

Date: July 7, 2025

At a meeting of the Town of Riverhead Industrial Development Agency (the “Agency”), held at Town Hall, 4 West Second Street, in Riverhead, New York, in said Town, on July 7, 2025 at 5:00 p.m. o’clock, Prevailing Time.

Present: James B. Farley, Chairman (Virtual)
Lee Mendelson, Vice Chair (Virtual)
Lori Ann Pipczynski, Secretary
Doug Williams, Treasurer
Barbara Rizzi, Assistant Treasurer

Absent:

Also Present: Tracy Stark-James, Executive Director
Terance V. Walsh, Esq., Transaction Counsel (Virtual)

After the meeting had been duly called to order, the Secretary announced that among the purposes of the meeting was to consider and take action to approve a revised application and authorize certain documents for a certain industrial development facility more particularly described below (Island Water Park Corp./Island Water Park Operations, LLC 2021 Facility).

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

Voting Aye

Douglas Williams

Barbara Rizzi

James B. Farley

Lee J. Mendelson

Voting Nay

Lori Ann Pipczynski

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

RESOLUTION #20-25

DATED JULY 7, 2025

A RESOLUTION AUTHORIZING THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO APPROVE AN AMENDED APPLICATION AND AUTHORIZE THE EXECUTION OF CERTAIN DOCUMENTS FOR A CERTAIN PROJECT AMENDMENT FOR THE AGENCY'S ISLAND WATER PARK CORP./ISLAND WATER PARK OPERATIONS, LLC 2021 FACILITY

WHEREAS, the Town of Riverhead Industrial Development Agency (the "**Agency**") previously provided assistance to Island Water Park Corp., a business corporation organized and existing under the laws of the State of New York (the "**Company**"), and Island Water Park Operations, LLC, a limited liability company organized and existing under the laws of the State of New York (the "**Sublessee**"), for a project originally described as: (a) the acquisition of an approximately 42 acre parcel of land located at 5835 Middle Country Road, Calverton, New York 11933 (SCTM# 0600-135.00-01.00-007.034) (the "**Land**"), the construction of an approximately 75,000 square foot building thereon (the "**Improvements**"), and the acquisition and installation therein of certain equipment and personal property, not part of the Equipment (as defined below) (the "**Facility Equipment**"; and together with the Land and the Improvements, the "**Company Facility**"), which Company Facility is subleased by the Agency to the Company and subleased by the Company to the Sublessee; and (b) the acquisition and installation of certain equipment and personal property, including but not limited to, kitchen equipment, computer and information technology systems, lighting, furniture, televisions, HVAC, plumbing and equipment for its attractions as more fully described below (the "**Equipment**"; and together with the Company Facility, the "**Facility**"), which Equipment is leased by the Agency to the Sublessee and which Facility is used by the Sublessee as an indoor/outdoor extreme water sports park including an indoor surf pool, rock climbing walls, indoor and outdoor volleyball courts, a zip line, spectator seating, obstacle courses, bumper boats, water slides, fitness center, spa, a pro shop, restaurants and recreational facility to be used year-round by visitors of the Town of Riverhead (the "**Original Project**"); and

WHEREAS, the Agency acquired a leasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of December 1, 2021 (the "**Company Lease**"), by and between the Company, as lessor, and the Agency, as lessee, and a memorandum of Company Lease was to be recorded in the Suffolk County Clerk's office; and

WHEREAS, The Agency currently leases the Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of December 1, 2021 (the "**Lease Agreement**"), by and between the Agency, as lessor, and the Company, as lessee, and a memorandum of Lease Agreement was to be recorded in the Suffolk County Clerk's office; and

WHEREAS, the Equipment is leased to the Sublessee by the Agency pursuant to an Equipment Lease Agreement, dated as of December 1, 2021 (the "**Equipment Lease**"), between the Agency and the Sublessee; and

WHEREAS, the Company is sub-subleasing the Company Facility to the Sublessee pursuant to a certain Sublease Agreement, dated as of December 1, 2021 (the "**Sublease Agreement**"), by and between the Company, as sublessor and the Sublessee, as sublessee; and

WHEREAS, it has since come to the Agency's attention that the construction and configuration of the project by the Company and the Sublessee deviates substantially from the description of the Original Project that was previously authorized by the Agency; and

WHEREAS, the Agency previously determined to afford the Company and the Sublessee with the opportunity to submit an amended application to the Agency describing the project that the Company and the Sublessee now intend to develop; and

WHEREAS, the Company and the Sublessee have submitted an Amended Application for Financial Assistance, received by the Agency on November 13, 2024 (the "**Amended Application**"), to the Agency in order to reflect a change in the description of the Original Project, which amended application was submitted by the Agency on December 2, 2024, as amended on June 27, 2025; and

WHEREAS, the Agency, subject to the provisions of this resolution, shall accept the Amended Application for further consideration of the amended project described in the Amended Application (the "**Amended Project**"), all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 624 of the Laws of 1980 of the State of New York, as the same may be amended from time to time (collectively, the "**Act**"); and

WHEREAS, the Amended Application also reflected an increased cost of the Project, for a total Project cost of \$38,000,000 (the "**Capital Investment**"), and a decrease in the number of employees at the Project to 75 full-time equivalent employees in 2024, the projected 94.5 full-time equivalent employees in 2025, and 135 full-time equivalent employees in 2026 (the "**Employment Commitment**"); and

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

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the "**SEQR Act**" or "**SEQR**"), the Agency constitutes a "Local Agency"; and

WHEREAS, to aid the Agency in determining whether the Facility may have a significant effect upon the environment, the Company prepared and submitted to the Agency an Environmental Assessment Form (the "EAF") and related documents (the "Questionnaire") with respect to the Facility, a copy of which is on file at the office of the Agency; and

WHEREAS, the Agency has reviewed the Questionnaire and such other documents as the Agency felt necessary or appropriate to examine to adequately review the proposed Facility; and

WHEREAS, based upon the Questionnaire and other information, the proposed Facility constitutes a "Unlisted" action under SEQR; and

WHEREAS, the Town of Riverhead reviewed the Facility pursuant to the provisions of SEQR; and

WHEREAS, the Town of Riverhead determined that the Facility would not have a significant impact on the environment, and adopted a conditional negative declaration for the Facility, attached hereto as Exhibit A; and

WHEREAS, the Company and the Sublessee have agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the Amended Project.

