

Date: February 24, 2022

At a meeting of the Town of Hempstead Industrial Development Agency (the “Agency”), held at Town Hall Pavilion, 1 Washington Street, Hempstead, New York 11550, on the 24th day of February, 2022, at 9:00 a.m., the following members of the Agency were present:

Present: Florestano Girardi, Chairman
Rev. Dr. Eric C. Mallette, Treasurer
Jack Majkut, Secretary
Jerry Kornbluth, Member
Jill Ann Mollitor, Member
Robert T. Kennedy, Village Member
Vilma Lancaster, Village Member
LaDonna Taylor, Village Member
Mark Davella, Village Member

Excused: Robert Bedford, Member
Thomas J. Grech, Vice Chairman

Also Present: Frederick E. Parola, Chief Executive Officer
Michael Lodato, Deputy Executive Director
Laura Tomeo, Deputy Agency Administrator
Arlyn Eames, Deputy Financial Officer
John Ryan, Esq., Agency Counsel
Paul V. O'Brien, Esq., Transaction Counsel

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the acquisition of a leasehold interest in or title to a certain industrial development facility more particularly described herein (NBD Holding LLC 2022 Facility), and the leasing of such facility to NBD Holding LLC.

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

<u>Voting Aye</u>	<u>Voting Nay</u>	<u>Abstaining</u>
F. Girardi	J. Majkut	
E. Mallette		
J. Kornbluth		
J. Mollitor		
R. Kennedy		
V. Lancaster		
L. Taylor		
M. Davella		

RESOLUTION OF THE TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY")
APPROVING THE APPOINTMENT OF NBD HOLDING LLC,
A NEW YORK LIMITED LIABILITY COMPANY, ON
BEHALF OF ITSELF AND/OR THE PRINCIPALS OF NBD
HOLDING LLC AND/OR AN ENTITY FORMED OR TO BE
FORMED ON BEHALF OF ANY OF THE FOREGOING AS
AGENT OF THE AGENCY FOR THE PURPOSE OF
ACQUIRING, CONSTRUCTING AND EQUIPPING OF AN
INDUSTRIAL DEVELOPMENT FACILITY, APPROVING THE
ACQUISITION, CONSTRUCTION AND EQUIPPING OF
SUCH FACILITY AND MAKING CERTAIN FINDINGS AND
DETERMINATIONS WITH RESPECT TO SUCH FACILITY
AND APPROVING THE FORM, SUBSTANCE AND
EXECUTION OF RELATED DOCUMENTS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 529 of the Laws of 1971 of the State of New York, as the same may be amended from time to time (collectively, the "Act"), the Town of Hempstead Industrial Development Agency (the "Agency") was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, NBD Holding LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of NBD Holding LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company"), submitted its application for financial assistance (the "Application") to the Town of Hempstead Industrial Development Agency (the "Agency") to enter into a transaction in which the Agency will assist in the acquisition of an interest in an approximately 1.6 acre parcel of land located at 417, 435, 444, 447 & 477 Woodcleft Avenue, Village of Freeport, Town of Hempstead, Nassau County, New York (the "Land"), the demolition of the existing structures and improvements on the Land, the construction of an approximately 89,836 square foot three-story building on the Land (the "Improvements"), and the acquisition of certain fixtures, equipment and personal property necessary for the completion thereof (the "Equipment"; and together with the Land and the Improvements, the "Facility"), which Facility is to be subleased by the Agency to the Company and used as a 100-room hotel facility and for related banquet and restaurant uses (the "Project"); and

WHEREAS, the Agency, by resolution duly adopted by the members of the Agency on January 31, 2022 (the "Inducement Resolution"), decided to proceed under the provisions of the Act; and

WHEREAS, a public hearing (the "Hearing") was held on February 16, 2022 and notice of the Hearing was given and such notice (together with proof of publication) together with the minutes of the Hearing are annexed hereto as Exhibits A and B, respectively; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in the form of (i) exemptions from sales and use taxes in an amount not to exceed \$1,730,175.00, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, (ii) exemptions from mortgage recording tax (excluding the portion of the mortgage recording tax allocated to transportation districts referred to in Section 253(2)(a) of the Tax Law of the State of New York), for one or more mortgages securing the principal amount not to exceed \$32,000,000.00 in connection with the financing of the acquisition, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, constructing and equipping of the Facility, and (iii) abatement of real property taxes (as set forth in the Proposed PILOT Schedule annexed as Exhibit C hereof); and

WHEREAS, the Agency required the Company to provide to the Agency a report with respect to the status of the Facility as a "tourism destination" (as such quoted term is defined in Section 862 of the Act), together with letters or reports from interested parties and governmental agencies or officials, if any (collectively, the "**Requisite Materials**"), to enable the Agency to make findings and determinations that the Facility qualifies as a "project" under the Act and that the Facility satisfies all other requirements of the Act, and such Requisite Materials are annexed hereto as Exhibit D; and

WHEREAS, the Agency's Uniform Tax Exemption Policy ("**UTEP**"), a copy of which is attached as Exhibit D to the Inducement Resolution, provides for the granting of financial assistance by the Agency for certain unusual projects pursuant to Sections 1(A) and (B) thereof; and

WHEREAS, the financial assistance to be granted by the Agency to the Company would represent a deviation from the UTEP because the payment in lieu of taxes arrangement with respect to the Facility would be for a term of up to twenty (20) years; and

WHEREAS, by letter dated February 5, 2022 (the "**Deviation Notice**"), a copy of which is annexed hereto as Exhibit E, the Agency provided notice to each affected tax jurisdiction of the proposed deviation from the UTEP and the respective dates of the Public Hearing and of the date of this meeting of the Agency and invited each affected tax jurisdiction to provide their comments either in person or in writing to the Agency at such Public Hearing or this meeting with respect to the location and nature of the Facility, the financial assistance to be granted by the Agency to the Company and the Agency's deviation from the UTEP; and

WHEREAS, pursuant to Article 8 of the New York 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 ("**NYSDEC**"), being 6 N.Y.C.R.R. Part 617, et. seq., as amended (the "**Regulations**" and collectively with the SEQR Act, "**SEQRA**"), the Agency must satisfy the requirements contained in SEQRA prior to making a final determination whether to undertake the Project; and

WHEREAS, by resolution of the members of the Agency adopted on January 31, 2022 as part of the Inducement Resolution, the Agency: (a) determined that the Project is an Unlisted Action pursuant to SEQRA, (b) determined the Project will not have a significant adverse impact upon the environment, and (c) issued a negative declaration with respect to the Project pursuant to SEQRA; and

WHEREAS, the Agency will acquire a leasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of March 1, 2022, or such other date as the Chairman, the Chief Executive Officer, the Chief Financial Officer or the Deputy Executive Director of the Agency and counsel to the Agency shall agree (the "**Company Lease**"), by and between the Company and the Agency; and

WHEREAS, the Agency will acquire title to the Equipment pursuant to a certain Bill of Sale, dated the Closing Date (as defined in the hereinafter defined Lease Agreement) (the "**Bill of Sale**"), from the Company to the Agency; and

WHEREAS, the Agency will sublease and lease the Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of March 1, 2022 or such other date as the Chairman, the Chief Executive Officer, the Chief Financial Officer or the Deputy Executive Director of the Agency and counsel to the Agency shall agree (the "**Lease Agreement**"), by and between the Agency and the Company; and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Agency has given due consideration to the Application of the Company and to representations by the Company that the proposed Facility is either an inducement to the Company to construct and maintain the Facility in the Town of Hempstead or is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, as security for a loan or loans, the Agency and the Company will execute and deliver to a lender or lenders not yet determined (collectively, the "**Lender**"), one (1) or more mortgages, and such other loan documents satisfactory to the Agency, upon advice of counsel, in both form and substance as may be reasonably required by the Lender, to be dated a date to be determined, in connection with the financing, any refinancing or permanent financing of the acquisition, construction and equipping of the Facility (collectively, the "**Loan Documents**"); and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the leasing and subleasing of the Facility by the Agency to the Company.

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

Section 1. The Agency hereby finds and determines:

- (a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and
- (b) The Facility constitutes a "project" and a "commercial facility", as such terms are defined in the Act; and
- (c) The acquisition, construction and equipping of the Facility, and the leasing and subleasing of the Facility to the Company will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Hempstead and the State of New York, and improve their standard of living and thereby serve the public purposes of the Act; and
- (d) The acquisition, construction and equipping of the Facility is reasonably necessary to induce the Company to maintain and expand its business operations in the State of New York; and
- (e) Based upon the representations of the Company, the transactions contemplated by the Lease Agreement shall not result in the removal of any facility or plant of any Facility occupant(s) from one area of the State to another area of the State or in the abandonment of one or more facilities or plants of the Facility occupant(s) located within the State; and
- (f) The Facility does not and will not constitute a project where facilities or property that are primarily used in making retail sales of goods and/or services to customers who personally visit such facilities constitute more than one-third of the total cost of the Project because the facilities and property comprising the Facility will primarily be used for hotel room occupancy rather than for the retail sale of goods or services. Furthermore, based upon the representations and warranties of the Company in the Application and based upon the Requisite Materials, the Facility is a location or facility that would attract a significant number of visitors from outside the economic development region in which the Facility is located and, therefore, is a "tourism destination" as that term is defined in Section 862(2)(a) of the Act and would not be subject to the prohibitions on retail facilities contained in Section 862(2)(a) of the Act. For purposes of this finding, retail sales shall mean: (i) sales by a registered vendor under Article 28 of the New York Tax Law primarily engaged in the retail sale of tangible personal property, as defined in subparagraph (i) of paragraph four of subdivision (b) of section 1101 of the New York Tax Law; or (ii) sales of a service to such customers; and
- (g) Based upon representations of the Company and counsel to the Company, the Facility conforms with the local zoning laws and planning regulations of the Village of Freeport, Town of Hempstead, Nassau County, and all regional and local land use plans for the area in which the Facility is located; and
- (h) It is desirable and in the public interest for the Agency to lease and sublease the Facility to the Company; and

- (i) The Company Lease will be an effective instrument whereby the Agency leases the Land and the Improvements from the Company; and
- (j) The Lease Agreement will be an effective instrument whereby (i) the Agency leases and subleases the Facility to the Company, (ii) the Agency and the Company set forth the terms and conditions of their agreement regarding payments-in-lieu-of-taxes, (iii) the Company agrees to comply with all Environmental Laws (as defined therein) applicable to the Facility, and (iv) the Agency and the Company describe the circumstances in which the Agency may recapture some or all of the benefits granted to the Company; and
- (k) The Loan Documents to which the Agency is a party will be effective instruments whereby the Agency and the Company agree to secure the loan(s) made to the Company by the Lender.

Section 2. The Agency has assessed all material information included in connection with the Application, including but not limited to, the Application and the Requisite Materials, and such information has provided the Agency a reasonable basis for its decision to provide the financial assistance described herein to the Company.

Section 3. The Agency hereby determines that the Agency has fully complied with the requirements of the Act, SEQRA and all other applicable laws that relate to the Project.

Section 4. In consequence of the foregoing, the Agency hereby determines to: (i) lease the Land and the Improvements from the Company pursuant to the Company Lease, (ii) execute, deliver and perform the Company Lease, (iii) lease and sublease the Facility to the Company pursuant to the Lease Agreement, (iv) acquire the Equipment from the Company pursuant to the Bill of Sale, (v) execute, deliver and perform the Lease Agreement, (vi) grant a mortgage on and security interests in and to the Facility pursuant to the Loan Documents, and (vii) execute, deliver and perform the Loan Documents to which the Agency is a party, and such other related documents or certificates as may be necessary in connection therewith.

Section 5. The Agency is hereby authorized to acquire the real property and personal property described in Exhibit A and Exhibit B, respectively, to the Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 6. The Agency is hereby authorized to execute and deliver the Loan Documents in connection with the financing of the costs of acquiring, constructing and equipping the Facility and any future Loan Documents in connection with any future refinancing or permanent financing of such costs of acquiring, constructing and equipping of the Facility without the need for any further or future approvals of the Agency.

Section 7. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the acquisition, construction and

equipping of the Facility in the form of (i) exemptions from sales and use taxes in an amount not to exceed \$1,730,175.00, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, (ii) exemptions from mortgage recording tax (excluding the portion of the mortgage recording tax allocated to transportation districts referred to in Section 253(2)(a) of the Tax Law of the State of New York), for one or more mortgages securing the principal amount not to exceed \$32,000,000.00 in connection with the financing of the acquisition, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, constructing and equipping of the Facility, and (iii) abatement of real property taxes (as set forth in the Proposed PILOT Schedule annexed as Exhibit C hereof), consistent with the deviation set forth in the Deviation Notice, for the reasons set forth in the Deviation Notice and after consideration of the factors set forth in the UTEP.

Section 8. Subject to the provisions of this resolution, the Company is herewith and hereby appointed the agent of the Agency to acquire, construct and equip the Facility. The Company is hereby empowered to delegate its status as agent of the Agency to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company may choose in order to acquire, construct and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company as agents of the Agency solely for purposes of making purchases or leases of goods, services and supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company, as agent of the Agency, shall be deemed to be on behalf of the Agency and for the benefit of the Facility. This agency appointment expressly excludes the purchase by the Company of any motor vehicles, including any cars, trucks, vans or buses which are licensed by the Department of Motor Vehicles for use on public highways or streets. The Company shall indemnify the Agency with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company, as agent of the Agency. The aforesaid appointment of the Company as agent of the Agency to acquire, construct and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, (b) a date which the Agency designates, or (c) the date on which the Company and its agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers have received exemptions from sales and use taxes in an aggregate amount not to exceed \$1,730,175.00 in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility; provided however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company if such activities and improvements are not completed by such time. The aforesaid appointment of the Company is subject to the execution of the documents contemplated by this resolution.

Section 9. The Company is hereby notified that it will be required to comply with Section 875 of the Act. The Company is further notified that the exemption of sales and use tax provided pursuant to the Act and the appointment of the Company as agent of the Agency pursuant to this resolution are subject to termination and recapture of benefits pursuant to Sections 859-a and 875 of the Act and the recapture provisions of the Lease Agreement.

Section 10. The form and substance of the Company Lease, the Lease Agreement and the Loan Documents to which the Agency is a party (each in substantially the forms presented to or approved by the Agency and which, prior to the execution and delivery thereof, may be redated and renamed) are hereby approved.

Section 11.

