

Town of Brookhaven
Industrial Development Agency

MEETING AGENDA

Wednesday, August 17, 2022

1. ROLL CALL

2. MINUTES

July 19, 2022

3. CFO'S REPORT

Actual vs. Budget Report – June 30, 2022
Timely Payments
PILOTS

4. APPLICATIONS

Medford Logistics, LLC
Medford Gardens, LLC
Segme Brookhaven, LLC
925 Waverly / Visiontron Subtenant US Carpet
Holtsville Industrial Subtenant Hotgen Health, Inc.

5. RESOLUTIONS

G4 18197, LLC
Islandaire
EB Holtsville
925 Waverly / Visiontron Subtenant US Carpet
Holtsville Industrial Subtenant Hotgen Health, Inc.
Slate of Officers
Governance, Audit & Finance Committees
Longevity Policy
Health & Other Insurance
Paid Time Off Management
Paid Time Off Non-Management
Hybrid Meetings
Ronk Hub Condemnation Determinations & Findings

6. CEO'S REPORT

Macedo Construction
Board Member
Board Assessments
September 15 Breakfast Meeting
September Meeting Date
Construction Wage Policy Letter
Office Renovation
Sunrise Wind
Community Development Corporation Annual Luncheon Sponsorship Request

7. EXECUTIVE SESSION

The next IDA meeting is scheduled for Tuesday, September 27, 2022.



Town of
Brookhaven
Long Island

Edward P. Romaine, Supervisor

TO: Lisa Mulligan, CEO of Brookhaven IDA
Fred Braun, Chairman of Brookhaven IDA
Annette Eaderesto, Town Attorney

FROM: Edward P. Romaine, Town Supervisor *EPR*

SUBJECT: Construction Wage Policy

DATE: August 3, 2022

The Town of Brookhaven has a Labor Advisory Committee that meets on a monthly basis. At our last meeting, there was a discussion about the Town of Islip IDA's construction wage policy. I am forwarding a copy of this policy for your review and would appreciate knowing if the Brookhaven IDA would consider adopting such a policy.

I am available to discuss the pros and cons of the adoption of such a policy if you wish.

Enc.

Office of the Supervisor

One Independence Hill • Farmingville • NY 11738 • Phone (631) 451-9100 • Fax (631) 451-6677
www.brookhaven.org

SCHEDULE B

Agency's Construction Wage Policy

CONSTRUCTION WAGE POLICY

Town of Islip Industrial Development Agency

The purpose of the Town of Islip Industrial Development Agency is to provide benefits that reduce costs and financial barriers to the creation and to the expansion of business and enhance the number of jobs in Islip.

The Agency has consistently sought to ensure that skilled and fair paying construction jobs for local residents are encouraged in projects receiving financial assistance from the Agency and that local vendors be used during the construction process.

It is the intent of the Agency that the economic activity created by Agency assisted projects during the construction process primarily benefits local residents and vendors.

- I. The following shall be the policy of the Town of Islip Industrial Development Agency for all applicants for financial assistance:
- II.
 - (A) Employ 90% of the construction workers for the project from within Nassau or Suffolk Counties.
 - (B) Purchase 90% of the building materials from within the bi-County region.

In the event that any of these conditions cannot be met, the applicant shall submit to the Agency an explanation as to the reasons for its failure or inability to comply with such conditions. Furthermore, this policy may be waived, in the sole and final discretion of the Agency, in the event that the applicant demonstrates to the Agency special circumstances or economic hardship to justify a waiver to be in furtherance of the purposes and goals of the Town of Islip Industrial Development Agency.