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

Section 1. Based upon the Questionnaire completed by the Company and other representations and information furnished regarding the Facility, the appropriate criteria for determination of significance, and other such and further information which the Town of Riverhead felt necessary to review relating to the Facility, the Town of Riverhead determined that the Facility constitutes an Unlisted action and will not have a "significant effect" on the environment and, therefore, an environmental impact statement was not prepared. This determination constitutes a negative declaration for purposes of SEQR, which is attached hereto as Exhibit A. Based upon the Agency's independent review of the Questionnaire, the appropriate criteria for determination of significance, and such other and further information which the Agency felt necessary to review the Facility, the Agency concurs with the conditional negative declaration attached hereto as Exhibit A, and adopts it as its own conditional negative declaration.

Section 2. 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 continues to constitute a "project", as such term is defined in the Act; and

(c) The Facility continues to preserve the public purposes of the Act by increasing capital investment in the Town of Riverhead in the amount of the Capital Investment and preserving or increasing the number of permanent private sector jobs in the Town of Riverhead in

the amount of the Employment Commitment, notwithstanding the decrease in the Employment Commitment set forth in the initial application for the Project; and

(d) The continued leasing of the Facility to the Company and the Sublessee will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of Town of Riverhead, and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(e) Based upon representations of the Company and the Sublessee and counsel to the Company and the Sublessee, the Facility conforms with the local zoning laws and planning regulations of the Town of Riverhead and all regional and local land use plans for the area in which the Facility is located; and

(f) It is desirable and in the public interest for the Agency to continue sublease the Land and the Improvements and to lease the Equipment to the Company and the Sublessee.

Section 3. The Agency has assessed all material information included in connection with the Amended Application, and such information has provided the Agency a reasonable basis for its decision to continue provide the financial assistance previously approved for the Company and the Sublessee.

Section 4. In consequence of the foregoing, the Agency hereby determines to: (i) continue lease the Land and the Improvements from the Company pursuant to the Company Lease, (ii) continue sublease and lease the Facility to the Company pursuant to the Lease Agreement, (iii) execute, deliver, and perform any document necessary to reflect the Amended Project and the information set forth in the Amended Application, and (iv) charge a project fee to the Company and the Sublessee in the amount of \$130,000 as a result of the increased cost of the Project, as provided in the Agency's fee schedule.

Section 5. The Chairman, Vice Chair, Executive Director, or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver an amendment to the Lease Agreement to reflect necessary changes as a result of the information provided in the Amended Application, and any documents as may be, in the judgment of the Chairman and counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "**Agency Documents**"). The execution thereof by the Chairman, Vice Chair, Executive Director, or any member of the Agency shall constitute conclusive evidence of such approval.

Section 6. The Chairman, Vice Chairman or any member of the Agency are hereby authorized and directed (i) to distribute copies of this resolution to the Company and the Sublessee, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 7. Any expenses incurred by the Agency with respect to the Original Project or the Amended Project shall be paid by the Company and the Sublessee. By its acceptance hereof, the Company and the Sublessee 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 8. Nothing herein shall be construed to waive any rights or remedies of the Agency as provided in the Lease Agreement with respect to any further Events of Default that occur under the Lease Agreement after the date hereof, and the Agency reserves the right to exercise such rights and remedies to the fullest extent permitted by the Lease Agreement if any such Event of Default shall occur.

Section 9. This Resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to a vote on roll call which resulted as follows:

<u>James B. Farley</u>	<u>VOTE Yes</u>
<u>Douglas Williams</u>	<u>VOTE Yes</u>
<u>Lee J. Mendelson</u>	<u>VOTE Yes</u>
<u>Lori Ann Pipeczynski</u>	<u>VOTE No</u>
<u>Barbara Rizzi</u>	<u>VOTE Yes</u>

The resolution was thereupon declared duly adopted.

STATE OF NEW YORK)

) SS.:

COUNTY OF SUFFOLK)

I, the undersigned Secretary of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Members of said Agency, including the resolution contained therein, held on July 7, 2025, with the original thereof on file in my office, and that the same is a true and correct transcript therefrom and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that all members of said Agency had due notice of said meeting.

I FURTHER CERTIFY that, pursuant to Section 103 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public.

I FURTHER CERTIFY that, PRIOR to the time of said meeting, I duly caused a public notice of the time and place of said meeting to be given to the following newspapers and/or other news media as follows:

Newspaper and/or other news media
Riverhead News Review

Date given
1/2/2025

I FURTHER CERTIFY that PRIOR to the time of said meeting, I duly caused public notice of the time and place of said meeting to be conspicuously posted in the following designated public location(s) on the following dates:

Designated Location(s) of posted notice
Website

Dated of Posting
1/1/2025

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency on July 24, 2025. [Redacted Signature]

Lori Ann Pipczynski, Secretary

(CORPORATE
SEAL)