(a) The Chairman, the Chief Executive Officer, the Chief Financial Officer, the Deputy Executive Director or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Company Lease, the Lease Agreement and the Loan Documents to which the Agency is a party, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, the Chief Executive Officer, the Chief Financial Officer, the Deputy Executive Director or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "**Agency Documents**"). The execution thereof by the Chairman, the Chief Executive Officer, the Chief Financial Officer, the Deputy Executive Director or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, the Chief Executive Officer, the Chief Financial Officer, the Deputy Executive Director or any member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives (as defined in and pursuant to the Lease Agreement) of the Agency.

Section 12. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 13. Any expenses incurred by the Agency with respect to the Facility shall be paid by the Company. The Company shall agree to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Facility.

Section 14. The provisions of this resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this resolution (except with respect to the matters contained in Section 13 hereof).

Section 15. This resolution shall take effect immediately.

ADOPTED: February 24, 2022

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

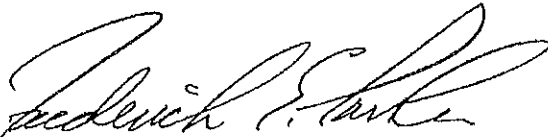
We, the undersigned Chief Executive Officer and Chairman of the Town of Hempstead Industrial Development Agency, DO HEREBY CERTIFY:

That we have compared the annexed extract of the minutes of the meeting of the Town of Hempstead Industrial Development Agency (the "Agency"), including the resolutions contained therein, held on February 24, 2022 and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

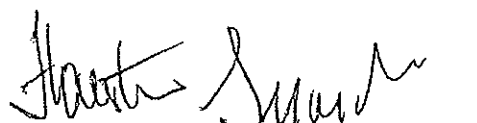
That the Agency Documents contained in this transcript of proceedings are each in substantially the form presented to the Agency and/or approved by said meeting.

WE FURTHER CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, that all members of said Agency had due notice of said meeting and that the meeting was all respects duly held.

IN WITNESS WHEREOF, we have hereunto set our hands as of the 24th day of February, 2022.

By: 

Frederick E. Parola
Chief Executive Officer

By: 

Florestano Girardi
Chairman

EXHIBIT A
Notice of Public Hearing

NEWSDAY AFFIDAVIT OF PUBLICATION

HEMPSTEAD IDA
350 FRONT ST RM #240
HEMPSTEAD, NY 11550-4040

STATE OF NEW YORK)

Legal Notice No. 0021704000

:SS.:

COUNTY OF ERIE)

The undersigned, being duly sworn, says that such person is a duly authorized custodian of records of Newsday LLC, the publisher of Newsday, a daily newspaper published in Melville, County of Suffolk, State of New York, and circulated in Nassau, Suffolk, and Queens Counties, and that the Legal Notice of which the annexed is a true copy, was published in the following editions/counties of said newspaper on the following dates:

Saturday February 05, 2022 Nassau

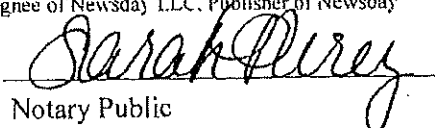
By: _____

Print Name: Valencia Williams

Authorized Designee of Newsday LLC, Publisher of Newsday

SWORN to before me this

7 Day of February, 2022.


Notary Public

Sarah Perez
Notary Public - State of New York
No. 01PE6397402
Qualified in Erie County
Commission Expires 09/03/2023

Ad Content

Legal Notice # 21704000

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Title 1 of Article 18-A of the New York State General Municipal Law (the "Hearing") will be held by the Town of Hempstead Industrial Development Agency on the 16th day of February, 2022, at 10:00 a.m., local time, at Freeport Village Hall, 46 N. Ocean Avenue, Village of Freeport, Town of Hempstead, New York, in connection with the following matters:

NBD Holding LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of NBD Holding LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company"), submitted its application for financial assistance (the "Application") to the Town of Hempstead Industrial Development Agency (the "Agency") to enter into a transaction in which the Agency will assist in the acquisition of an interest in an approximately 1.6 acre parcel of land located at 437, 435, 444, 447 & 477 Woodcliff Avenue, Village of Freeport, Town of Hempstead, Nassau County, New York (the "Land"), the demolition of the existing structures and improvements on the Land, the construction of an approximately 89,836 square foot three-story building on the Land (the "Improvements"), and the acquisition of certain fixtures, equipment and personal property necessary for the completion thereof (the "Equipment"); and together with the Land and the Improvements, the "Facility", which Facility is to be subleased by the Agency to the Company and used as a 100-room hotel facility and for related banquet and restaurant uses (the "Project"). The Facility would be initially owned, operated and/or managed by the Company.

The Agency contemplates that it would provide financial assistance to the Company in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Facility, exemptions from sales and use taxes and an abatement of real property taxes. The Company has requested that the Agency provide financial assistance to the Company in the form of an abatement of real property taxes for a term of up to twenty (20) years (the "PILOT Benefit"). The proposed PILOT Benefit deviates from the Agency's Uniform Tax Exemption Policy and Guidelines, as amended to date (the "Policy"), because the proposed PILOT Benefit would be for a term of up to twenty (20) years instead of ten (10) years. Copies of the proposed PILOT payment schedule are available on the Agency's website at www.tohida.org. The Agency is considering the proposed deviation from the Policy due to the current nature of the property and because the Company would not undertake the Project and the Project would not be economically viable without a PILOT Benefit for a term of up to twenty (20) years.

A representative of the Agency will, at the above-stated time and place, hear and accept oral comments from all persons with views in favor of or opposed to either the Project or the financial assistance requested by the Company. Comments may also be submitted to the Agency in writing or electronically prior to or during the hearing by e-mailing them to idaemail@tohida.org. Minutes of the Hearing will be transcribed and posted on the Agency's website.

Members of the public have the opportunity to review the application for financial assistance filed by the Company with the Agency and an analysis of the costs and benefits of the proposed Facility, which can be found on the Agency's website at www.tohida.org.

The Agency anticipates that the members of the Agency will consider a resolution to approve the Project and the financial assistance requested by the Company, including the proposed twenty (20) year PILOT Benefit, at the Agency's Board Meeting (the "Board Meeting") to be held on February 24, 2022, at 9:00 a.m. local time, at 1 Washington Street, Town Hall Pavilion, Hempstead, New York 11550.

Dated: February 5, 2022
TOWN OF HEMPSTEAD INDUSTRIAL
DEVELOPMENT AGENCY
By: Frederick E. Parola
Title: Chief Executive Officer

NEWSDAY PROOF

Ad Number: 0021704000

Advertiser: HEMPSTEAD IDA

Frederick E. Parola
Chief Executive Officer



350 FRONT STREET HEMPSTEAD, NY 11550-4037
(516) 489-5000 EXT. 4200 • (516) 489-3179

NOTICE LETTER

[Distribution List Attached]

February 5th, 2022

Re: **Town of Hempstead Industrial Development Agency**
(NBD Holding LLC 2022 Facility)

NBD Holding LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of NBD Holding LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the **"Company"**), submitted its application for financial assistance (the **"Application"**) to the Town of Hempstead Industrial Development Agency (the **"Agency"**) to enter into a transaction in which the Agency will assist in the acquisition of an interest in an approximately 1.6 acre parcel of land located at 417, 435, 444, 447 & 477 Woodcleft Avenue, Village of Freeport, Town of Hempstead, Nassau County, New York (the **"Land"**), the demolition of the existing structures and improvements on the Land, the construction of an approximately 89,836 square foot three-story building on the Land (the **"Improvements"**), and the acquisition of certain fixtures, equipment and personal property necessary for the completion thereof (the **"Equipment"**); and together with the Land and the Improvements, the **"Facility"**), which Facility is to be subleased by the Agency to the Company and used as a 100-room hotel facility and for related banquet and restaurant uses (the **"Project"**). The Facility would be initially owned, operated and/or managed by the Company.

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The Company has requested that the Agency provide financial assistance to the Company in the form of an abatement of real property taxes for a term of up to twenty (20) years (the "PILOT Benefit"). The proposed PILOT Benefit deviates from the Agency's Uniform Tax Exemption Policy and Guidelines, as amended to date (the "Policy"), because the proposed PILOT Benefit would be for a term of up to twenty (20) years instead of ten (10) years. Copies of the proposed PILOT payment schedule are available on the Agency's website at www.tohida.org. The Agency is considering the proposed deviation from the Policy due to the current nature of the property and because the Company would not undertake the Project and the Project would not be economically viable without a PILOT Benefit for a term of up to twenty (20) years.

The Agency will hold a public hearing (the "Hearing") with respect to the Project and the financial assistance requested by the Company on February 16, 2022, at 10:00 a.m., local time, at Freeport Village Hall, 46 N. Ocean Avenue, Village of Freeport, Town of Hempstead, New York. Attached as Exhibit A is a copy of the Notice of Public Hearing describing the Project and the financial assistance requested by the Company. The Notice of Public Hearing was published in Newsday on February 5th, 2022.

A representative of the Agency will, at the above-stated time and place, hear and accept oral comments from all persons with views in favor of or opposed to either the Project or the financial assistance requested by the Company. Comments may also be submitted to the Agency in writing or electronically prior to or during the Hearing by e-mailing them to ida@mail@tohmail.org. Minutes of the Hearing will be transcribed and posted on the Agency's website.

Members of the public have the opportunity to review the application for financial assistance filed by the Company with the Agency and an analysis of the costs and benefits of the proposed Facility, which can be found on the Agency's website at www.tohida.org.

The Agency anticipates that the members of the Agency will consider a resolution to approve the Project and the financial assistance requested by the Company, including the proposed twenty (20) year PILOT Benefit, at the Agency's Board Meeting (the "Board Meeting") to be held on February 24, 2022, at 9:00 a.m. local time, at 1 Washington Street, Town Hall Pavilion, Hempstead, New York 11550.

You and your representative are welcome to participate in the Hearing and/or the Board Meeting, at which time you will have an opportunity, both orally and in writing, to present your views with respect to the Project and/or the financial assistance requested by the Company. We are providing this notice to you, pursuant to Sections 859-a and 874 of the New York State General Municipal Law, as the chief executive officer of an affected tax jurisdiction within which the Project is located.

Very truly yours,

TOWN OF HEMPSTEAD INDUSTRIAL
DEVELOPMENT AGENCY

By: Frederick E. Parola
Title: Chief Executive Officer

Councilman Carini
4th Floor

Nassau County Legislative District 19
Steven D. Rhoads
1550 Franklin Avenue
Mineola NY 11501

Town Clerk
Kate Murray

Supervisor Donald X. Clavin
4th Floor

New York Assembly District 21
Judy Griffin
74 North Village Avenue
Rockville Centre NY 11570

New York Senate District 8
John E. Brooks
5550 Merrick Rd-Suite 205 Massapequa NY
11758

County Executive Bruce Blakeman
County Executive
Nassau County
1 West Street
Mineola, New York 11501

Superintendent Kishore Kuncham, Ed.D.
Freeport School District
235 North Ocean Avenue
Freeport NY 11520

Mayor Robert T. Kennedy
Incorporated Village of Freeport
46 North Ocean Avenue Freeport NY 11520

Maria Jordan-Awalom
School Board President
Freeport School District
235 North Ocean Avenue
Freeport NY 11520

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Title 1 of Article 18-A of the New York State General Municipal Law (the "**Hearing**") will be held by the Town of Hempstead Industrial Development Agency on the 16th day of February, 2022, at 10:00 a.m., local time, at Freeport Village Hall, 46 N. Ocean Avenue, Village of Freeport, Town of Hempstead, New York, in connection with the following matters:

NBD Holding LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of NBD Holding LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "**Company**"), submitted its application for financial assistance (the "**Application**") to the Town of Hempstead Industrial Development Agency (the "**Agency**") to enter into a transaction in which the Agency will assist in the acquisition of an interest in an approximately 1.6 acre parcel of land located at 417, 435, 444, 447 & 477 Woodcleft Avenue, Village of Freeport, Town of Hempstead, Nassau County, New York (the "**Land**"), the demolition of the existing structures and improvements on the Land, the construction of an approximately 89,836 square foot three-story building on the Land (the "**Improvements**"), and the acquisition of certain fixtures, equipment and personal property necessary for the completion thereof (the "**Equipment**"; and together with the Land and the Improvements, the "**Facility**"), which Facility is to be subleased by the Agency to the Company and used as a 100-room hotel facility and for related banquet and restaurant uses (the "**Project**"). The Facility would be initially owned, operated and/or managed by the Company.

The Agency contemplates that it would provide financial assistance to the Company in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Facility, exemptions from sales and use taxes and an abatement of real property taxes.

The Company has requested that the Agency provide financial assistance to the Company in the form of an abatement of real property taxes for a term of up to twenty (20) years (the "**PILOT Benefit**"). The proposed PILOT Benefit deviates from the Agency's Uniform Tax Exemption Policy and Guidelines, as amended to date (the "**Policy**"), because the proposed PILOT Benefit would be for a term of up to twenty (20) years instead of ten (10) years. Copies of the proposed PILOT payment schedule are available on the Agency's website at www.tohida.org. The Agency is considering the proposed deviation from the Policy due to the current nature of the property and because the Company would not undertake the Project and the Project would not be economically viable without a PILOT Benefit for a term of up to twenty (20) years.

A representative of the Agency will, at the above-stated time and place, hear and accept oral comments from all persons with views in favor of or opposed to either the Project or the financial assistance requested by the Company. Comments may also be submitted to the Agency in writing or electronically prior to or during the Hearing by e-mailing them to

idadamail@tohmail.org. Minutes of the Hearing will be transcribed and posted on the Agency's website.

Members of the public have the opportunity to review the application for financial assistance filed by the Company with the Agency and an analysis of the costs and benefits of the proposed Facility, which can be found on the Agency's website at www.tohida.org.

The Agency anticipates that the members of the Agency will consider a resolution to approve the Project and the financial assistance requested by the Company, including the proposed twenty (20) year PILOT Benefit, at the Agency's Board Meeting (the "Board Meeting") to be held on February 24, 2022, at 9:00 a.m. local time, at 1 Washington Street, Town Hall Pavilion, Hempstead, New York 11550.