August 12, 2022

RECEIVED
AUG 16 2022
Town of Brookhaven IDA

Via E-Mail and First Class Mail

Ms. Lisa Mulligan
Executive Director
Town of Brookhaven Industrial Development Agency
Brookhaven Town Hall
One Independence Hill
Farmingville, New York 11738

Re: Medford Logistics LLC; 440 Express Drive South, Medford

Dear Ms. Mulligan:

We are attorneys for Medford Logistics LLC (“Medford Logistics”), the contract vendee for 440 Express Drive South in the hamlet of Medford. Medford Logistics is operated by Lincoln Equities Group (“Lincoln Equities”), a New Jersey based developer and manager of industrial, office and residential properties. Founded over 35 years ago, Lincoln Equities provides a full suite of development services, ranging from acquisition to redevelopment to land entitlement projects. Lincoln Equities’ development team is currently leading five major developments across the New York metropolitan area with a planned build-out of 3,100 residential units and over 2,000,000 square feet of modern industrial space. They have a current portfolio of over 5 million square feet, occupied by over 250 tenants in 10 facilities. The referenced project is their first foray into the Suffolk County market, and they have chosen Brookhaven as their cornerstone.

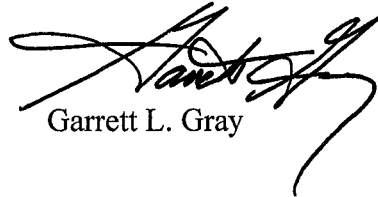
Medford Logistics is reaching out to the Brookhaven IDA for economic assistance with regard to the acquisition of the subject property and the development of a 390,000 sf state of the art, Class A industrial warehouse. The location of the project on the Long Island Expressway service road makes it an ideal location for an industrial warehouse. Medford Logistics has garnered the support of the Medford Civic Association and Town officials for the development of this project. While the project is being built on spec, it is believed that at least 80-100 new FTEs will be created during the first two years of operation. This estimate is a floor, as it may be the case that many more jobs will be created once the warehouse is fully leased.

Ms. Lisa Mulligan
August 12, 2022
Page 2 of 2

This project will allow Medford Logistics to make Suffolk County a vital part, and partner, of its continued growth. In that regard, enclosed please find Medford Logistics' application to the IDA, Short EAF, and the required fee.

If you have any questions or require any additional information, please do not hesitate to contact me at any time.

Respectfully submitted,



Garrett L. Gray

Encls.

cc: Mr. Joel Bergstein
Mr. Robert Schenkel

William R. Garbarino

William F. Garbarino

Of Counsel:

Donald R. Hamill

*Law Offices of
William R. Garbarino*

40 Main Street
Sayville, NY 11782

(631) 563-4411

Fax (631) 563-4435

July 8, 2022

Town of Brookhaven Industrial
Development Agency
c/o Town of Brookhaven Division
of Economic Development
One Independence Hill
Farmingville New York 11738

Re: 925 Waverly Ave Associates, LLC

Attention: Lisa Mulligan

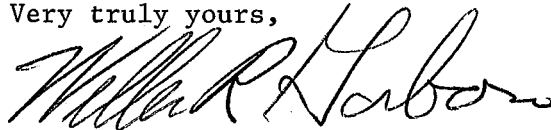
Dear Lisa:

Enclosed please find the application for Consent to Sublease together with the copy of Sublease.

I am enclosing a check in the sum of \$750.00 for the application fee.

If anything further is needed, please do not hesitate to contact me.

Very truly yours,



William R. Garbarino

WRG/dlp

VanBRUNT, JUZWIAK & RUSSO, P.C.

ATTORNEYS AT LAW

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ERIC J. RUSSO

RITA BUCKLEY
Paralegal

JEFFREY M. JUZWIAK

Retired

RICHARD H. VanBRUNT
1927 - 2006

August 9, 2022

Via FEDEX and Email

Ms. Lisa M.G. Mulligan, Executive Director
Brookhaven Town Industrial Development Agency
One Independence Hill
Farmingville, New York 11738

Re: Applicant: Segme Brookhaven LLC – Contract Vendee
Application: Brookhaven Town IDA Financial Assessment Application
Premises: n/s Horseblock Road, 1900' w/o Yaphank Avenue, New York
SCTM#: 0200-846-03-5

