig iron and the electric company will purchase additional power from generation entities. In this second round, some of those additional purchases will be made in the US economy and some will “leak out”. What remains will cause a third round (with leakage) and a fourth (and so on) in ever-diminishing rounds of industry-to-industry purchases. Finally, the widget manufacturer has employees who will naturally spend their wages. Again, those wages spent will either be for local goods and services or will “leak” out of the economy. The purchases of local goods and services will then stimulate other local economic activity. Together, these effects are referred to as the “Indirect Effects” of the change in final demand.

Therefore, the total economic impact resulting from the new widget manufacturer is the initial \$1 million of new money (i.e. Direct Effects) flowing in the US economy, plus the Indirect Effects. The ratio of Total Effects to Direct Effects is called the “multiplier effect” and is often reported as a dollar-of-impact per dollar-of-change. Therefore, a multiplier of 2.4 means that for every dollar (\$1) of change in final demand, an additional \$1.40 of indirect economic activity occurs for a total of \$2.40.

Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e. how the “local economy” is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider the impact of the widget manufacturer on the entire North American continent, it would have to conclude that the change in final demand is zero and therefore the economic impact is zero. This is because the \$1 million of widgets being purchased by Canadians is not causing total North American demand to increase by \$1 million. Presumably, those Canadian purchasers will have \$1 million less to spend on other items and the effects of additional widget production will be cancelled out by a commensurate reduction in the purchases of other goods and services.

Changes in final demand, and therefore Direct Effects, can occur in a number of circumstances. The above example is easiest to understand: the effect of a manufacturer producing locally but selling globally. If, however, 100% of domestic demand for a good is being met by foreign suppliers (say, DVD players being imported into the US from Korea and Japan), locating a manufacturer of DVD players in the US will cause a change in final demand because all of those dollars currently leaving the US economy will instead remain. A situation can be envisioned whereby a producer is serving both local and foreign demand, and an impact analysis would have to be careful in calculating how many “new” dollars the producer would be causing to occur domestically.



Leading action to grow your economy

Camoin 310
120 West Avenue, Suite 303
Saratoga Springs, NY 12866
518.899.2608
www.camoinassociates.com
@camoinassociate



LUNAR MODULE PARK, LLC
and
NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY

FOURTH AMENDMENT TO PILOT AGREEMENT

Dated as of December 17, 2020

**FOURTH AMENDMENT TO
PILOT AGREEMENT**

THIS FIRST AMENDMENT TO PILOT AGREEMENT (this “Amendment”) dated as of December 17, 2020 (the “Effective Date”), by and among the NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, having an office at One West Street, 4th floor, Mineola, NY 11501 (the “Agency”), and LUNAR MODULE PARK, LLC, a limited liability company organized and existing under the laws of the State of New York, having an office at 750 Rte. 25A, Suite 3, Setauket, NY 11733 (the “Company”).

RECITALS

WHEREAS, on or about 2007, the LUNAR MODULE PARK, LLC (the “Company”) and LUNAR MODULE PARK, LLC (the “Sublessee”) (the Company and the Sublessee, collectively, the “Applicants”) presented an application for financial assistance (the “Original Application”) to the Agency, which Application requested that the Agency consider undertaking a project (the “Original Project”) consisting, inter alia, of the following: (A) (1) acquisition of an interest in an approximately 29 acre parcel of land located at 500 Grumman Road West, Bethpage, Town of Oyster Bay, County of Nassau, New York (the "Land"), (2) the renovation of an approximately 660,000 square foot building on the Land (the "Building"), together with related improvements to the Land, and (3) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the "Equipment" and together with the Land and the Building, but excluding the LIFT Unit, as such term is hereafter defined, collectively, the "Original Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential additional exemptions or partial exemptions from sales and use taxes, mortgage recording taxes and real property taxes (but not including special assessments and ad valorem levies) (collectively, the "Original Financial Assistance"); (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Applicant, or such other entity as may be designated by the Applicant and agreed upon by the Agency; and (D) the sublease of the Project Facility to the Applicant or such other entity(ies) as maybe designated by the Applicant and agreed upon by the Agency; and

WHEREAS, the above referenced Original Project Facility was initially and is currently owned, operated and/or managed by the Applicants or such other entity as may be designated by the Applicants and agreed upon by the Agency. The Applicants received the Original Financial Assistance with respect to the Original Project Facility from the Agency; and

WHEREAS, the LIFT Unit, as such term is defined in that certain Project Conversion Agreement between the Applicant and the Agency, dated July 1, 2007 (the "Conversion Agreement"), comprising a portion of the Building and being a separate condominium unit, has been sold by the Applicant to Long Island Forum for Technology; and