Dated: February 5, 2022

TOWN OF HEMPSTEAD INDUSTRIAL
DEVELOPMENT AGENCY

By: Frederick E. Parola
Title: Chief Executive Officer

EXHIBIT B

Minutes from Public Hearing held on February 16, 2022

X

IN T E M A T T E R O F A
N O T I C E O F P U B L I C H E A R I N
R E N D O L D I N L L C

X

N Ocean Avenue
Freeport New ork

Februar
a m

E F O R E
M I C A E L L O D A T O D e p u t E e c u t i v e D i r e c t o r

Doll Fevola
Court Reporter

A P P E A R A N C E S

TOWN OF EMPSTEAD
INDUSTRIAL DEVELOPMENT A ENC
Front Street
empstead New ork
MIC AEL LODATO Dep E ec Director

ALSO PRESENT

TOWN OF EMPSTEAD

PAUL O RIEN Counsel for IDA

TOWN OF FREEPORT

MA OR RO ERT T KENNED

OWARD COLTON
VILMA LANCASTER
MARK DEVELLA
C IEF MIC AEL SMIT

JO N ORDON ESQ Forchelli Deegan Terrana

KIM ERL LA RADOR

MIC AEL W ITE

RANT NEW UR ER

ee

PLED E OF ALLE IANCE IS RECITED

MA OR KENNED Members of the
IDA join me here Ladies and
entlemen please be sure to
distinguish our telephone put them
on silence clear audio for future
presentation

I d like to go around and
introduce ever one so ou re
familiar with who s on the dais

C IEF SMIT ood morning
Michael Smith Chief of police

MR DAVELLA Mark Davella
President of the Freeport member
IDA

MS LANCASTER ood morning
Vilma Lancaster member of the IDA

EARIN OFFICER LODATO ood
morning Michael Lodato Deput
E ecutive Director of the Industrial
Development Agenc

MR COLTON oward Colton
Freeport

MA OR KENNED Robert Kenned

ee

Mayor of the Village of Freeport

IDA

Please proceed

EARIN OFFICER LODATO good

morning M name is Mike Lodato

I am the Deputy Executive Director of
the Town of Hempstead IDA

I am observing it is a m
on February We are here

to have a Public hearing of N D

holding L L C who is looking for
PILOT benefits and tax benefits and
sales tax benefits from the Town of
Hempstead IDA

I will now submit the Notice of
Public hearing into the record

Notice is hereby given that a
public hearing pursuant to Title
of Article A of the New York
State General Municipal Law the

hearing will be held by the Town
of Hempstead Industrial Development
Agency on the 14th day of February

at 10 a m local time at

ee

Freeport Village all N Ocean
Avenue Village of Freeport Town of
empstead New ork in connection
with the following matters

N D olding L L C a limited
liabilit compan organi ed and
e isting under the laws of the State
of New ork on behalf of itself
and or the principals of N D

olding L L C and or an entit
formed or to be formed on behalf of
an of the foregoing collectivel
the Compan submitted its
application for financial assistance
the Application to the Town of
empstead Industrial Development
Agenc the Agenc to enter into
a transaction in which the Agenc
will assist in the acquisition of an
interest in an appro imatel
acre parcel of land located at

Woodcleft

Avenue Village of Freeport Town of
empstead Nassau Count New ork

ee

the Land the demolition of the existing structures and improvements on the Land the construction of an approximately square foot three stor building on the Land the Improvements and the acquisition of certain fixtures equipment and personal property necessar for the completion thereof the Equipment and together with the Land and the Improvements the Facilit which Facilit is to be subleased b the Agenc to the Compan and used as a room hotel facilit and for related banquet and restaurant uses the Project The Facilit would be initiall owned operated and or managed b the Compan

The Agenc contemplates that it would provide financial assistance to the Compan in the form of exemptions from mortgage recording taxes in connection with the

ee

financing or an subsequent
refinancing of the Facilit
e emptions from sales and use ta es
and an abatement of real propert
ta es

The Compan has requested that
the Agenc provide financial
assistance to the Compan in the
form of an abatement of real
propert ta es for a term of up to

ears the PILOT ENEFIT The
proposed PILOT enefit deviates from
the Agenc s Uniform Ta E emption
Polic and uidelines as amended to
date the Polic because the
proposed PILOT enefit would be for
a term of up to ears instead of

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PILOT pa ment schedule are available
on the Agenc s website at
www.tohida.org The Agenc is
considering the proposed deviation
from the Polic due to the current
nature of the propert and because

ee

the Compan would not undertake the Project and the Project would not be economicall viable without a PILOT enefit for a term of up to ears

A representative of the Agenc will at the above stated time and place hear and accept oral comments from all person with view in favor of or opposed to either the Project or the financial assistance requested b the Compan Comments ma also be submitted to the Agenc in writing or electronicall prior to or during the earing b e mailing them to idamail tohmail org Minutes of the earing will be transcribed and posted on the Agenc s website

Members of the public have the opportunit to review the application for financial assistance filed b the Compan with the Agenc and an anal sis of the costs and

ee

benefits of the proposed Facilit
which can be found on the Agenc s
website at www tohida org

The Agenc anticipates that the
members of the Agenc will consider
a resolution to approve the Project
and the financial assistance
requested b the Compan including
the proposed ear PILOT enefit
at the Agenc s oard Meeting the
oard Meeting to be held on
Februar at a m
local time at Washington Street
Town all Pavilion empstead New
ork

If an one would like to come up
and speak please sign in and state
our name to the stenographer
Thank ou

MR ORDON John ordon
Forchelli Deegan Terrana LLP
representing N D olding the
applicant

I just want to sa that this is

ee

a great project for the Nautical
Mile for the Village of Freeport
for the Town of Hempstead It s
going to bring jobs construction
jobs local labor into the building
of the project as well as the
maintenance of the project

There s going to be a hotel
there There s going to be
employees from the hotel There s
going to be a restaurant on site
It s going to be over a million
budget of construction costs put in
and it s going to be a tremendous
project for ever one so I d like to
say that this should be approved
Thank you

MAJOR KENNEDY Thank you very
much Do we have any other comments
from our residents or from the dais?
Please come up and state our name

MR JONES My name is David
Jones I m a year resident of
the Village and my comment is the

ee

first one is I want to give thanks
to the IDA for continuing to bring
things to the Village that help us
ou know sta here longer and have
families here and just do the
wonderful things that it takes to
grow a village

And from m famil and the
people who go to the Nautical Mile
we are in approval of this Mr
Ma or and wanted to just give our
thanks for the efforts that s all

MA OR KENNED Thank ou ver
much An comments on the oard?

MS LANCASTER We d like to
thank the IDA and the Ma or for
allowing us to have this project

As ou know that propert has
been sitting there with nothing on
it and in doing this we ll be able
to have more people come into our
communit enjo it and basicall
with the boats and going to the
restaurants and things like that

ee

We re known as a fishing communit
so wh not enjo what we have

MA OR KENNED Agree Mr
Davello?

MR DAVELLO I just hope it
turns out to be the troph project
that it s supposed to be It s a
destination location that is
utili ed b more than this communit
alone and the Mile is so that the
tendenc down there turn around to
fill up to the dail walk along
outdoor shops that it should be
along with commerce for the village
I think it s positive all the wa
around and I give m approval

MA OR KENNED Thank ou I
just want to make a few comments
also

I look forward to this
development I think it s great for
jobs in the village future jobs in
the village and looks at the
construction jobs also This will

ee

be a million dollar development
There will be man construction
positions opened up It s economic
development for the Village of
Freeport where we can stabili e our
financial ta es in this village
bring in e tra revenues and secure
our propert ta es at a good
reasonable rate with our residents

We look at an annual propert
ta revenue of the future there s
future jobs on the long term here
We ll be bringing in as Vilma has
stated it will be bringing in and
e panding the boating communit

Freeport is known as the
boating capital of the northeast
Let s continue Let s bring in
those boats get that intercoastal
traffic from down south to Main
Let them stop and sta in a nice
place in the Village of Freeport

I m looking forward to this job
and I think it will be a great

ee

advantage to the Village of Freeport
residence and commercial businesses

Chief an comments?

C IEF SMIT I m in favor of
this project also Ma or I m with
the department for ears I ve
grown up on Long Island and I think
this is going to be probabl the
biggest draw to Freeport since the
start of the Recreation Center and
this will be a focal point on the
south shore of Long Island

MA OR KENNED Thank ou I
agree

oward Colton Village
attorne ?

MR COLTON I m a ear
resident of the Village of Freeport
I m ver e cited about this project
The Nautical Mile needs a
destination point This provides
the destination point for the Mile
It s going to help businesses This
is a project that its time has come

ee

and it s definitel needed reat
shot in the arm to the Nautical Mile
and the Village of Freeport

I thank the IDA for hearing
this matter and I thank the
developer for bringing it to the
Village of Freeport and selecting
the Village of Freeport

EARIN OFFICER LODATO The
IDA would like to thank Ma or
Kenned for allowing us to use this
Village all for this earing This
has been ver much a joint venture
between the IDA and the Village of
Freeport It s a phenomenal
project We look forward to moving
along with this Thank ou

MA OR KENNED Mike do we
need to close the meeting? Do we
have an other comments? An
residents before we close?

EARIN OFFICER LODATO
Normall we keep it open for
minutes and then close it out as

ee

long as no one has any comments

MR DAVELLA Is the developer going to have a formal groundbreaking ceremony by any chance?

MS LA RADOR Kimberl Labrador ND holding owners represents we plan on having a formal groundbreaking ceremony as soon as we can get the ground That looks to be about June 1st

MA OR KENNED Thank you

MR WHITE Good morning everyone My name is Mike White I am the business rep for Local 1 which covers the Freeport area I just had a couple of questions

Have you guys reached out to the Nassau Suffolk Building Trades Union for the labor for this project?

MR ORDON No not to my knowledge

MR WHITE Do you have plans of reaching out for a labor agreement?

ee

MR ORDON We have to discuss
with OS A

MR WHITE ecause I notice
that ou have a percent proposed
requirement of hiring within
Freeport and now with the labor
agreement we can have a lawful
request for labor from which
will suit all our needs It would
suit the Town if we can get new
members brought in not onl just
carpenters which I represent but
all the building trades that
represent Nassau and Suffolk
together I think that would be a
great opportunit especiall
because of the si e and scope of
this project the environmental
impact among state responsible
contractors working right on that
waterwa We don t damage our
waterwa s here in Freeport and ou
have m support for sure so long as
it s done responsibl with

ee

preventing not damage but at least
working standard

And I also have minorit
contractors that live in the area
that we can put to this project as
well I m hoping that we can work
together going forward

MA OR KENNED I would be glad
to mediate between ourself and the
developer If ou need an thing
feel free to call m office We can
have a meeting and work out details
and further carr discussions

MS LANCASTER Do ou have a
business card?

MR W ITE Absolutel

MS LANCASTER Just a
question our local the have a
lot of e perience in because ou
know ou re on the water

ulkheads all that ou have that
t pe of e perience?

MR W ITE Surprisingl
Scalamandre Sons our top

ee

foundation and bulkhead contractors
is right around the block in
Freeport The would be perfect for
that work We do ever thing from
the piles bulkheads all the wa up
through the curtains We cover it
all And I have an e tensive MW E
list of contractors that will
handle from the beginning all the
wa to the end If ou d like I
can forward it to ou gu s if ou
have an e mail

MS LANCASTER ou can forward
it

MA OR KENNED I will get ou
a card

MR W ITE Thank ou ver
much

MR JONES David Jones
Freeport resident I j just wanted to
know one other question the
neighbor across the street Did it
still include the gas filling
station that s there?

ee

MS LA RADOR With regard to the gas station which is known as Richard s as Stop that will be taken down That s being demolished That is out of service That s part of the project So the entire area will be level and the project will go from the ver end of the canal where Richard s is up to our surve line which is a little bit south of the

MA OR KENNED Please e plain the details on the boating facilit and walkable areas on the water

MS LA RADOR So we will have appro imatel boat slips that are accessible to the public to come in and dock and we have to determine with the new management compan how that will be handled whether or not the ll have access to all the amenities an t pe of fee and then the public promenade will be open to all to walk down and view the water

ee

There will be a back wa on the
backside on the Woodcleft canal
side The will be able to walk
down and view sunset sunrise an
of those areas

MA OR KENNED eautiful
Looking forward to it

When is our appro imate
completion date scheduled for the
development and opening?

MS LA RADOR We re opening
for soft opening b the end of
with a full grand opening b end of
winter beginning of Spring based
on when we can start building

MA OR KENNED As ou know
the Village of Freeport has its own
uilding Department inspectors
Planning oard oning oard so
we ll be glad to help accommodate
the e peditious completion of this
project Whatever ou need feel
free to come into the Ma or s
office We ll tr to help

ee

MS LA RADOR We greatl
appreciate all the cooperation from
the Village to date It s been
e tremel helpful

MA OR KENNED ow man
emplo ees are ou e pecting as
full term positions in the future
after our opening?

MS LA RADOR At start we re
looking at full time and then it
will all be based upon during high
season we e pect a significant more
amount of part time emplo ees It
will all be based on how the project
progresses how the Mile progresses
how man people are coming but to
start we re starting at

MA OR KENNED our parking is
ample parking I understand ou re
raising the building so there is
parking underneath correct?

MS LA RADOR es on the
first level Due to the flood one
there cannot be an occupation on

ee

the first level so that will all be parking and stackable car lifts like the ones you see in the City. There will be car lifts underneath plus the parking lot across the street.

And we have an arrangement for private off site parking and then we also have the offer with the Village to create additional parking as needed.

MA OR KENNEDY Oka Thank

you

EARIN OFFICER LODATO Mr Newburger you want to sign in and say anything?