Dear Ms.  Mulligan:

As we discussed at our meeting on Wednesday, July 27, 2022, enclosed herewith please find the following documents in connection with the above-referenced Brookhaven Town IDA Application for Segme Brookhaven LLC:

1. Original and one (1) copy of the duly completed Brookhaven Town IDA Application for Financial Assistance, dated August 2, 2022, duly executed before a Notary Public by Efreem Gerszberg, Managing Member, Segme Brookhaven LLC;
2. Our law firm's Check No. 2202, dated August 2, 2022, in the amount of \$4,000.00 payable to the Town of Brookhaven Industrial Development Agency for the required Application Fee as the project's total anticipated costs exceed the \$5 million threshold;
3. Full Environmental Assessment Form (LEAF), dated October 18, 2021, as prepared and duly executed by David M. Wortman, VHB Engineering;
4. Brookhaven Town Board Conditional Approval Letter, dated June 28, 2022;
5. Brookhaven Town Board Site Modification Approval Letter, dated August 2, 2022; and
6. SEQRA Negative Declaration, dated June 27, 2022;

The required client financial documents will be forwarded to you under separate cover from Segme Brookhaven LLC for review with this Brookhaven Town IDA Application. Additionally, our client will order and provide an Economic Feasibility Study as to the project for submission to you prior to the public hearing on the project benefits approval.

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Ms. L. Mulligan
August 9, 2022

As you are aware, our law firm represents Mr. Efreem Gerszberg, Managing Member, Segme Brookhaven LLC, 777 New Durham Road, Edison, New Jersey 08817. Segme Brookhaven LLC is the Contract Vendee of the above-referenced premises. Segme Brookhaven LLC hereby requests that the Brookhaven Town Industrial Development Agency consider its project for the standard benefits package of real estate taxes, mortgage recording taxes, sales and use taxes as well as a PILOT Agreement in connection with its property development in Yaphank on Horseblock Road. The project is currently under its contracted due diligence period and shall not go forward to its fruition but for the approval of the Brookhaven Town IDA benefits as requested and if same are not granted.

The proposed project's property is approximately 50.4 acres of undeveloped land. Upon approval, Segme Brookhaven LLC will clear 80 percent of the existing trees and vegetation on site and retain the remaining 9.4 acres in a natural state. The proposed project has been designed to be in conformance with Section 85-843 of Brookhaven Town's Land Development Standards Code to protect natural vegetation and address landscaping, buffering and other site improvements. To provide information, the subject premises does not contain a designated significant natural community and there are no species of plant or animal listed by New York State as rare or of special concern. Segme Brookhaven LLC is aware of bats in the area and will clear the site during the months of January through March when the bats are not present as necessary.

Segme Brookhaven LLC proposes the construction of two (2) one-story buildings with loading docks each consisting of 199,000 square feet and one (1) one-story building consisting of 163,000 square for warehouse use with offices and storage. The site will contain off-street parking with 1,313 parking stalls comprised of 915 for vehicles, 131 for trucks, 25 ADA compliant and 242 vehicle landbanked parking spaces. The site will be developed with all necessary landscaping, drainage, grading, buffers and infrastructure improvements as required by the Town standards.

The project will meet the needs of the current demand for new warehouses and distribution facilities on Long Island. In addition, according to a Newmark study, the vacancy rate for industrial space is extremely low creating a need for expansion. The existing market consists of warehouses built 40-50 years ago. Segme Brookhaven LLC is proposing buildings with larger footprints, tall ceilings and the potential of solar energy capability.