WHEREAS, in connection with the Original Project Facility the Agency entered into a straight-lease with the Applicant and granted the Original Financial Assistance pursuant to that certain Lease Agreement, dated July 1, 2007, said straight-lease having been amended pursuant to that First Amendment to Lease Agreement, dated April 7, 2008, as further amended and restated in its entirety pursuant to that certain Second Amendment to Lease Agreement, dated as of August 26, 2009, as further amended by the Third Amendment to Lease Agreement, dated as of December 1, 2012, between the Company and the Agency (collectively, as amended, the "Lease Agreement"); and

WHEREAS, the Applicants presented an application for additional financial assistance (the "Application") to the Agency, which Application requested that the Agency consider undertaking a project (the "Project") consisting, inter alia, of the following: (A)(1) retention of an interest in the Land, (2) retention of an interest in the Building; (B) agency consent to allow portions of the Land and the Building (collectively, the "Project Facility") to continue to be utilized for (1) exhibition and event space when not utilized for Film Production operations, (2) license, on a month-to-month or 90 day termination basis, certain portions of the parking lot for temporary storage of auto dealer new vehicle inventory and (3) the tenancy of B&S Lighting and Furniture Inc. to occupy 40,000 square feet of the designated Non-Production Space in the Building for the storage of furniture/lighting inventory; (C) the granting of certain additional "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions or partial exemptions from mortgage recording taxes and real property taxes (but not including special assessments and ad valorem levies) (the "Financial Assistance"); (D) the lease (with an obligation to purchase) or sale of the Project Facility to the Applicant, or such other entity as may be designated by the Applicant and agreed upon by the Agency; and (E) the sublease of the Project Facility to the Applicant or such other entity(ies) as maybe designated by the Applicant and agreed upon by the Agency; and

WHEREAS, pursuant to a certain Payment in Lieu of Taxes Agreement originally dated as of July 1, 2007, as amended and restated pursuant to that certain Amended and Restated Payment in Lieu of Taxes Agreement, dated April 7, 2008, as further amended by the First Amendment to Payment in Lieu of Taxes Agreement, dated as of July 1, 2008, as further amended and restated by an Amended and Restated Payment in Lieu of Taxes Agreement, dated as of August 26, 2009 and as further amended by the Third Amendment to Payment in Lieu of Taxes Agreement, dated as of December 1, 2012, each by and between the Agency and the Company (as amended, the "PILOT Agreement"), the Company has agreed to make certain payments in lieu of real property taxes with respect to the Land and the Improvements thereon. The obligations under the PILOT Agreement are secured by an Mortgage and Assignment of Leases and Rents dated as of July 1, 2007 (the "PILOT Mortgage"), from the Company and the Agency, as mortgagor, to the County of Nassau, as mortgagee (the "PILOT Mortgagee"), pursuant to which the Agency and the Company granted a first lien mortgage on the Land and the improvements thereon to the PILOT Mortgagee; and

WHEREAS the Company and the Agency hereby desire to amend the PILOT Mortgage as further set forth herein.

WHEREAS, the members of the Agency approved the proposed Project and the additional Financial Assistance pursuant to a resolution adopted on September 17, 2020 and authorized the Agency *inter alia*, to enter into this Amendment; and

WHEREAS, the Agency and the Company wish to amend the PILOT Agreement to provide for partial additional abatement from real property taxes for the benefit of the Company comprising a portion of the Financial Assistance;

AGREEMENTS

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Agency mutually covenant, warrant and agree as follows:

1. Amendments:

Preamble: The purpose of the following amendments is to add an additional approximately nine year of abatement term to the PILOT Agreement years 15 through 23

- a. The lead subparagraph of Subsection (B) (i) of Section 2 of the PILOT Agreement is amended and restated in its entirety to read as follows:

“(B) Base PILOT Payments. From the Amended Abatement Commencement Date through and including the last day of the fourteenth (23rd) fiscal tax year thereafter (i.e. the 2035 General tax year and the 2035/36 School tax year) (such date, the "Amended Abatement Expiration Date"), the Company shall make the following payments in lieu of real property taxes and assessments levied and/or assessed by the Taxing Entities against or with respect to the Facility (collectively, "Base PILOT Payments"), as follows:”

- b. The remainder of Subsection (B) (i) (1) through (14), inclusive, of Section 2 of the PILOT Agreement shall remain unchanged.