MR NEWBURGER Absolutely
want Newburger building
Construction Trades council of
Nassau and Suffolk counties

Like I just said on behalf of the building trades this is a big project. We'd like to be included. I'd like to make sure on the record that we are strongly advocating for

ee

prevailing wage on this project and
we d ver much like to see a project
laborer come in as well Thank ou

EARIN OFFICER LODATO Thank
ou

MA OR KENNED Thank ou sir

If there is no other comments
Mike please

EARIN OFFICER LODATO If
there are no other comments and no
one else would like to testif the
Town of empstead IDA would like to
close this meeting at a m
sine die Thank ou ever one for
coming

MA OR KENNED Thank ou
Ladies and entleman Please get
home safe

Time noted a m

CERTIFICATION

I DOLL FEVOLA a Notar Public in
and for the State of New ork do hereb certif

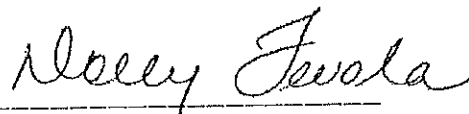
T AT the witness whose testimon is herein
before set forth was dul sworn b me and

T AT the within transcript is a true record
of the testimon given b said witness

I further certif that I am not related
either b blood or marriage to an of the parties
to this action and

T AT I am in no wa interested in
the outcome of this matter

IN WITNESS W EREOF I have hereunto
set m hand this th da of Februar



DOLL FEVOLA

\$	5	amenities amount ample analysis annual anticipates applicant application	boating	
\$43	50-year 51		boats	Comments commerce commercial community
,	7		bring	
'25	70	Application appreciate approval	bringing	
1	8		brought budget building	company Company
1	89,836	approve approved approximate area	Building	completion
1.6	9		bulkhead bulkheads	connection
10	9:00	areas arm arrangement	business	consider considering construction
100-room	A		businesses	
10:00	a.m	Article assist assistance	BY	Construction
10:02	abatement		C	contemplates
10:21	able above-stated absolutely	attorney audio available Avenue	canal cannot capital car card carpenters carry Center ceremony	continue continuing contractors
11520	2			
11550	20			
16	2022	accept access accessible accommodate		cooperation Copies correct costs counsel Counsel counties County couple Court cover covers create current curtains
16th	2024	acquisition	certain CERTIFICATION	
17th	22	acre action additional advantage advocating Agency	certify chance chief CHIEF	
18-A	24		Chief City clear close	
1st	3			D
	30		collectively Colton	daily dais damage
	32		COLTON	
	35-year		coming	date
	350		comment comments	DAVELLA Davella
	4			
417	AGENCY Agency's	backside banquet based		
43	agree agreement	beautiful beginning		
435	ALLEGIANCE allowing	behalf		
444	alone amended	Benefit		
447		BENEFIT") benefits		
45		between		
46		big biggest bit block blood Board		
477		boat		

Davello DAVELLO David	economically efforts either electronically	filling financial	greatly ground groundbreaking	idamail@tohmail. org impact improvements
Deegan	employees	financing first	grow grown Guidelines guys	Improvements
definitely demolished demolition	end	fishing fixtures flood	H	IN
Dep Department	enjoy enter entire entity environmental	focal following foot Forchelli	Hall	Include included including INDUSTRIAL Industrial
department Deputy			hand handle handled hear Hearing	inspectors instead intercoastal
destination	equipment Equipment especially ESQ	foregoing form formal formed forth forward	HEARING	interest Interested Introduce IS
details	excited Exec Executive		hearing	Island itself
determine DEVELLA developer	Exemption exemptions	foundation free Freeport	held help	J
development	existing expanding expect expecting expeditious		helpful HEMPSTEAD	Job Jobs
DEVELOPMENT	experience	FREEPORT	Hempstead	John JOHN Join joint JONES
Development	explain extensive extra extremely	Front full	hereby herein hereunto high hiring HOLDING Holding	Jones June
deviates deviation die Director		full-term full-time future		K
discuss discussions	F	G	home hope hoping hotel	keep Kennedy
distinguish dock dollar DOLLY	Facility	gas Gas General Gentleman Gentlemen given glad Gordon GORDON	Howard HOWARD	KENNEDY
Dolly done down	facility		I	
draw due duly during	familiar families family favor February	grand Grant GRANT great	IDA	Kimberly KIMBERLY knowledge
E	fee FEVOLA			
e-mail e-mailing economic	Fevola few filled fill			

known	M	MR	off-site offer office	point
L	mail mailing Main maintenance	MS	OFFICER	police Policy
L.L.C			one	positions
labor	managed management		ones open	positive posted PRESENT presentation President prevailing preventing principals private proceed progresses project
laborer Labrador LABRADOR	MARK mark marriage matter	Municipal MWBE	opened opening	
		N		
Ladies ladies LANCASTER	MATTER matters mayor Mayor	name Nassau nature Nautical NBD necessary need needed needs	operated opportunity opposed oral organized OSHA outcome outdoor own owned owners	
Lancaster land Land	MAYOR			Project
Law lawful laws least level	Mayor's mediate Meeting		P	Project") promenade property
liability lifts limited line list live LLC LLP local	meeting member Members members MICHAEL Michael mike Mike Mile	neighbor New new Newburger NEWBURGER nice normally northeast Notary noted nothing NOTICE Notice notice	parcel parking part part-time parties PAUL Pavilion payment people percent perfect person personal phenomenal	proposed
Local located location Lodato LODATO	million	O		provide provides public PUBLIC Public pursuant put
long-term look	minority Minutes minutes morning		piles PILOT	Q
looking				questions
looks	mortgage moving	O'BRIEN observing occupatfon Ocean OF	place plan Planning plans PLEDGE plus	R

real	shore	sworn	up	Y
reasonable	shot	T	uses utilized	year years
RECITED	side			
record	sign	tax	V	York
recording	significant	Tax		
Recreation	silence	taxes	venture viable view	yourself
refinancing	sine	telephone		
regard	site	tendency	Village	Z
related	sitting	term		
rep	size	Terrana	village	zone Zoning
Reporter	slips	testify		
represent	Smith	testimony	VILMA Vilma	
	SMITH	THAT		
representative	soft	THE	W	
representing	Sons	thereof		
request	soon	three	wage walk	
requested	south	three-story		
requirement	Spring	Title	walk-along walkable Washington water	
residence	square	together		
resident	stabilize	top	waterway waterways website	
residents	stackable	TOWN		
resolution	standard	Town	WHEREOF White WHITE	
responsible	start	Trades		
responsibly	starting	trades	winter WITNESS witness	
restaurant	State	traffic		
restaurants	state	transaction	wonderful Woodcleft	
revenue	station	transcribed		
revenues	stay	transcript	writing www.tohida.org	
review	stenographer	tremendous		
Richard's	still	trophy	U	
Robert	stop	true		
ROBERT	Stop	try	undertake Uniform	
	story	turn		
	Street	turns		
	street	type		
	strongly			
S	structures			
	subleased			
	submit			
	submitted			
	subsequent			
	Suffolk			
	suit			
	sunrise			
	sunset			
	support			
	supposed			
	surprisingly			
	survey			

EXHIBIT C

Form of proposed PILOT Benefits

Schedule of PILOT Payments less any amounts payable by the Company in connection with any special ad valorem levies, special assessments or Special District Taxes and service charges levied against the Facility to the County of Nassau, Town of Hempstead, Village of Freeport, Freeport Union Free School District and Appropriate Special Districts:

417, 435, 444, 447 & 477 Woodcleft Avenue
Freeport, NY 11520

Section; 62, Block: 177, Lots: 339, 526, 541, 542, 548
Section; 62, Block: 233, Lots: 2 & 3
Parcels: 7
SD- Freeport 9

Current Total Taxes Year: \$133,151.35
Estimated Taxes Once Built: \$772,824.00

Year	Total
1	\$133,151.35
2	\$133,151.35
3	\$133,151.35
4	\$225,000.00
5	\$255,000.00
6	\$280,000.00
7	\$310,000.00
8	\$355,000.00
9	\$400,000.00
10	\$440,000.00
11	\$470,000.00
12	\$510,000.00
13	\$550,000.00
14	\$590,000.00
15	\$630,000.00
16	\$670,000.00
17	\$710,000.00
18	\$750,000.00
19	\$790,000.00
20	\$830,000.00

PILOT Payments shall be allocated among the Taxing Authorities in proportion to the amount of real property tax and other taxes which would have been received by each Taxing Authority if the Facility was owned by the Company exclusive of the Agency's leasehold interest.

All annual PILOT Payments as described above shall be payable (i) with respect to the school taxes, in two equal semi-annual installments on or prior to November 10 and May 10 of each year of the Lease Term or on such other due dates as may be established from time to time during the Lease Term, (ii) with respect to the general taxes, in two equal semi-annual installments on or prior to February 10 and August 10 of each year of the Lease Term or on such other due dates as may be established from time to time during the Lease Term, and (iii) with respect to the village taxes, in two equal semi-annual installments on or prior to March 1 and September 1 of each year of the Lease Term or on such other due dates as may be established from time to time during the Lease Term.

** In accordance with Title 2 of Article 18-A of the General Municipal Law, Section 905(3), beginning after the third year after entering into the PILOT Agreement, and every third year thereafter, the PILOT Payments shall be reviewed by the Agency and adjusted based on changes to the assessed value and tax rate of all other real properties located in the Village of Freeport.*

EXHIBIT D
Requisite Materials

Pinnacle Advisory Group

Boston New York Newport Beach Portland Tampa Washington DC

Hospitality Consulting
Asset Management
Real Estate Appraisal
Litigation Support



Rachel J. Roginsky, ISHC
Principal

October 18, 2021

NBD Holding, LLC
C/O
Nick Strachovsky as Owner's Representative
333 Jericho Turnpike
Suite 126
Jericho, NY 11756

RE: Proposed Hilton Garden Inn – Freeport, NY

Mr. Strachovsky,

Pursuant to your request, Pinnacle Advisory Group ("Pinnacle") has completed market research for a proposed Hilton Garden Inn to be located at 447 Woodcleft Avenue in Freeport, New York. As we understand it, Elan Strategy Consultants ("Client") is interested in developing the 100-room, Hilton Garden Inn ("Proposed Hotel") on the subject site. This document summarizes our findings, market projections, and occupancy and room rate projections for the first five years of operation for the Proposed Hotel. Pursuant to your direction we have assumed an opening date for the Proposed Hotel to be April 2, 2024.

The Proposed Hotel will only be the first flagship hotel to be constructed in Freeport, NY and will offer over 5,000 square feet of meeting space and 100 upscale, well-appointed guestrooms. The Proposed Hotel will be an economic stimulus for Freeport in the manner that it plans to hire 50 employees, and in addition, the guests of the hotel will likely spend money in the local economy in the form of visiting establishments along the Nautical Mile. We conclude that the Proposed Hotel will be a tourism destination project, attracting a significant number of visitors from outside of Long Island and including, but not limited to, the five boroughs of New York City and upstate New York due to its waterfront location along the Nautical Mile and its meeting space. The Freeport LIRR station is located 2.5 miles to the north of the Proposed Hotel.

The conclusions presented in this report are based upon our current knowledge of the market for lodging and related facilities in the defined market area as of the completion of our fieldwork conducted in October 2021. This letter represents Phase I of the engagement; a brief letter report and is for *internal purposes only*. Phase II would be a comprehensive written report including a financial analysis and cash flow projections. The Phase II report may be submitted to potential lenders/investors.

As in all studies of this type, the estimated annual performance levels for the hotel are based on competent and efficient management and presume no significant changes in the competitive dynamics in the market other than those specifically discussed in the report. Projections contained herein are based upon estimates and assumptions that are subject to uncertainty and variability. While we do not represent the projected results as those which will ultimately be achieved, we have prepared them conscientiously

based upon the most reliable forms of information available to us and our extensive experience in the lodging and real estate industries. We have no obligation, unless subsequently so engaged, to update this study because of events occurring subsequent to the completion of this study. Additional assumptions and limiting conditions are presented at the end of this brief letter.

Please note that our fieldwork, analysis, and projections for this engagement were prepared during a global pandemic and a national recession. The COVID-19 pandemic has resulted in domestic and international travel restrictions, caused the cancellation of numerous events, closed convention centers, and forced the temporary closure of many hotels throughout the country. The rollout of a vaccine began in early 2021, and at the time of the submission of this report, approximately 57% of the US population are fully vaccinated. For the purposes of the projections contained herein, we have assumed that there will be a significant impact to market performance over the next several years, and that the U.S. economy and the lodging market will return to pre-pandemic levels in two to three years. This assumption may not be accurate, and future impacts to conclusions are unknown, uncertain, or unclear at this time. If there are any questions after you have had the opportunity to review the attached report, please do not hesitate to call us at your convenience. Thank you once again for the opportunity to be of service to you.

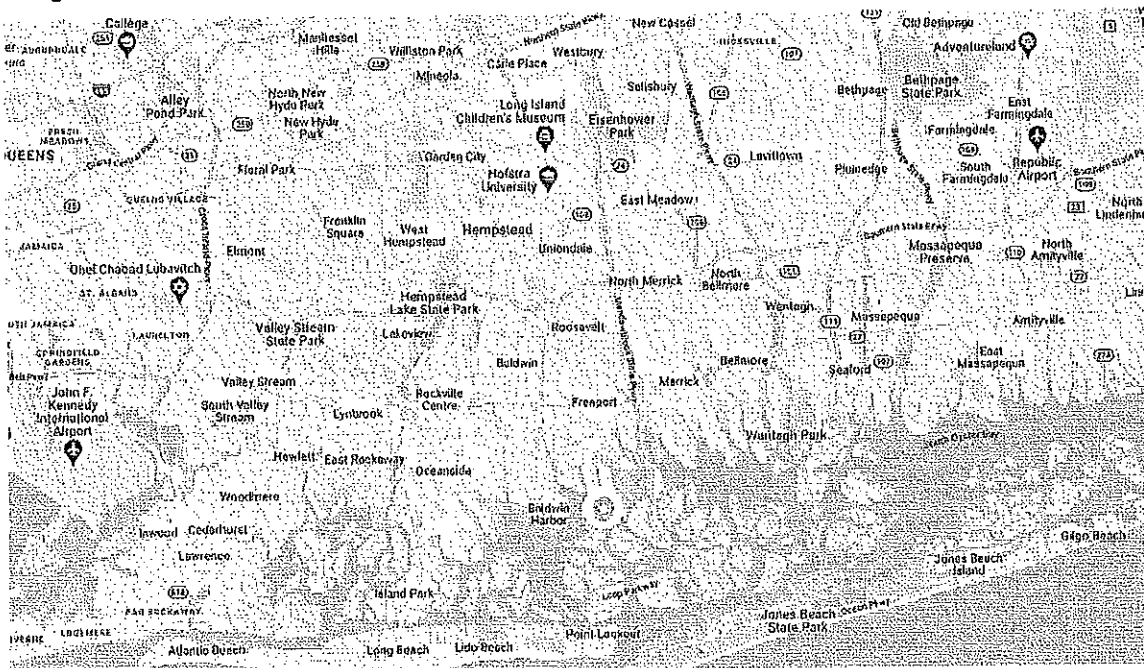
Best regards,

Pinnacle Advisory Group

Pinnacle Advisory Group

AREA ANALYSIS

Freeport is a village within the Town of Hempstead in Nassau County, New York. Freeport is a coastal village on the south shore of Long Island with a population of over 43,000 residents. The village is primarily a residential community offering mature, commercial developments along Sunrise Highway and areas along the coast.