The proposed site is located within the L-1 Zoning District near other existing area warehouses and industrial buildings, solid waste management facilities, municipal uses and within the transportation corridors. The proposed project conforms to prevailing zoning and would be in character with the surrounding area and land uses. Furthermore, the property is located in a cluster of industrial zoned land around Horseblock Road, the LIRR, Long Island Expressway, Sills Road and Yaphank Road. The Town of Brookhaven Final 1996

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Ms. L. Mulligan
August 9, 2022

Comprehensive Land Use Plan (“Brookhaven CLUP”), which is the most recently adopted comprehensive plan for the Town, shows that proximity to major roadways plays a role in the success of an industrial site. The property’s location near the LIE and other major Town and Suffolk County roads makes transportation to larger areas very convenient. The proposed project will be consistent with the Brookhaven CLUP and comply with the requirements of the L-1 Zoning District. It’s location of Horseblock Road continues the industrial pattern of development in Yaphank.

The proposed development will provide increased industrial space, create approximately 300 jobs and bring in tax revenues for the Town of Brookhaven. Segme Brookhaven LLC has sought out and will be marketing the warehouse space to tenants within the food, industrial, logistics and retail industries. Segme Brookhaven LLC is currently in discussion with Lidl, Luxury Home, DSV, one (1) undisclosed logistics company and two (2) undisclosed food distributors. Other potential tenants within the food industry are Katzman Produce, Food Bazaar, Tiffany Foods and Fresh Direct. As for industrial tenancies, Rugby Building, Advance Moving, Arkwin and Pool Corp. are being entertained by our client. Finally, CH Robinson and Nutriscience are potential tenants from the logistics and retail industries. The warehouses will not be utilized for “last mile” users such as Amazon. With the exception of food and grocery distribution, the use of the site to conduct direct to consumer retail distribution utilizing small package vehicles to deliver to residential addresses shall be prohibited without further review and approval by the Brookhaven Town Planning Board as limited by the further approved language of the Brookhaven Town Planning Board on August 1, 2022.

Segme Brookhaven LLC submitted a Brookhaven Town Land Use Application for Site Plan with Special Permit for Trucking Terminal to the Brookhaven Town Planning Board in October 2021. The Brookhaven Town Planning Board held a public hearing on June 27, 2022 to review the proposed site plan with revisions in response to all Town comments received. The Brookhaven Town Planning Board granted approval of its application with conditions and issued a SEQR Negative Determination on June 27, 2022 and August 1, 2022. Please see copies of same enclosed herewith.

Thus, in summary, Segme Brookhaven LLC hereby requests the consideration of the Brookhaven Town Industrial Development Agency’s for its project for its standard benefits package of real estate taxes and mortgage recording taxes as well as sales and use taxes in connection with the development of the property in Yaphank. Furthermore, please note that Segme Brookhaven LLC is seeking a twenty (20) year PILOT Agreement for the three (3) warehouses as the benefits sought are needed to assist with anticipated increasing market construction costs and financing terms. Again, please be further advised that but for the significant benefit assistance of the Brookhaven Town IDA, this proposed development shall not go forward by the project principals given the current economic environment. As previously stated, the Contract of Sale is contingent upon various due diligence and municipal approvals

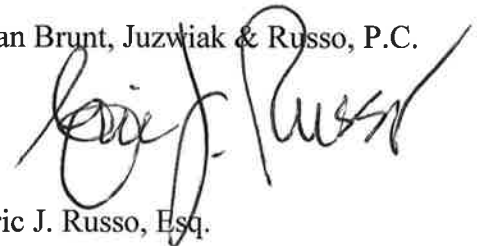
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required for the project to proceed to closing by October 2022.

Please review, process and schedule this Application for discussion with the Brookhaven Town IDA Board at its next meeting now scheduled for August 17, 2022 at 12:00 pm. If you should have any further questions or require any additional information, please do not hesitate to contact our office. Thank you.

Very truly yours,

Van Brunt, Juzwiak & Russo, P.C.

A handwritten signature in black ink, appearing to read "Eric J. Russo", written over the typed name below.

Eric J. Russo, Esq.

