MEETING DATE: February 13, 2020

CONTACT: Rosario C. Cassata, Managing Member
PHONE: 631-289-1219

APPLICANT NAME: Huntington Village Hotel Partners, LLC
AND ADDRESS: 2 Victorian Court
Holtsville, NY 11742

PRINCIPALS: Cassata Holding Co., LLC (50%); Tsunis Huntington, LLC (27%); Stavros Vizirianakis (17%)

PRODUCT/SERVICES: Real estate development and management.

PRESENT FACILITIES

NEW LOCATION/TAX MAP #: 227 Main Street, Huntington, NY 11743
(Tax Map #400-72-2-25.001/22)

PROJECT DESCRIPTION: Renovate the vacant Old Huntington Town Hall building of approximately 8,638 sq. ft., equip and construction of a new addition (53,636 square foot) to create an 80 room hotel. The hotel will be branded Hampton Inn and Suites with a boutique like interior, historic exterior, fitness center and complimentary breakfast for hotel guests.

PROJECT COSTS: $24,235,048

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
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<tbody>
<tr>
<td>PURCHASE PRICE OF EXISTING BUILDING</td>
<td>$2,500,000</td>
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<tr>
<td>RENOVATIONS OF EXISTING BUILDING</td>
<td>1,250,000</td>
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<tr>
<td>COST OF RAW LAND</td>
<td>2,000,000</td>
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<tr>
<td>COST OF CONSTRUCTION FOR NEW ADDITION</td>
<td>14,915,400</td>
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<tr>
<td>ENGINEERING &amp; ARCHITECTURAL FEES</td>
<td>503,800</td>
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<tr>
<td>NON MANUFACTURING EQUIPMENT</td>
<td>1,753,048</td>
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<tr>
<td>LEGAL FEES (BANK &amp; COMPANY)</td>
<td>250,000</td>
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<td>FINANCIAL CHARGES</td>
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<td>OTHER FEES/CHARGES</td>
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TOTAL PROJECT COSTS $24,235,048

EMPLOYMENT:

<table>
<thead>
<tr>
<th># OF EMPLOYEES</th>
<th>ANNUAL PAYROLL</th>
<th>AVERAGE SALARY</th>
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</thead>
<tbody>
<tr>
<td>PRESENT</td>
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<tr>
<td>PRESENT</td>
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<tr>
<td>PROPOSED 1ST. YEAR</td>
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<td>$556,000</td>
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<tr>
<td>2ND. YEAR</td>
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<td>--</td>
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<tr>
<td>GRAND TOTALS</td>
<td>14</td>
<td>$556,000</td>
</tr>
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Estimated Construction Jobs Created: 128

COMMENTS: 2/13/20: Inducement resolution approved for an approximate $24,235,048 lease transaction.
Voting: 5 (KH,AG,SC,JS,NW) - 0. Absent: 1 (GC).
VIA EMAIL
Anthony J. Catapano
Executive Director
Suffolk County Industrial Development Agency
H. Lee Dennison Building
100 Veterans Memorial Highway
Hauppauge, NY 11788

Re: Huntington Village Hotel Partners, IDA application
227 Main Street, Huntington

Dear Mr. Catapano:

We represent the Applicant in the above matter. This letter is sent to request an amendment to the Agreement with the Suffolk County Industrial Development Agency, ("IDA"). A separate companion letter is being sent from HVS, who prepared the Market Study, directly to the IDA. This letter and the HVS letter should be considered together in connection with the Applicant’s request.

The Covid-19 Pandemic has caused a nationwide emergency which has devastated the national and international Economy. And its effect remains on-going. Most impacted is the Hospitality Industry. I am informed that Smith Travel Research reports show a 75% contraction in hotel occupancy and a similar contraction in daily rates. There is no indication such will be temporary or that will bounce back to anything close to historic levels anytime soon. (And international and interstate quarantine regulations only compound the problem.)

The HVS letter reflects an updated and revised forecast for the proposed Hotel in Huntington Village which more accurately reflects business levels and realities in the Covid-19 world. It discusses the substantial contraction in the hotel business.