Access and Transportation

The immediate area is primarily accessed by Route-27, referred to as Sunrise Highway in Freeport, connecting it with John F. Kennedy International Airport (JFK Airport) to the west and the Hamptons to the east. Meadowbrook State Parkway intersects with Rt-27 in Freeport, connecting the area with destinations to the north as well as Long Island's other primary highways including Interstate 495 (I-495; Long Island Expressway). Freeport is serviced by the LIRR, a commuter rail system which provides access to/from Manhattan. JFK Airport, approximately 12 miles west, is the primary international airport serving the New York MSA and, accommodating 62.5 million passengers in 2019. Passenger traffic has been greatly impacted by the pandemic, as can be seen in the following chart. Year-to-date through June 2021, indicates domestic travel to have increased 10.2%, as compared to the same period last year. International travel is still declining through this period, with a 29.4% decrease. As of November 1, 2021, the US Government will institute a new policy requiring all foreign nationals to show proof of vaccination to enter the country, thus easing some country specific travel restrictions.

John F. Kennedy International Airport Historical Passenger Traffic						
Year	Domestic	% Change	International	% Change	Total	% Change
2011	23,763,046		23,920,483		47,683,529	
2012	24,217,083	1.9%	25,075,650	4.8%	49,292,733	3.4%
2013	23,883,096	-1.4%	26,540,669	5.8%	50,423,765	2.3%
2014	25,006,280	4.7%	28,248,082	6.4%	53,254,362	5.6%
2015	26,806,853	7.2%	30,020,301	6.3%	56,827,154	6.7%
2016	27,245,463	1.6%	31,710,825	5.6%	58,956,288	3.7%
2017	26,961,081	-1.0%	32,533,213	2.6%	59,494,294	0.9%
2018	28,117,337	4.3%	33,527,921	3.1%	61,645,258	3.6%
2019	28,233,791	0.4%	34,317,281	2.4%	62,551,072	1.5%
2020	8,267,666	-70.7%	8,362,976	-75.6%	16,630,642	-73.4%
YTD June 2020	5,581,104		6,152,444		11,733,548	
YTD June 2021	6,152,409	10.2%	4,343,823	-29.4%	10,496,232	-10.5%

Source: The Port Authority of NY & NJ

The Port Authority's master plan to transform JFK into a unified, interconnected, world-class airport capable of accommodating as many as 100 million annual passengers by 2050 was expected to break ground in 2020. Due to the pandemic, plans were stalled and the Port Authority has been losing billions of dollars. In April 2021, an agreement was reached for a new Terminal 4, funded by private capital, in order to consolidate Delta Airlines. Plans outline a completion date of 2023. Further plans include a new Terminal 1 to replace the old terminals 1, 2 and 3, and a new Terminal 6 to replace terminals 6 and 7.

Set to open for travel in December 2022 is the expansion at Grand Central Station, which will allow commuters direct service from Grand Central Terminal to Long Island. This \$11 billion project is the largest construction project in the history of the Metropolitan Transit Authority (MTA) and will offer marble corridors, escalators and new tracks and platforms to handle up to 24 trains per hour. This new access point allows for Long Island commuters to reach the east-side of Manhattan directly, instead of having to first go to Penn Station.

Employment and Office Market

The area is home to a number of college and universities including Adelphi University located in Garden City, Hofstra University in Hempstead, and Molloy College in Rockville. These three colleges combine for over 24,000 students. Other lodging demand generators in the area include the county's major employers which are largely driven by the education and healthcare industries. Given its reliance and proximity to New York City, the Long Island economy typically follows similar trends to that of the city. According to the NY Department of Labor, the unemployment rate in Nassau County was 5.0% in August 2021, while the State of New York 7.1%, lower than their highs of 16-17% in April 2020.

Fundamentals in the Long Island office market softened towards the end of 2020 with an overall vacancy rate of 7.9%, an increase from 6.2% in 2019. The following chart highlights the inventory, vacancy and market rent for the past 10 years, as well as projections for five years. It is important to note that while the office vacancy has increased, it is expected to stay below 8% for the next several years.

Long Island Office Market - Historical Summary and Projections			
Year	Inventory Sq. Ft.	Vacancy %	Market Rent
2011	96,781,143	9.4%	\$25.26
2012	97,603,562	9.2%	\$25.36
2013	97,708,311	9.0%	\$25.53
2014	97,555,614	8.3%	\$26.10
2015	97,631,560	7.0%	\$26.90
2016	97,596,826	6.5%	\$27.41
2017	97,903,043	6.4%	\$27.69
2018	97,886,516	6.1%	\$28.17
2019	97,996,056	6.2%	\$28.55
2020	98,099,989	7.9%	\$29.01
2021 P	98,108,481	7.9%	\$29.46
2022 P	98,218,401	7.8%	\$30.25
2023 P	98,332,790	7.6%	\$31.28
2024 P	98,564,147	7.6%	\$31.97
2025 P	98,842,115	7.7%	\$32.32
P indicates projection.			
Source: CoStar			

The Nassau County office inventory is made up of approximately 55 million square feet. The Proposed Hotel is located in the Southern Nassau submarket, which reflects a vacancy rate of 6.1%.

Long Island Office Market - By Submarket				
Submarket	Inventory Sq. Ft.	Vacancy %	Market Rent	12-month Absorption
Central Nassau	16,433,000	8.9%	\$32.12	(74,023)
Central Suffolk	10,598,000	7.6%	\$23.52	44,097
Eastern Nassau	15,241,000	8.8%	\$30.80	(156,464)
Eastern Suffolk	4,282,000	5.6%	\$30.68	41,904
Northern Nassau	1,825,000	7.7%	\$27.81	(18,488)
Southeast Nassau	1,695,000	3.8%	\$28.17	28,823
Southern Nassau*	6,343,000	6.1%	\$28.42	(57,646)
Southwestern Suffolk	3,522,000	6.0%	\$24.44	(53,881)
Western Nassau	13,510,000	6.7%	\$34.12	101,816
Western Suffolk	24,639,000	8.6%	\$27.54	(162,010)
*Location of proposed hotel				
Source: CoStar, Q4 2021				

Tourism

The region offers a variety of leisure attractions, many of which are seasonal. These include the Nautical Mile in Freeport, a wealth of local beaches including Jones Beach and Long Beach, and Belmont Park, a thoroughbred horse-racing facility in Elmont. Also in Elmont, is the new UBS Arena which will be the home to the New York Islanders hockey team, open for the start of the 2021-2022 season in November 2021. The UBS Arena has a capacity of 18,500 for concerts. It is reported that Belmont Park's campus will comprise of 315,000 square feet of luxury retail and possibly a hotel.

The Nassau Veterans Memorial Coliseum in Uniondale completed a renovation of \$165 million in 2017, after being closed for 18 months. The Coliseum is home to the NBA G League Long Island Nets and offers

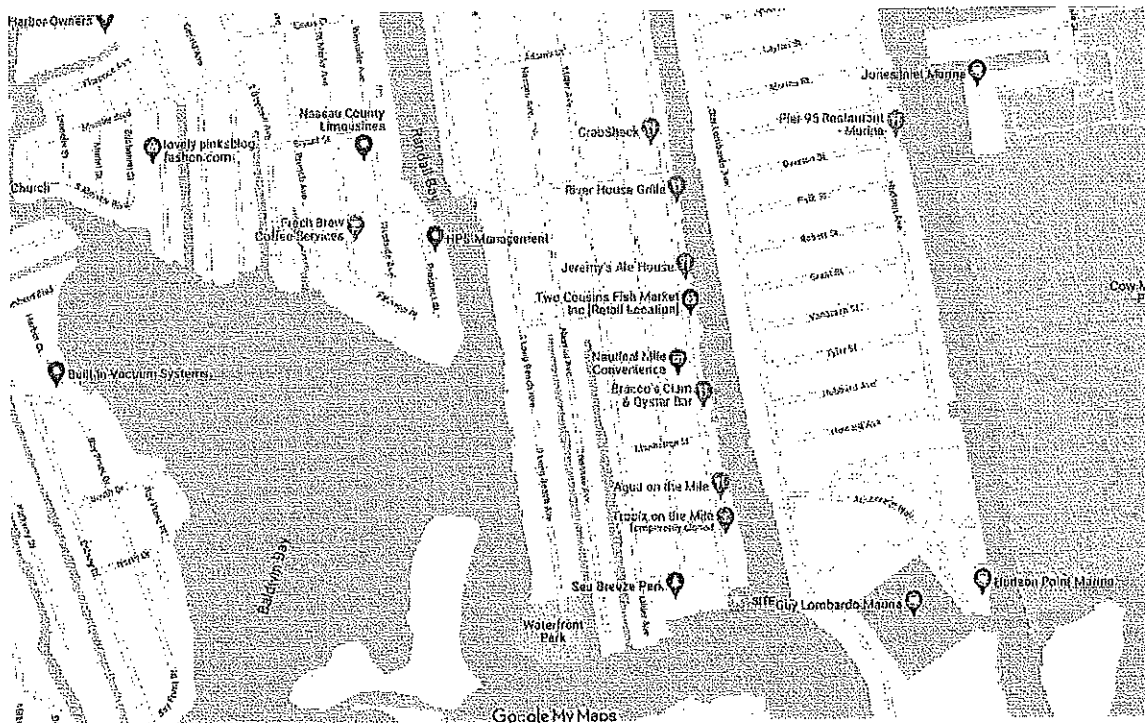
16,000 seating for concerts. The new leaseholder of the 72-acre area incorporating the Coliseum intends to build a work-live-play concept to be called *The Nassau Hub*. This a mixed-use development will contain office uses concentrated on life sciences and R&D, residential housing, entertainment and retail, open green spaces, and walkable streets with public amenities.

Conclusion - Impact on Hotel Demand

Overall, based on our review of leading economic indicators, we are of the opinion that the area will experience a recovery from the ongoing pandemic gradually, in line with the nation. We believe the long-term prospects for the area are stable. While reported progress in vaccine development is welcome news, especially to industries which rely on travel and leisure, there remain numerous unknowns as to when and how the global economy will return. As a destination and as an economy, the Long Island lodging market is well positioned for a recovery once the country begins to emerge from this pandemic and long-term economic stability.

SITE ANALYSIS

The subject site is located at 447 Woodcleft Avenue in Freeport, New York and is currently vacant. According to the Client, the site was previously improved with a 350-seat restaurant called The Schooner but was damaged beyond repair by Hurricane Sandy in the fall of 2012. The site is rectangular in shape and is positioned at the southern end of Woodcleft Avenue (also known as The Nautical Mile). The Woodcleft Canal runs the length of the site's eastern side allowing for access and views of Freeport Bay.



The Nautical Mile is both an attraction for visitors seeking dining and entertainment as well as one of Long Island's oldest maritime communities as the home to Freeport's charter and commercial fishing fleets. The immediate area is improved with commercial buildings including restaurants, bars, small retail and

office buildings, and a brewery. The 3.5-acre Sea Breeze Park is adjacent to the site offering views of Freeport Bay and attracts pedestrians, bikers, boaters and those interested in using the park's volleyball courts and large multi-use field. Freeport Village also hosts events including movie nights in July and August at the park. Slow to recover from the impact of Hurricane Sandy in 2012, the Nautical Mile has undergone improvements, both public and private, in recent years.

The subject site can be accessed from points throughout Long Island including JFK Airport. The site is 2.5 miles from the Freeport Stop and 2.9 miles from the Baldwin Stop, both on the LIRR which provides access to Manhattan and JFK Airport.

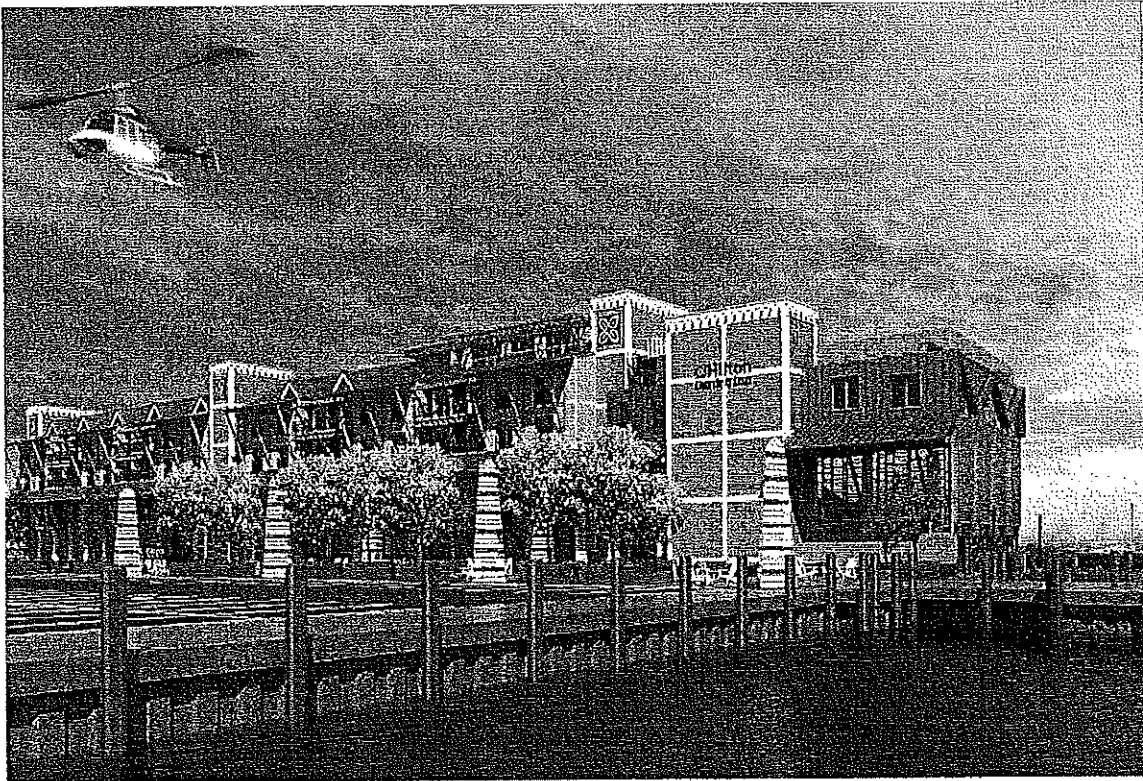
There is a lack of large corporate demand generators in the immediate area and access can be considered difficult from highly trafficked areas of Nassau County. Based on our analysis of the site, we believe it to be suitable for hotel development given its positioning along the waterfront and its proximity to a variety of amenities, both elements which are attractive to leisure and group travelers.

FACILITY ASSUMPTIONS

Per the direction of the Client, we have assumed the Proposed Hotel would open as a 100-room upscale, select service hotel affiliated with Hilton, branded as a Hilton Garden Inn.