- c. New Subsections (B)(15) through (B)(24), inclusive, are inserted after Subsection (14) of Section 2 of the PILOT Agreement as follows:

“(15) for the fiscal tax year commencing on the 14th anniversary of the Amended Abatement Commencement Date ("PILOT Year 15"), \$2,145,098;

(16) for the fiscal tax year commencing on the 15th anniversary of the Amended Abatement Commencement Date ("PILOT Year 16"), \$2,183,924.18;

(17) for the fiscal tax year commencing on the 16th anniversary of the Amended Abatement Commencement Date ("PILOT Year 17"), \$2,223,453;

(18) for the fiscal tax year commencing on the 17th anniversary of the Amended Abatement Commencement Date ("PILOT Year 18"), \$2,263,698;

(19) for the fiscal tax year commencing on the 18th anniversary of the Amended Abatement Commencement Date ("PILOT Year 19"), \$2,304,671;

(20) for the fiscal tax year commencing on the 19th anniversary of the Amended Abatement Commencement Date ("PILOT Year 20"), \$2,346,385;

(21) for the fiscal tax year commencing on the 20th anniversary of the Amended Abatement Commencement Date ("PILOT Year 21"), \$2,388,855;

(22) for the fiscal tax year commencing on the 21st anniversary of the Amended Abatement Commencement Date ("PILOT Year 22"), \$2,432,093; and

(23) for the fiscal tax year commencing on the 22nd anniversary of the Amended Abatement Commencement Date ("PILOT Year 23"), \$2,476,114.

- d. Subsection (B) (ii) (5) of Section 2 of the PILOT Agreement is amended and restated in its entirety to read as follows:

“(5) 1% of Annual Gross Income for PILOT Year 14 through 23.

2. Representations, Covenants and Warranties. All terms, conditions, covenants, representations and warranties of the Company contained in the PILOT Agreement, except as expressly modified hereby, are hereby adopted, ratified and confirmed by the Company as of the date hereof, remain in full force and effect as of the date hereof, and are subject to the terms of this Amendment. Provided further that the Agency and the Company expressly recognizes that the PILOT Mortgage continues to secure the Secured Obligations, as such term is defined in the PILOT Mortgage that includes the PILOT Obligations (as such term is defined in the PILOT Mortgage) that includes the additional PILOT Payments provided for herein.

7. Governing Law. This Amendment, the transactions described herein and the obligations of the parties hereto shall be construed under, and governed by, the laws of the State of New York, as in effect from time to time, without regard to principles of conflicts of laws.

8. Successors and Assigns. The Company and the Agency, shall include the legal representatives, successors and assigns of those parties. This Amendment shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns.

9. Counterparts. This Amendment may be executed in any number of counterparts and by the Company and the Agency on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same Amendment.

10. Severability. Any provision of this Amendment held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Amendment and the effect thereof shall be confined to the provision so held to be invalid or unenforceable.

11. Conflicting Provisions. In the event of any conflict in the terms and provisions of this Amendment and the terms and provisions of the PILOT Agreement, the terms and provisions of this Amendment shall govern.

12. Entire Agreement. This Amendment constitutes the entire agreement and understanding between the parties hereto with respect to the transactions contemplated hereby and supersedes all prior negotiations, understandings, and agreements between such parties with respect to such transaction.

(Remainder of Page Intentionally Left Blank – Signature Pages Follow)

(Signature Page to Fourth Amendment to PILOT)

IN WITNESS WHEREOF, this Amendment has been duly executed by the parties hereto as of the day and year first above written.

**NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Harry Coghlan
Chief Executive Officer / Executive Director

LUNAR MODULE PARK LLC

By: _____
Parviz Farahzad
Managing Member

(Acknowledgment Page to Fourth Amendment to PILOT)

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

On the ___ day of December 2020, before me, the undersigned, personally appeared **Harry Coghlan**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

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

On the ___ day of December 2020, before me, the undersigned, personally appeared **Parviz Farahzad**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

EXHIBIT B

**FORMS OF ANNUAL
EMPLOYMENT REPORT**

NASSAU IDA JOB CONFIRMATION FORM 2019

1. Sales Tax Abatement Information

Did your company receive Sales Tax Abatement on your Project during 2019?

Yes__ No__

If so, please provide the amount of sales and use tax exemptions.

This would be Actual tax savings; NOT total purchases.

\$ _____

(A copy of the ST-340 sales tax report submitted to New York State for the 2019 reporting period is required to be attached with this report)

2. Mortgage Recording Tax Information

a) Did your company receive Mortgage Tax Abatement on your Project during 2019?