EJR/tml
Encs.

cc: Mr. Efrem Gerszberg, Segme Brookhaven LLC
Howard Gross, Esq., Brookhaven Town IDA Counsel

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

JULY 19, 2022

MEMBERS PRESENT: Frederick C. Braun, III
Martin Callahan
Lenore Paprocky
Gary Pollakusky

EXCUSED MEMBERS: Felix J. Grucci, Jr.
Ann-Marie Scheidt
Frank C. Trotta

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
Annette Eaderesto, Counsel
William F. Weir, Nixon Peabody, LLP
Howard Gross, Weinberg, Gross & Pergament (via Zoom)
Jocelyn Linse, Executive Assistant
Amy Illardo, Administrative Assistant
John LaMura

Chairman Braun opened the IDA meeting at 12:51 P.M. on Tuesday, July 19, 2022 in the Media Room, and virtually, on the Second Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

MEETING MINUTES OF JUNE 8, 2022

The motion to approve these Minutes as presented was made by Mr. Pollakusky, seconded by Mr. Callahan and unanimously approved.

CFO'S REPORT

Ms. LaPonte presented the Budget vs. Actual Report for the period ending May 31, 2022. A sales tax extension fee was received and the normal expenses were noted. All contractual payments have been made timely. All PILOT payments have been received except for a late payment fee; if this is not paid, the Board may consider defaulting the project.

The motion to accept the report was made by Ms. Paprocky and seconded by Mr. Pollakusky. All voted in favor.

FOURGEN-H – UPDATED APPLICATION & FINAL AUTHORIZING RESOLUTION

An updated application was included in the meeting packets for this .92-megawatt fuel cell power generation plant proposed to be constructed at 586 Union Avenue in Holtsville. Project costs are now \$5.44 million, and the applicant is requesting a 25-year PILOT and sales tax exemption which is permitted under the Uniform Tax Exemption Policy (UTEP). A public hearing was held this morning with no comment received. The cost benefit analysis using the new CBA program was included in the meeting packets.

The motion to accept the updated application was made by Mr. Callahan, seconded by Mr. Pollakusky and unanimously approved.

The motion to approve the final authorizing resolution was made by Mr. Pollakusky and seconded by Ms. Paprocky. All voted in favor.

FOURGEN-S – UPDATED APPLICATION & FINAL AUTHORIZING RESOLUTION

The updated application for this 1.38-megawatt fuel cell power generation facility to be located at 19 Belle Meade Road in East Setauket was included in the meeting packets. Project costs have increased to \$8.16 million, and the applicant is requesting a sales tax exemption and a 25-year PILOT. A public hearing was held this morning; comments were included in the meeting packets for the members to review, along with the cost benefit analysis.

The motion to accept the updated application was made by Mr. Pollakusky, seconded by Ms. Paprocky and unanimously approved.

The motion to approve the final authorizing resolution was made by Mr. Pollakusky and seconded by Mr. Callahan. All voted in favor.

GREYBARN PATCHOGUE / R SQUARED – APPLICATION

The application, along with an addendum, cover letter and economic and fiscal impact analysis were included in the meeting packets. This project consists of 91 one- and two-bedroom apartment units at the former Mediterranean Manor site in East Patchogue which is part of the Town of Brookhaven East Patchogue Incentive Overlay District. As required by our UTEP, 10% of units will be set aside for affordable housing and 10% will be set aside for workforce housing. Suffolk County also required a certain percentage be allocated for people with disabilities. This \$46.7 million project has requested exemptions from mortgage recording tax and sales tax as well as a 15-year PILOT. A PILOT study will be conducted as this is a market rate project. Mr. Braun noted that the financials provided are not sufficient; counsel for the project will arrange for review of more detailed company financials prior to further actions.

The motion to accept the application was made by Mr. Callahan, seconded by Mr. Pollakusky and unanimously approved.