Proposed Hilton Garden Inn - Freeport, NY			
Facility Description			
Opening Date	April 2, 2024		
Rooms	100		
Amenities	Sq. Ft.	Seats	Level
Floating Dock	2,400		ground
Boat Slips	32 slips		ground
Parking Spaces	192 spaces		ground
Fitness Room	912		1st floor
Hotel Lounge/Bar & dining	2,785	121	1st floor
Restuarnt	2,893	80	1st floor
Alfresco Dining - Ground Level Patio	1,600	40	1st floor
Rooftop Bar and Lounge	3,184	74	3rd floor
Cigar Bar	380	16	4th floor
Bar/Lounge	2,058	54	4th floor
Bridal Suite	900		2nd floor
Executive Suite	841		2nd floor
Meeting Space	Sq. Ft.		Level
Meeting Room	900		1st floor
Banquet Hall	2,329		1st floor
Pre-Function	1,417		1st floor
Board Room	613		2nd floor
Private Event Room	458		2nd floor
Total Meeting Space	5,717		
Square footage from architectural plans			
Seating from Project Data Sheet			
Source - Zambrano Architectural Design, LLC			

The Proposed Hotel will offer brand required amenities such fitness center, business center, and a 24/7 market. Additionally, the Proposed Hotel will offer meeting space of approximately 5,717 square feet on its first and second floors. The Proposed Hotel's 2,893-square foot restaurant and bar will be situated on the southern end of the development. The Proposed Hotel will have a rooftop bar/lounge and a cigar bar. Per the Client's direction, we have assumed the Proposed Hotel would open on April 2, 2024. The following offers a view of the exterior of the Proposed Hotel.



The Proposed Hotel will also offer a pedestrian promenade that will include the last block of Woodcleft Avenue and a 2,400-square foot floating dock, creating an inviting public space for hotel guests, as well as visitors to the Nautical Mile.



REGIONAL LODGING MARKET

According to STR, Nassau County is comprised of 61 hotel properties of over 6,200 rooms. The majority of hotels are located along Long Island's primary highways such as I-495 and the coastal areas. The following table presents the County's lodging performance from 2013 to present.

Nassau County, NY									
Historical Performance									
Year	Market Supply		Market Demand		Market Statistics				
	Room Nights	% Change	Room Nights	% Change	Occupancy	Change	ADR	% Change	RevPAR
2013	2,126,379	-	1,660,464	-	78.1%	-	\$140.69	-	\$109.88
2014	2,092,718	- 1.6%	1,588,721	- 4.3%	75.9%	- 2.2%	\$140.69	-	\$106.78
2015	2,143,335	2.4%	1,679,115	5.7%	78.3%	2.4%	\$142.45	1.3%	\$111.54
2016	2,214,640	3.3%	1,753,584	4.4%	79.2%	0.9%	\$148.86	4.5%	\$117.90
2017	2,293,948	3.6%	1,789,745	2.1%	78.0%	- 1.2%	\$149.25	0.3%	\$116.42
2018	2,319,391	1.1%	1,841,256	2.9%	79.4%	1.4%	\$151.57	1.6%	\$120.35
2019	2,162,058	- 2.5%	1,804,340	- 2.0%	79.8%	0.4%	\$154.90	2.2%	\$123.61
2020	2,239,649	- 1.0%	1,196,945	- 33.7%	53.4%	- 26.4%	\$126.09	- 18.6%	\$67.33
CAGR 2013 - 2019		1.0%		1.4%				1.6%	2.0%
CAGR 2013 - 2020		0.7%		- 4.6%				- 1.6%	- 6.8%
Aug YTD 2021	1,515,591		1,036,655		68.4%		\$142.48		

Lodging supply in Nassau County experienced limited growth of 0.7% on a compound annual basis from 2013 through 2020. Inventory has contracted over the past three years, as demolition activity has outpaced new construction. Only three new hotels have opened since 2016, with a total of 593 rooms. The last hotel to open in Nassau County was the 163-room Residence Inn by Marriott in Garden City in May 2020.

Occupancies throughout the County have averaged 78.4% from 2016 through 2019, peaking at an occupancy of 79.8% in 2019. Occupancies increased considerably in 2013 as a result of Hurricane Sandy which took place in October 2012, displacing thousands of residents throughout a majority of 2013. As a result of its effects diminishing in 2014, occupancy declines to 75.9%. Demand increased the next two years as the economy improved reaching 79.2% in 2016. After a slight decline in occupancy as a result of new supply, occupancy increased in 2019 to its highest level during the time analyzed.

The impact of COVID-19 has been dramatic on the hotel market, losing over 26 occupancy points in 2020, coupled with an 18.6% decrease in ADR. Year-to-date occupancy has increased to 68.4%, with an average rate of \$142.

Average daily rate (ADR) has experienced limited growth between 2013 and 2019, increasing on a compound annual growth rate of 1.4%. ADR was approximately \$126 in 2020, down \$28 from the \$154 level in 2019.

The following chart highlights the achieved 12-month occupancy and ADR for the three CoStar classifications of hotels in the Nassau/Long Island submarket.

Nassau/Long Island Hotel Submarket						
Class	Rooms	12-Month Occupancy	12-Month ADR	12-Month RevPAR	12-Month Delivered	Under Construction
Luxury & Upper Class	1,246	49.4%	\$164.98	\$81.57	0	0
Upscale & Upper Midscale	2,906	67.3%	\$137.47	\$92.57	0	0
Midscale & Economy	2,085	67.3%	\$123.38	\$83.04	0	0
Total	6,237	63.8%	\$136.74	\$57.18	0	0
Source: CoStar, 2Q 2021						

COMPETITIVE & COMPARABLE LODGING MARKETS

Competitive Set

In order to evaluate the current and prospective status of the lodging industry for the Proposed Hotel in Freeport, we have defined a competitive supply of hotels. After an analysis of the local area and an understanding of the performance of the Nassau County lodging market, we selected a competitive set primarily based on geographic location and sources of demand, while considering their quality, on-site facilities and amenities and other characteristics.

The competitive hotels are presented in the following table.

Defined Competitive Set						
Property	City, State	Chain/Scale	Open Date	Rooms	Mtg. Space (sq. ft.)	Dist. from Subj.
Subject - Proposed Hilton Garden Inn	Freeport, NY	Upscale	Apr-24	100	5,717	--
Allegria Hotel & Spa ¹	Long Beach, NY	Independent	Sep-09	156	5,000	8.3
Courtyard Westbury Long Island	Westbury, NY	Upscale	Jul-16	145	2,208	9.6
Hilton Garden Inn Westbury	Westbury, NY	Upscale	Dec-03	140	1,380	9.8
Hyatt Place Garden City	Garden City, NY	Upscale	Jan-10	122	1,147	10.2
Holiday Inn Westbury Long Island	Carle Place, NY	Upper Midscale	Feb-73	152	4,389	10.7
Viana Hotel and Spa, Trademark Collection by Wyndham ²	Westbury, NY	Independent	Oct-10	116	3,600	14.3
Hilton Garden Inn Roslyn	Port Washington, NY	Upscale	Jun-17	165	3,702	15.8
The Roslyn, Tapestry Collection by Hilton ³	Roslyn, NY	Upper Upscale	Jun-91	76	4,937	15.9
Hilton Garden Inn Melville	Plainview, NY	Upscale	Aug-08	178	3,061	17.7
Inn at Great Neck, BW Premier Collection	Great Neck, NY	Upscale	Jun-95	85	2,695	19.6
Holiday Inn Plainview Long Island	Plainview, NY	Upper Midscale	Apr-63	125	6,572	19.7
¹ Added 13 rooms in Jan 2019.						
² Was formerly the Viana Hotel & Spa until April 2021.						
³ Was formerly the Roslyn Hotel until April 2020.						
Source: STR, compiled by Pinnacle Advisory Group						

The defined lodging market represents the 11 hotels located in Nassau County positioned as upper midscale hotels or better, each hotel offering between 1,000 and 5,000 square feet of meeting space. While there are other hotel properties throughout Nassau County, and a number of smaller, independent hotels in the area, we believe these 11 properties would compete most directly with the Proposed Hotel given the facility assumptions for anticipate market positioning for the Proposed Hotel. Although none of the above hotels are waterfront destination hotels, they offer comparable facilities and provide a benchmark for performance.

We considered and ultimately dismissed the hotels closest to the subject site which include the following four limited service hotels. Given their limited on-site facilities, quality and condition, and their low price point when compared to the positioning of the Proposed Hotel, we have not included these hotels in our competitive set.

Proximate Set						
Property	City, State	Scale	Open Date	Rooms	Mtg. Space (sq. ft.)	Dist. from Subj.
Ramada Rockville Centre	Rockville Centre, NY	Midscale	Jun-63	98	0	3.8
Best Western Mill River Manor	Rockville Centre, NY	Midscale	Apr-64	98	0	5.2
Hampton Inn Suites Rockville Centre	Rockville Centre, NY	Upper Midscale	Jun-03	121	675	5.8
Rockville Centre Hotel*	Lynbrook, NY	Upper Midscale	Jun-77	107	0	5.8
* Was formerly the Holiday Inn Express Lynbrook/Rockville Centre until Jan 2021.						
Source: STR, compiled by Pinnacle Advisory Group						

The above hotels had an average occupancy of 83% and an ADR of \$150 in 2019. When comparing the individual performance of each comparable hotel to their overall competitive markets, the RevPAR index averaged 93%.

Historic Operating Performance – Defined Competitive Set

During the course of our fieldwork, we obtained operating statistics for the eleven competitive lodging properties. Based upon this information, as well as data from Smith Travel Research, we have estimated the historical performance of the overall market in terms of lodging supply, demand for accommodations, occupancy and average daily room rate.

Defined Competitive Set - Historical Market					Proposed Hilton Garden Inn - Freeport, NY					
	Market Supply		Market Demand		Market Metrics					
Year	Room Nights	% Change	Room Nights	% Change	Occupancy	Change	ADR	% Change	RevPAR	% Change
2013	415,005	-	318,327	-	76.7%	-	\$162.62	-	\$124.73	-
2014	415,005	-	315,447	- 0.9%	76.0%	- 0.7%	\$163.63	0.6%	\$124.37	- 0.3%
2015	415,005	-	310,568	- 1.5%	74.8%	- 1.2%	\$163.46	- 0.1%	\$122.33	- 1.6%
2016	441,468	6.4%	346,402	11.5%	78.5%	3.6%	\$161.26	- 1.3%	\$126.53	3.4%
2017	503,061	14.0%	401,541	15.9%	79.8%	1.4%	\$160.04	- 0.8%	\$127.75	1.0%
2018	528,155	5.0%	437,757	9.0%	82.9%	3.1%	\$161.17	0.7%	\$133.59	4.6%
2019	532,900	0.9%	429,415	- 1.9%	80.6%	- 2.3%	\$167.04	3.6%	\$134.51	0.8%
2020	532,900	-	269,694	- 37.2%	50.6%	- 30.0%	\$131.59	- 21.2%	\$66.60	- 50.5%
CAGR 2013 - 2019		4.3%		5.1%				0.4%		1.3%
CAGR 2013 - 2020		3.6%		- 2.3%				- 3.0%		- 8.6%
Aug YTD 2020	354,780		177,906	-	50.1%		\$133.75		\$67.07	
Aug YTD 2021	354,780	-	246,210	38.4%	69.4%	19.3%	\$153.05	14.4%	\$106.22	58.4%
Source: STR, compiled by Edgewise Advisors, Inc.										

Supply has grown 4.3% on a compounded annually basis, between 2013 and 2019. During this period, two hotels opened in the competitive set; the 145-room Courtyard Westbury opened in July 2016 and the Hilton Garden Inn opened in June 2017. In addition, the Allegria Hotel added 13 rooms in January 2019 increasing its room count from 143 to 156 guestrooms.

Demand in the competitive market has outpaced supply, increasing 5.1%, compounded annually, between 2013 and 2019. As was seen throughout Nassau County, hotels in the competitive set benefited from Hurricane Sandy which displaced thousands of residents from November 2012 through the first half of 2013. As a result, the competitive set experienced a 0.9% decline in demand in 2014 and 1.5% in 2015, returning occupancies closer to their historic levels.

Since 2015, demand has increased steadily through 2018 much of which is a result of induced demand stemming from the two hotels which opened in 2016 and 2017, then dipping 2.3% in 2019. Market occupancy has averaged 78.5% from 2013 through 2019, reaching its highest level of 82.9% in 2018.

The impact on travel due to COVID-19 restrictions has been significant throughout the region. The competitive market experienced a decrease of 30 occupancy points in 2020, with a 21% decrease in ADR. The upside in 2021 is that many markets with easy access from major urban centers have benefitted from an increase in leisure travel. Additionally, many social gatherings, such as weddings, family reunions, bar/mat mitzvahs that were cancelled or postponed in 2020, have been able to take place in 2021. Therefore, year-to-date through August demand has increased 38.4% when compared to the same period last year and as a result occupancy has climbed to 69%.

Similar to the overall County, the competitive set has experienced minimal growth in its ADR during the period analyzed. Between 2013 and 2019, ADR has increased 0.4% on a compound annual basis. The market experienced slight declines annually between 2015 and 2017 as a result of the new supply putting downward pressure on existing hotels. In 2018 the market's ADR increased nominally, at 0.7%, with healthy growth of 3.6% in 2019. COVID-19 has caused a decrease of \$35 or 21% in 2020. As travel has increased in 2021, average rates have been able to climb 14% to a level of \$153.

Market Mix

Based on our market research and our analysis, we have estimated the 2020 market segmentation to be approximately 29% corporate, 29% group, 38% leisure, and 6% crew/contract. This represents the start of an uptick in percentage of leisure travel and decrease in corporate demand and crew demand due to COVID-19.

Corporate transient demand in the market is comprised of business from local companies in the greater Nassau County area, local hospitals, government employees with business in the area, and project work

such as road and residential construction. Demand timing for this segment tends to peak on Tuesday and Wednesday nights. Monday and Thursday nights are considered shoulder nights. Corporate transient is the largest demand segment in the defined competitive market, accounting for 29% of total accommodated demand in 2020 which equated to approximately 74,000 room nights. Corporate travel experienced a decrease in 2020, as companies placed travel restrictions in place. In 2019, corporate travel represented 32% of hotel demand in the competitive market.