In addition to the substantial impact of Covid-19 and its effect on the hotel business, the market for construction financing for new hotels is now non-existent. Our clients are now faced with few options, all of which are difficult. All of which require the infusion of additional equity, which places additional strains and further impacts the possibility of realizing an investment return within anything resembling a reasonable time.
A brief discussion of the Project is also informative. The site is unique. It is highly expensive to develop; far more than the typical suburban hotel. The property is small and located in a downtown, which presents specific challenges. There includes a 23-foot drop in grade. There is a building next door right on the property line. Shoring and underpinning are both complicated and expensive. The project also requires a parking structure, which only further adds to the cost of construction.

In addition, our clients will be renovating a historic building constructed in 1910, which previously supported the Old Huntington Town Hall. The building has also been vacant for 10 years, which adds to the challenges. Our clients must sister-in a modern quality hotel onto an historic 1910 building. Such is challenging and expensive. Renovating the historic building, which will be a tourism destination in and of itself, is an important Project which will substantially benefit the community.

For such reasons and due to the current Covid-19 economy, our client respectfully requests the following amendment to the Agreement with the IDA: 1) Freeze the current assessment for the first five years. 2) Ten percent escalations per year over the ensuing ten years.

It is a highly difficult time and the hospitality industry has been particularly hard hit. The effects of Covid-19 on the hospitality industry will continue to be dramatic in the foreseeable future and will be felt for a long time to come. The construction of a quality hotel, which will be a tourist destination, in Downtown Huntington Village will provide a positive upgrade for the property and produce asset to the community. Yet, that Project has great challenges and great costs. Covid-19 has increased those challenges and severely augmented those costs. But, the benefits of the project remain. For those benefits to be realized, however, the amendments to the Agreement with the IDA, which reflect current and foreseeable realities, are necessary.

If you have any questions or require any thing further, please feel free to contact me.

Very truly yours,

[Signature]

Joseph F. Buzzell

Cc: Kelly Morris, Deputy Executive Director
Proposed Hampton Inn & Suites
227 MAIN STREET
HUNTINGTON, NEW YORK

SUBMITTED TO:
Mr. George Tsunis
Principal
Huntington Village Hotel Partners, LLC
535 Broadhollow Road, Suite B-4
Melville, New York 11747
+1 (631) 747-3800

PREPARED BY:
HVS Consulting & Valuation
Division of TS Worldwide, LLC
1400 Old Country Road, Suite 105N
Westbury, New York 11590
+1 (404) 791-5509
July 16, 2020

Mr. George Tsunis
Principal
Huntington Village Hotel Partners, LLC
535 Broadhollow Road
Suite B-4
Melville, New York 11747

Re: Proposed Hampton Inn & Suites
Huntington, New York
Reference# 2020020882

Dear Mr. Tsunis:

Pursuant to your request, we herewith submit the information that pertains to the above-captioned proposed hotel.

The proposed 80-room, nationally branded Hampton Inn & Suites will be located prominently in Downtown Huntington Village at 227 Main Street. The site, which is situated at the entrance to Downtown Huntington Village, boasts frontage along Main Street/State Route 25A and is easy to locate from Interstate 495 (Long Island Expressway). Downtown Huntington Village currently lacks both a lodging facility and a centerpiece. The proposed boutique subject hotel will incorporate a portion of the historic Town Hall building, which is anticipated to attract travelers and tourists who seek a destination location and high-quality lodging facility that captures the ambience of the local community.