Yes__ No__

(Note: this would only be applicable to the year that a mortgage was placed upon the Project, so if you did not close in 2019, the answer should be NO)

b) Amount of the mortgage recording tax that was abated during 2019:

\$ _____

3. Job Information

(NOTE: All job information required herein shall include the employees, independent contractors and employees of independent contractors of all owners, occupants and operators of the Project Facility. Such information of owners, occupants and operators other than the Applicant shall also be separately provided in a certified statement with supporting documentation from each such owner, occupant and operator.)

a) Total number (as of December 31st 2019) of full time equivalent (“FTE”) jobs (including both retained and newly created jobs) at the Project Facility by job category, the average salary or range of salaries, and average fringe benefits or range of fringe benefits for each:

Category	FTE	Average Salary or Range of Salary	Avg. Fringe Benefits or Range of Benefits
Management	_____	_____	_____
Professional	_____	_____	_____
Administrative	_____	_____	_____
Production	_____	_____	_____
Supervisor	_____	_____	_____
Laborer	_____	_____	_____
Independent Contractor ¹	_____	_____	_____
Other	_____	_____	_____
TOTAL	<input type="text"/>		

b) Number of the foregoing jobs that were (as of 12/31/19) filled by residents of the Local Market Area (i.e., Nassau and Suffolk Counties): _____

c) **Please attach (1) the 2019 fourth quarter form NYS-45 ATT, along with the NYS 45 summary report filed with New York State Employment Taxation Department indicating number of employees, and (2) the Undersigned's annual payroll report for year ending 12/31/19.**

d) Number of FTE construction jobs during 2019: _____

e) Average Salary of construction jobs during 2019: _____

f) Number of FTE jobs created at the Project Facility during the fiscal year by job category the average salary or range of salaries, and average fringe benefits or range of fringe benefits for each:

Category	FTE	Average Salary or Range of Salary	Avg. Fringe Benefits or Range of Benefits
Management	_____	_____	_____
Professional	_____	_____	_____
Administrative	_____	_____	_____
Production	_____	_____	_____
Supervisor	_____	_____	_____
Laborer	_____	_____	_____
Independent Contractor ²	_____	_____	_____
Other	_____	_____	_____
Total	<input type="text"/>		

g) Are the foregoing salary and fringe benefits figures consistent with the figures provided by the company in its application for financial assistance? Yes ___ No ___

¹ As used in this form, this category includes employees of independent contractors.

² As used in this form, this category includes employees of independent contractors.

- h) Number of the foregoing jobs that were (as of 12/31/19) filled by residents of the Local Market Area (i.e., Nassau and Suffolk Counties): _____
- i) Number of the foregoing jobs that were as of 12/31/19 filled by Community Services Division applicants: _____
- j) Number of the foregoing jobs that were as of 12/31/19 filled by Job Training Partnership Act eligible persons: _____
- k) Total Annual Payroll for 2019: \$ _____

4. WBME Covenant:

- a) Did you make best effort to use W/MBE vendors or construction workers? _____
- b) Indicate any qualified women-owned and/or minority-owned business enterprises that were used for contracts in 2019 _____

5. Project Investment Information

- a). Project Investment for 2019: \$ _____
(attach evidence such as receipts, contracts, invoices etc.)

The undersigned acknowledges that the average salaries or range of salaries and the average benefits or range of benefits for both retained and created jobs set forth in the Application are still accurate.

The undersigned acknowledges that the submission of any knowingly false or knowingly misleading information herein may lead to the immediate termination of the financial assistance and/or the recapture of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the project.

The undersigned hereby confirms that (i) no default under the Transaction Documents has occurred and is continuing, and (ii) no leases, subleases or other arrangements permitting the use or occupancy of the Project Facility are in effect, except those expressly authorized in writing by the Agency.

The undersigned hereby represents and warrants that, to the best of his/her knowledge, the information contained herein is true, accurate and complete.

Signed: _____ Company Name: _____
 Name: _____ Address: _____
 Title: _____ Phone: _____
 Date: _____ Fax: _____
 Email: _____

Acknowledgment to be completed by a Notary Public:

State of _____

County of _____

On the ___ day of ___ in the year _____ before me the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she they executed the same in his/her/their, capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC (Please sign and affix stamp)

RETURN TO:

**NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
1 WEST STREET- 4TH FLOOR
MINEOLA, NY 11501
ATTN: ADMINISTRATIVE DIRECTOR**

NO LATER THAN FEBRUARY 10, 2020