Group demand makes up approximately 29% of the competitive market's demand, or 78,000 room nights. Due to the nature of the properties in the primary competitive set, with limited meeting space, group demand is generally comprised of sports groups, weddings and other social events generated by SMERF (Social, Military, Ethnic, Religious and Fraternal) groups. The hotel's which offer a considerable amount of meeting space accommodate more in-house group, targeting social events on the weekends and corporate group on the weekdays. Although there was a decrease in corporate groups in 2020, this has been off-set by an increase in SMERF groups.

Leisure demand accounted for 38% of total accommodated demand in the defined competitive set in 2020 which equated to approximately 102,000 room nights, up from 31% in 2019. Demand from this segment is generated by people visiting the local beaches for summer family vacations or weekend getaways throughout the year. All hotels in the competitive set compete for this business particularly because rate premiums and minimum stays can be imposed during the peak season. Leisure demand is highest June through August and on weekends throughout the year.

Contract demand is primarily made up of crew demand and displaced passengers booked through airlines. In 2020, the segment represented approximately 6% of total demand or 15,000 roomnights. While there are a large amount of hotels at the JFK Airport, some crews prefer areas such as Westbury and/or Garden City which offer walkable amenities, while others require full-service amenities such as on-site dining and in-room dining. Hotels in the competitive set which are in closer proximity to the airport accommodate this segment of demand while those further away do not. Over the past few years, some hotels have chosen to decrease the amount of crew or discontinue altogether in order to raise achieved ADR for their hotels. In 2017, crew demand represented 10% of hotel demand in the competitive market.

Seasonality

The market has a high level of seasonality, experiencing peaks in occupancy and ADRs between May and October as a result of increases in leisure and group demand.

Monthly Statistics - Six Year Average				
Month	Occupancy	Rate	Demand	% of Total Demand
Jan	64.5%	\$140.60	25,924	7.3%
Feb	66.8%	\$142.84	24,248	6.9%
Mar	68.9%	\$145.73	27,688	7.8%
Apr	72.2%	\$149.76	28,047	7.9%
May	75.7%	\$161.34	30,409	8.6%
Jun	80.6%	\$173.30	31,789	9.0%
Jul	80.7%	\$176.07	33,275	9.4%
Aug	84.4%	\$176.92	34,816	9.8%
Sept	84.4%	\$169.00	31,562	8.9%
Oct	78.3%	\$162.08	31,886	9.0%
Nov	71.7%	\$152.72	28,243	8.0%
Dec	67.0%	\$144.49	27,273	7.7%
Average/Total	74.8%	\$159.78	353,885	100.0%

Source: STR, Compiled by Pinnacle Advisory Group

The competitive set achieves its highest occupancies on Saturdays, averaging 90% for the 12-months ending August 2019. Tuesday through Thursday had an average of 84% during the same time period indicating a strong level of corporate demand mid-week. We have estimated approximately 80 to 100 sell out nights over the period.

Occupancy by Day of Week Analysis - Trailing 12 months							
	Sun	Mon	Tues	Weds	Thurs	Fri	Sat
Sep 18 - Aug 19	64.7%	80.4%	85.8%	86.7%	78.4%	83.3%	90.1%
Sep 19 - Aug 20	50.4%	57.2%	63.3%	62.7%	57.5%	62.8%	67.7%
Sep 20 - Aug 21	57.3%	56.6%	59.6%	60.5%	61.4%	71.2%	78.0%
Total 3 Yr	57.4%	64.7%	69.5%	69.9%	65.8%	72.5%	78.7%

Source: STR, Compiled by Pinnacle Advisory Group

Average Daily Rate by Day of Week Analysis - Trailing 12 months							
	Sun	Mon	Tues	Weds	Thurs	Fri	Sat
Sep 18 - Aug 19	\$150.99	\$157.59	\$165.02	\$165.61	\$156.94	\$171.32	\$180.05
Sep 19 - Aug 20	\$138.89	\$143.64	\$150.80	\$149.56	\$142.68	\$154.75	\$157.22
Sep 20 - Aug 21	\$138.57	\$134.71	\$135.91	\$136.02	\$140.22	\$161.49	\$166.09
Total 3 Yr	\$143.30	\$146.78	\$152.29	\$152.27	\$147.57	\$163.31	\$168.96

Source: STR, Compiled by Pinnacle Advisory Group

Additions to Supply

During the course of our fieldwork, we interviewed local developers, corporate franchise contacts, and planning representatives from the communities within which the competitive hotels operate to ascertain the status of any on-going or proposed hotel developments. We were unable to identify any proposed hotels which would compete directly with the Proposed Hotel. However, below are five proposed hotel projects in Nassau County within 20 miles of the subject site.

- There is a proposed 93-room Residence Inn to be located in Jericho, a site approximately 17 miles from the subject site. The project is in its final planning stages and will likely open late 2023. This is an extended stay hotel with limited meeting space which will not be competitive with the delineated competitive set. As such, we have not included this as new supply in our analysis.

- There is a proposed 133-room Courtyard by Marriott be located in Woodbury, 20 miles from the subject site. This project is in early planning stages and will likely open in 2024. We have not included this hotel in our future supply analysis due to the location of the hotel.
- There is a proposed 127- room Residence Inn to be located in Melville. The project has been approved by Marriott and will likely be completed in late 2023. As the Residence Inn prototype is an extended stay hotel with limited meeting space, we conclude that the project will not be competitive with the delineated competitive set. As such, we have not included this as new supply in our analysis
- A property referred to as Steve's Pier in Bayville is being discussed for redevelopment to include an event center and resort branded as a Wyndham Tryp. It is located approximately 25 miles from the subject site. The project is considered to be preliminary at this time. As such, we have not included this as new supply in our analysis.
- New York Arena Partners was chosen by The State of New York through an RFP process to redevelop sites surrounding Belmont Park in order to "strengthen Belmont Park as a premier destination for entertainment, sports, recreation, retail, and hospitality on Long Island." The project received its final state approval in August of 2019 and construction is currently underway. At this time, the proposed program includes a luxury hotel. Belmont Park is approximately 13 miles from the subject site. The hotel portion of this development is preliminary at this time and cannot be confirmed as moving forward, and a luxury oriented project. Therefore, we have not included this as new supply in our analysis.

Although we have not included any of the above projects as new supply, primarily due to location, we have accounted for the likely increase to overall lodging supply throughout the county. Additionally, we have accounted for the wealth of hotel projects currently under construction and proposed in the area surrounding JFK Airport which is approximately 10.0 miles from the subject site.

There were 12 hotels combined for over 1,859 rooms that opened from 2019 through 2021. An additional 13 hotels with 2,004 rooms are currently under construction. These additional rooms will have an impact of on the subject market's future performance by reducing compression to the competitive market area hotels.

JFK/Jamaica Hotel Market			
Year	New Hotel Rooms	% of Total Rooms	No. of Properties
2015	102	2%	2
2016	163	4%	2
2017	152	4%	2
2018	55	1%	1
2019	994	23%	7
2020	203	5%	2
2021	662	15%	3
U/C	2,004	46%	13
TOTAL	4,335	100%	32
Submarket	New Hotel Rooms	% of Total Rooms	No. of Properties
Economy	446	10%	7
Midscale	544	13%	7
Upper Midscale	957	22%	7
Upscale	1,425	33%	7
Upper Upscale	963	22%	4
Total	4,335	100%	32
Source: CoStar			

Comparable Set

Due to the unique nature of the Proposed Hotel's waterfront location we also considered a set of comparable hotels. We selected four upscale, branded hotels in the northeast and middle Atlantic regions, in leisure related locations with proximity to either a marina, beach, or other body of water. Additionally, three of the four upscale hotels have a considerable amount of meeting space similar to the planned facilities at the Proposed Hotel.

Comparable Set of Upscale Hotels						
Property	City, State	Scale	Open Date	Rms	Largest Space	Total Mtr Sq (SF)
Hyatt Place Long Island East End	Riverhead, NY	Upscale	Jul-11	100	5,310	17,000
Hyatt Place Dewey Beach	Dewey Beach, DE	Upscale	Sep-13	135	4,340	16,133
Courtyard Virginia Beach Oceanfront North	Virginia Beach, VA	Upscale	Jul-02	160	1,537	1,724
Hilton Garden Inn Virginia Beach Oceanfront	Virginia Beach, VA	Upscale	May-14	167	3,120	5,758
Source: STR, Compiled by Pinnacle Advisory Group						

The above hotels had an average occupancy of 70% and an ADR of \$193 in 2019. When comparing the individual performance of each comparable hotel to their overall competitive markets, the RevPAR index averaged 98%.

COMPETITIVE LODGING MARKET PROJECTION

Based upon our assessment of the state of the market, we have estimated the future occupancy performance of the defined competitive set. The following table presents these estimates.

Projected Supply and Demand, Competitive Market					
Year	Annual Supply	% Change	Annual Demand	% Change	Occupancy
2019 Historical	532,900	-	429,415	-	80.6%
2020 Historical	532,900	0.0%	269,694	-37.2%	50.6%
2022	532,900	0.0%	388,796	44.2%	73%
2023	532,900	0.0%	412,564	6.1%	77%
2024	532,900	0.0%	419,561	1.7%	79%
2025	569,400	6.8%	438,753	4.6%	77%
2026	569,400	0.0%	443,552	1.1%	78%
2027	569,400	0.0%	443,552	0.0%	78%
2028	569,400	0.0%	443,552	0.0%	78%
CAGR 2020 to 2028		0.8%		6.4%	
2019 and 2020 represent the last historical calendar years of data. Projection years are fiscal years April and ending March. Changes to supply include the Proposed Hilton Garden Inn opening April 2024. Source: Pinnacle Advisory Group					

We believe that market occupancy will increase over the projection period given the expected return to travel since COVID-19 restrictions have been lifted. Based on the performance through August 2021, demand is expected to increase by 44% for FY 2022. Demand will continue to increase through FY 2023 and FY 2024, as more companies are willing to let employees travel, corporate group returns to full levels, and SMERF groups continue to rebook from the lost months of the pandemic.

Based on our analysis, we believe the competitive set will return to its pre-pandemic, long term-average of 78%. We believe the considerable amount of new supply entering the JFK/Jamaica market will penetrate the competitive set's crew and corporate demand. As such we do not believe the market will stabilize above 78%. We have accounted for the opening of the 100-room Proposed Hotel in April 2024. Given the unique nature of the Proposed Hotel when compared to the competitive set, we have induced approximately 24,000 roomnights into the market during its two-year ramp up.

The stabilized occupancy is intended to reflect the anticipated results of the competitive set over the holding period, given any changes in the competitive environment and/or local economy. Although it is possible that the market will achieve occupancies above this stabilized level, we believe that it is equally possible for new competition and temporary downturns in hotel demand to force occupancy below this selected point of stability.

PERFORMANCE PROJECTION - PROPOSED HOTEL

Given the anticipated positioning of the Proposed Hotel as a 100-room upscale, select service hotel affiliated with Hilton, we have estimated its performance (occupancy and ADR) for the first five years of operation following its opening in April 2024.

Projected Occupancy

The Proposed Hotel will be the newest hotel in the competitive set, however because its location is further from corporate demand generators and in a highly seasonal location when compared to many of the other hotels in the market, we do not believe it will accommodate more than its fair share. On-site dining, walkable dining and entertainment throughout a portion of the year, and a considerable amount of meeting space will give the Proposed Hotel an advantage in the leisure and group segments. Although many of the

hotels in the competitive set are branded with strong upscale brands, we believe that the combination of the brand, amenities, lower roomcount, and waterfront location on Freeport's Nautical Mile will further enable the operator to drive above average occupancy and ADR between May and October.

Projected Penetration and Market Mix					
Roomnights	2025	2026	2027	2028	2029
Corporate	7,600	7,800	7,900	7,900	7,900
Group	7,500	7,800	8,000	8,000	8,000
Leisure	11,600	12,000	12,300	12,300	12,300
Total	26,700	27,600	28,200	28,200	28,200
Penetration	2025	2026	2027	2028	2029
Corporate	90%	92%	94%	94%	94%
Group	90%	93%	95%	95%	95%
Leisure	123%	125%	128%	128%	128%
Total	95%	97%	99%	99%	99%
Market Mix	2025	2026	2027	2028	2029
Corporate	28%	28%	28%	28%	28%
Group	28%	28%	28%	28%	28%
Leisure	43%	43%	44%	44%	44%
Total	100%	100%	100%	100%	100%
Market Occupancy	77%	78%	78%	78%	78%
Subject Occupancy	73%	76%	77%	77%	77%
* Roomnights rounded to the nearest hundred.					
Assumes Hotel opens April 2024.					
Projection years are fiscal years April and ending March.					
Source: Pinnacle Advisory Group					

Corporate: The hotel's affiliation with a brand will allow the Proposed Hotel to capture some corporate demand, although less than many of its competitors located in Westbury and Garden City. In addition to its brands, midweek occupancies are over 80%, indicating a strong amount of turn away room nights as a result of capacity constraints. We believe the Proposed Hotel will have a stabilized penetration rate of 94% in the corporate segment, equating to 7,900 corporate roomnights.

Group: The Proposed Hotel will offer over 5,000 square feet of meeting space with views of Freeport Bay. The competitive set accommodates a considerable amount of group demand such as bus tour, sports teams, and social room blocks. With its ability to host on-site events, both social and corporate, the hotel will be able to maintain a fair amount of group demand throughout the year. We believe the Proposed Hotel will have a stabilized penetration rate of 95% in the group segment, equating to 8,000 group roomnights.

Leisure: The Proposed Hotel will be one of two hotels in the competitive set with a location on the coast with waterviews. Given its walkable amenities along the Nautical Mile, its on-site facilities including the rooftop pool and bar and its guestroom balconies, the Proposed Hotel will be well positioned to capture more than its fairshare of the leisure segment. We believe the Proposed Hotel will have a stabilized penetration rate of 128% in the leisure segment, equating to 12,300 leisure roomnights.

Contract/Crew: A selection of hotels in the competitive set accommodate contract demand stemming from JFK Airport. Given the size of the Proposed Hotel and the extreme seasonality of its location, we do not believe the Proposed Hotel would benefit from long term contract demand.

After considering the Proposed Hotel's anticipated market position and estimated level of patronage by market segment, the Proposed Hotel is forecasted to achieve a stabilized occupancy of 77%, which equates to an overall penetration level of 100%. The estimated market demand mix for the Proposed Hotel is expected to be approximately 28% corporate, 28% group, and 43% leisure.

It commonly takes a branded hotel, such as the proposed approximately two to four years to ramp up to stabilization depending on the market. Although the market has high occupancy levels, we believe a three year ramp up period is reasonable considering the seasonality of the location and the reliance on group demand which has longer booking windows.