We have analyzed the demand generators within the greater Huntington area and have determined the impact that a combined newly constructed and redeveloped, upscale, historical lodging facility with a strong national brand affiliation would have in the generation of additional demand, particularly for the leisure and tourism segment. Tourism is a significant economic contributor to the communities of Long Island and is expected to remain a key demand driver after the Covid-19 pandemic period. The Huntington submarket’s convenience to New York City and also communities within Long Island, such as the waterfront/beachfront destinations in/near the Hamptons plays a key role in the area’s appeal to leisure travelers and tourists. There is a lack of upscale lodging facilities within the Huntington area. Additionally, Downtown Huntington Village lacks both a lodging facility and a centerpiece, as previously noted. Entertainment venues such as The Paramount
concert hall in Downtown Huntington Village and attractions in Huntington Bay, as well as numerous beaches within the town of Huntington, have historically and will continue to contribute to the area’s visitation. Corporate travelers visiting the area businesses and entities such as the Cold Spring Harbor Laboratory in the adjacent hamlet of Cold Spring Harbor, currently have limited lodging facility choices in the greater Huntington area. Travelers visiting the Hamptons who may not want to incur exorbitant nightly room rates (particularly during high season) may prefer to stay at upscale lodging facilities in the Huntington area and then drive roughly one to two hours to the north and south forks. It is important to note that Discover Long Island, the entity responsible for promoting tourism for the Long Island communities, has been strengthening its partnership with I LOVE NEW YORK and NYC & Company to boost awareness of the convenience, diverse activities, family-friendly environment, and waterfront/beachfront locations that Long Island showcases, which residents of New York City, the Lower Hudson Valley Region, New Jersey, Connecticut, and Boston should consider when seeking getaways throughout the year. The tourism promotion efforts are currently important as road-trip leisure demand gradually increases, and will play a more significant role during the post-Covid-19 pandemic recovery period when an FDA-approved vaccine is available for the public, which will increase traveler confidence and help boost corporate, leisure, and then group demand. Long Island will remain a strong leisure and tourism destination given its location that is convenient yet far from the urban setting of New York City. As such, the proposed Hampton Inn & Suites is expected to fill an underserved niche in the Huntington area, and become not only a choice of lodging for corporate travelers visiting nearby businesses and entities but also become the leisure and tourist destination for New York City residents, as well as visitors from nearby regional areas such as the Lower Hudson Valley Region, New Jersey, Connecticut, Boston, and Pennsylvania.

The proposed subject hotel will be an upscale, limited-service hotel in which the new construction hotel component will be integrated with the historical Town Hall building. The historical aspect of the proposed subject hotel, in combination with the strong Hampton by Hilton national brand affiliation and prime location, are expected to attract additional leisure and tourism demand, as well as accommodate corporate travelers who seek upscale overnight lodging. It is important to note that strong barriers to entry prevail in the subject market, which places limitations on the development of new supply. The aforementioned factors will enable hotel management to command high room rates. The current Covid-19 pandemic has resulted in the dramatic reduction of domestic and international travel, thereby contributing to negative impacts on hotel occupancy and average rate levels on a national and global level. Different markets are anticipated to reach the post-Covid-19 pandemic occupancy and average rate levels at various points during the 2023-2025 recovery period. Given the existing hotel guestroom inventory and the barriers to entry of new supply within Long Island, it is anticipated that occupancy
levels should normalize in 2023 while average rates are anticipated to reach 2019 levels in 2024. Huntington Village Hotel Partners, LLC forecasts occupancy levels of 62.0%, 63.0%, and 63.50% and average rates of roughly $140.00, $142.50, and $144.60 during the first three operational years. This initial three-year forecast is reasonable, reflecting the impact of the Covid-19 pandemic on overall hotel performance.

Based upon the aforementioned information, including the expected continuation of the Huntington area and Long Island as leisure and tourist destinations, the market demand generators, and the demand potential of the underserved niche of corporate and leisure travelers seeking upscale overnight lodging, it is reasonable to believe that the proposed hotel will attract leisure and tourism demand into the area that would not have otherwise been created for the area given its strong Hilton brand affiliation, its upscale and historic product, and its prime location within Downtown Huntington Village. Given consideration of all of these factors, we expect that a significant number of guests (over 90.0%) of the proposed Hampton Inn & Suites will be generated from outside of Nassau and Suffolk counties.

Sincerely,
TS Worldwide, LLC

Roland deMilleret, MAI, Senior Managing Director
rdemilleret@hvs.com, +1 (516) 209-7305

Patricia Shih, Vice President
pshih@hvs.com, +1 (404) 791-5509