It should be noted that these stabilized penetration and occupancy levels reflect the anticipated results of the property over its lifetime, given any and all modifications in its life cycle. Therefore, the stabilized occupancy excludes from consideration any abnormal supply and demand circumstances, as well as any favorable or unfavorable non-recurring conditions that may result in atypically high or low occupancies. Although the Proposed Hotel may exceed this stabilized occupancy level, it is equally possible for new competition and temporary economic downturns to cause the Proposed Hotel's occupancy to perform below this selected stabilization level as well.

Projected ADR

When analyzing the rate positioning for the Proposed Hotel, we considered the competitive set of hotels and analyzed their price points by location, by product type and considering on-site facilities. We have positioned the Proposed Hotel at approximately \$160 in 2020 dollars. Given the market's performance year-to-date through August, we have projected market rates to increase 17.0% through FY 2022. It is likely to take another full year for the market to regain the rate lost since 2019. Therefore, we have projected market ADR to increase 8.0% in FY 2023, followed by 3.0% in FY 2024. The remaining years of our projection period, we have utilized a 2.5% inflationary rate of growth.

As such, our stabilized ADR projection is approximately \$194 in 2020 dollars, representing an ADR Index of 122%. The Proposed Hotel will be offered at a discount to the competitive set in the off season months (January to April and November and December) but the premiums it will achieve between May and October from the group and leisure segments will allow the Proposed Hotel to achieve a premium on an annual basis. Similar to our ramp up in occupancy we have applied a discount to the hotel's first two years of operations which is a common practice as a property enters a market.

Combined with our occupancy projections, the Proposed Hotel is expected to have a RevPAR index of approximately 121%.

Conclusion

We conclude that the Proposed Hotel will be a tourism destination project, attracting a significant number of visitors from outside of Long Island and including, but not limited to, the five boroughs of New York City and upstate New York due to its waterfront location along the Nautical Mile and its meeting space. The Freeport LIRR station is located 2.5 miles to the north of the Proposed Hotel. Given the anticipated positioning of the Proposed Hotel as a 100-room Hilton Garden Inn, we have estimated its performance for the first five years of operation following its opening on April 2, 2024.

Projection of Occupancy, ADR, and RevPAR for Proposed Hotel					
Year	Occupancy	ADR	% Change	RevPAR	% Change
2025	73%	\$216.28	-	\$157.76	-
2026	76%	\$226.33	4.6%	\$170.98	8.4%
2027	77%	\$234.35	3.5%	\$181.05	5.9%
2028	77%	\$240.21	2.5%	\$185.58	2.5%
2029	77%	\$246.21	2.5%	\$190.22	2.5%
Assumes Hotel opens April 2024					
Projection years are fiscal years April and ending March					
Source: Pinnacle Advisory Group					

Assumptions and Limiting Conditions

1. This document is to be used in whole and not in part and is for internal use only. The distillation of our findings presented herein does not constitute a comprehensive market study or an appraisal. Should we conduct a comprehensive market study, our findings are subject to change. The changes that might arise could be material.
2. The conclusions presented in our report are based on information provided by our Client with regard to the proposed facilities and amenities. Our conclusions are explicitly based on the assumptions that the Proposed Hotel will be a 100-room Hilton Garden Inn developed at 447 Woodcleft Avenue in Freeport, NY with an opening date of April 2, 2021. Our projections are directly related to this site and its attributes. It is expressly understood that the conclusions of this analysis could change upon deviation from these assumptions. The changes that might arise could be material.
3. Pinnacle has used its expertise and best efforts in order to conduct an analysis of the Proposed Hotel. However, it is understood and agreed that there are many factors that may impact the success or failure of a business including those that are beyond the control of any party such as general economic conditions, force majeure, acts of war or terrorism, weather events, work stoppages, etc. As such, it is understood and agreed that nothing contained in any work prepared by Pinnacle should be construed or considered as a guarantee of actual performance of the Project and Pinnacle expressly disclaims any liability therefore.
4. As in all studies of this type, the estimated results are based upon competent and efficient management and presume no significant change in the competitive position of the lodging industry in the immediate area set forth in our study.
5. Estimated results are also based on an evaluation of the present general economy of the area and do not take into account, or make provisions for, the effect of any sharp rise or decline in local or general economic conditions, which may occur. There usually will be differences between the estimated and actual results, because events and circumstances frequently do not occur as expected. Such differences may be material.
6. It is expressly understood that the scope of our study and report thereon does not include the possible impact of zoning or environmental regulations, licensing requirements or other such restrictions concerning the project except where such matters have been brought to our attention and disclosed in the report.
7. Pinnacle shall be under no continuing duty to update its findings or analysis regarding the Project to take into account changes in market or other conditions that occur subsequent to the completion of its fieldwork. Rather, Pinnacle's work shall be deemed completed as of the date of this report. The information gathered during the course of the fieldwork and used in this analysis is assumed to be accurate, although we cannot guarantee its accuracy.
8. Pinnacle's work hereunder shall not be construed as offering any advice or opinions on whether to invest, lend or otherwise financially participate in the Subject Hotel. Any business decisions made regarding whether to invest, lend or otherwise financially participate in the Subject Hotel shall be the sole decision of the person so lending, investing or financially participating.
9. Neither all nor part of the contents of this report shall be disseminated to anyone other than the Client and its internal team members.

10. No liability is assumed for matters legal in nature. Pinnacle Advisory Group cannot be held liable in any cause of action concerning this assignment for any compensatory dollar amount over and above the total fees collected from this engagement.
11. Any and all legal expenses incurred in the defense or representation of Pinnacle Advisory Group, its principals, and its employees will be the responsibility of the client.
12. We are not required to give testimony or attendance in court by reason of this assignment, with reference to the property in question, unless prior arrangements have been made and agreed to in writing.
13. Pinnacle prohibits the use of its work product, or the name of Pinnacle Advisory Group in any financing document, investment or offering materials.
14. Pinnacle Advisory Group regularly performs consulting engagements for a wide range of hospitality industry clients, including both owners and managers of hotels. From time-to-time Pinnacle Advisory Group may be engaged to represent clients whose interests are engaged in the same market as this assignment, or whose interests may be averse to the Client.
15. Market conditions have changed significantly since March 2020 due to the COVID-19 pandemic which has resulted in unprecedented economic declines. We have assumed that there will be a significant impact to market performance over the next 24 to 36 months, and that the economy and the lodging markets discussed in this report will ultimately return to more typical levels on a long-term basis. This assumption may not be accurate.

EXHIBIT E

PILOT Deviation Notice

Frederick E. Parola
Chief Executive Officer



350 FRONT STREET HEMPSTEAD, NY 11550-4037
(516) 489-5000 EXT. 4200 • (516) 489-3179

NOTICE LETTER

[Distribution List Attached]

February 5th, 2022

Re: **Town of Hempstead Industrial Development Agency**
(NBD Holding LLC 2022 Facility)

NBD Holding LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of NBD Holding LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the **"Company"**), submitted its application for financial assistance (the **"Application"**) to the Town of Hempstead Industrial Development Agency (the **"Agency"**) to enter into a transaction in which the Agency will assist in the acquisition of an interest in an approximately 1.6 acre parcel of land located at 417, 435, 444, 447 & 477 Woodcleft Avenue, Village of Freeport, Town of Hempstead, Nassau County, New York (the **"Land"**), the demolition of the existing structures and improvements on the Land, the construction of an approximately 89,836 square foot three-story building on the Land (the **"Improvements"**), and the acquisition of certain fixtures, equipment and personal property necessary for the completion thereof (the **"Equipment"**); and together with the Land and the Improvements, the **"Facility"**), which Facility is to be subleased by the Agency to the Company and used as a 100-room hotel facility and for related banquet and restaurant uses (the **"Project"**). The Facility would be initially owned, operated and/or managed by the Company.

The Agency contemplates that it would provide financial assistance to the Company in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Facility, exemptions from sales and use taxes and an abatement of real property taxes.

The Company has requested that the Agency provide financial assistance to the Company in the form of an abatement of real property taxes for a term of up to twenty (20) years (the "PILOT Benefit"). The proposed PILOT Benefit deviates from the Agency's Uniform Tax Exemption Policy and Guidelines, as amended to date (the "Policy"), because the proposed PILOT Benefit would be for a term of up to twenty (20) years instead of ten (10) years. Copies of the proposed PILOT payment schedule are available on the Agency's website at www.tohida.org. The Agency is considering the proposed deviation from the Policy due to the current nature of the property and because the Company would not undertake the Project and the Project would not be economically viable without a PILOT Benefit for a term of up to twenty (20) years.

The Agency will hold a public hearing (the "Hearing") with respect to the Project and the financial assistance requested by the Company on February 16, 2022, at 10:00 a.m., local time, at Freeport Village Hall, 46 N. Ocean Avenue, Village of Freeport, Town of Hempstead, New York. Attached as Exhibit A is a copy of the Notice of Public Hearing describing the Project and the financial assistance requested by the Company. The Notice of Public Hearing was published in Newsday on February 5th, 2022.

A representative of the Agency will, at the above-stated time and place, hear and accept oral comments from all persons with views in favor of or opposed to either the Project or the financial assistance requested by the Company. Comments may also be submitted to the Agency in writing or electronically prior to or during the Hearing by e-mailing them to idadmail@tohmail.org. Minutes of the Hearing will be transcribed and posted on the Agency's website.

Members of the public have the opportunity to review the application for financial assistance filed by the Company with the Agency and an analysis of the costs and benefits of the proposed Facility, which can be found on the Agency's website at www.tohida.org.

The Agency anticipates that the members of the Agency will consider a resolution to approve the Project and the financial assistance requested by the Company, including the proposed twenty (20) year PILOT Benefit, at the Agency's Board Meeting (the "Board Meeting") to be held on February 24, 2022, at 9:00 a.m. local time, at 1 Washington Street, Town Hall Pavilion, Hempstead, New York 11550.

You and your representative are welcome to participate in the Hearing and/or the Board Meeting, at which time you will have an opportunity, both orally and in writing, to present your views with respect to the Project and/or the financial assistance requested by the Company. We are providing this notice to you, pursuant to Sections 859-a and 874 of the New York State General Municipal Law, as the chief executive officer of an affected tax jurisdiction within which the Project is located.

Very truly yours,

TOWN OF HEMPSTEAD INDUSTRIAL
DEVELOPMENT AGENCY

By: Frederick E. Parola
Title: Chief Executive Officer

Councilman Carini
4th Floor

Nassau County Legislative District 19
Steven D. Rhoads
1550 Franklin Avenue
Mineola NY 11501

Town Clerk
Kate Murray

Supervisor Donald X. Clavin
4th Floor

New York Assembly District 21
Judy Griffin
74 North Village Avenue
Rockville Centre NY 11570

New York Senate District 8
John E. Brooks
5550 Merrick Rd-Suite 205 Massapequa NY
11758

County Executive Bruce Blakeman
County Executive
Nassau County
1 West Street
Mineola, New York 11501

Superintendent Kishore Kuncham, Ed.D.
Freeport School District
235 North Ocean Avenue
Freeport NY 11520

Mayor Robert T. Kennedy
Incorporated Village of Freeport
46 North Ocean Avenue Freeport NY 11520

Maria Jordan-Awalom
School Board President
Freeport School District
235 North Ocean Avenue
Freeport NY 11520

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Title 1 of Article 18-A of the New York State General Municipal Law (the "**Hearing**") will be held by the Town of Hempstead Industrial Development Agency on the 16th day of February, 2022, at 10:00 a.m., local time, at Freeport Village Hall, 46 N. Ocean Avenue, Village of Freeport, Town of Hempstead, New York, in connection with the following matters:

NBD Holding LLC, a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of NBD Holding LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "**Company**"), submitted its application for financial assistance (the "**Application**") to the Town of Hempstead Industrial Development Agency (the "**Agency**") to enter into a transaction in which the Agency will assist in the acquisition of an interest in an approximately 1.6 acre parcel of land located at 417, 435, 444, 447 & 477 Woodcleft Avenue, Village of Freeport, Town of Hempstead, Nassau County, New York (the "**Land**"), the demolition of the existing structures and improvements on the Land, the construction of an approximately 89,836 square foot three-story building on the Land (the "**Improvements**"), and the acquisition of certain fixtures, equipment and personal property necessary for the completion thereof (the "**Equipment**"; and together with the Land and the Improvements, the "**Facility**"), which Facility is to be subleased by the Agency to the Company and used as a 100-room hotel facility and for related banquet and restaurant uses (the "**Project**"). The Facility would be initially owned, operated and/or managed by the Company.

The Agency contemplates that it would provide financial assistance to the Company in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Facility, exemptions from sales and use taxes and an abatement of real property taxes.

The Company has requested that the Agency provide financial assistance to the Company in the form of an abatement of real property taxes for a term of up to twenty (20) years (the "**PILOT Benefit**"). The proposed PILOT Benefit deviates from the Agency's Uniform Tax Exemption Policy and Guidelines, as amended to date (the "**Policy**"), because the proposed PILOT Benefit would be for a term of up to twenty (20) years instead of ten (10) years. Copies of the proposed PILOT payment schedule are available on the Agency's website at www.tohida.org. The Agency is considering the proposed deviation from the Policy due to the current nature of the property and because the Company would not undertake the Project and the Project would not be economically viable without a PILOT Benefit for a term of up to twenty (20) years.

A representative of the Agency will, at the above-stated time and place, hear and accept oral comments from all persons with views in favor of or opposed to either the Project or the financial assistance requested by the Company. Comments may also be submitted to the Agency in writing or electronically prior to or during the Hearing by e-mailing them to

idadmail@tohmail.org. Minutes of the Hearing will be transcribed and posted on the Agency's website.

Members of the public have the opportunity to review the application for financial assistance filed by the Company with the Agency and an analysis of the costs and benefits of the proposed Facility, which can be found on the Agency's website at www.tohida.org.

The Agency anticipates that the members of the Agency will consider a resolution to approve the Project and the financial assistance requested by the Company, including the proposed twenty (20) year PILOT Benefit, at the Agency's Board Meeting (the "Board Meeting") to be held on February 24, 2022, at 9:00 a.m. local time, at 1 Washington Street, Town Hall Pavilion, Hempstead, New York 11550.

Dated: February 5, 2022

TOWN OF HEMPSTEAD INDUSTRIAL
DEVELOPMENT AGENCY

By: Frederick E. Parola
Title: Chief Executive Officer