BLSF, LLC – APPLICATION

This application is for 16,000 solar modules for an 8.64 million-megawatt solar installation that will generate 12.36 million kilowatt hours of energy, enough to power approximately 5,000 homes. The installation will be situated on 30 acres of the capped Brookhaven Landfill at a cost of approximately \$12.2 million. The Applicant is seeking exemptions from mortgage recording taxes, sales tax and a 30-year PILOT. There is a power purchase agreement in place. Ms. Eaderesto noted that this project has been in development for several years and is part of turning the landfill into an energy park.

The motion to accept this application was made by Ms. Paprocky and seconded by Mr. Pollakusky. All voted in favor.

PECONIC RIVER ENERGY STORAGE DBA NORTH STREET ENERGY STORAGE – APPLICATION

This application is for a 150-megawatt Battery Energy Storage System (BESS) on 4.4 acres on Weeks Avenue in Manorville. The project is expected to cost approximately \$159 million and

will create a .5 full-time equivalent position. Exemptions from mortgage recording taxes, sales tax and a 20-year PILOT have been requested.

The motion to accept the application was made by Mr. Pollakusky, seconded by Mr. Callahan and unanimously approved.

YAPHANK ENERGY STORAGE, LLC – APPLICATION

This BESS system will generate 77 megawatts of power at the Shirley Industrial Park. The project is expected to cost approximately \$108 million. Exemptions from mortgage recording taxes, sales tax and a 20-year PILOT have been requested.

The motion to accept the application was made by Mr. Callahan and seconded by Ms. Paprocky. All voted in favor.

AMERICAN ORGANIC ENERGY – UPDATED APPLICATION & FINAL AUTHORIZING RESOLUTION

The updated application alters the ownership structure; Vigliotti Holdings will have ownership with Veridi Energy of AOE Holdings, AOE Holdings is still the owner of the project. Mr. Weir noted that this is the last step until the project can close.

The motion to accept the updated application was made by Ms. Paprocky, seconded by Mr. Pollakusky and unanimously approved.

The motion to approve the final authorizing resolution was made by Mr. Braun and seconded by Mr. Pollakusky. All voted in favor.

PARTHENON / ACROPOLIS – RESOLUTION

Parthenon is closing on a Small Business Administration loan that requires IDA approval and the IDA's participation in a subordination agreement. Mr. Gross explained that the bank requested to have the right to cure any default on behalf of Parthenon.

The motion to approve this request was made by Mr. Callahan and seconded by Mr. Pollakusky. It was approved with Mr. Braun noting that he is a chairman of one of the SBA 504 loan committees but does not recall this request coming before him. Ms. Eaderesto advised that this is not a conflict of interest.

INTERSTATE MECHANICAL CADCAM SUBTENANT REQUEST

CADCAM, a subtenant in the Interstate Mechanical facility, has requested to rent an additional 325 square feet of space. The lease for this subtenant was extended at the last meeting.

The motion to amend the resolution from last month to increase the square footage by 325 square feet was made by Mr. Pollakusky, seconded by Ms. Paprocky and unanimously approved.

ISLANDAIRE – REFINANCING

This project has requested consent to enter into a loan of approximately \$4.24 million but not to exceed \$5 million. A mortgage recording tax exemption was not requested.

The motion to approve this request was made by Mr. Pollakusky and seconded by Mr. Callahan. All voted in favor.

At 1:25 P.M., Mr. Callahan made a motion to enter executive session to discuss contracts, litigation and personnel. The motion was seconded by Mr. Pollakusky and unanimously approved.

At 2:47 P.M., Mr. Pollakusky made a motion to exit executive session and resume the regular agenda. The motion was seconded by Mr. Callahan and all voted in favor.

Mr. Pollakusky made a motion to hire John LaMura as Deputy Director of the IDA. The motion was seconded by Mr. Braun and unanimously approved.

Mr. Callahan made a motion to adopt a lease for office space with the Town of Brookhaven. The motion was seconded by Ms. Paprocky and all voted in favor.

CEO'S REPORT

Long Island First Policy

A letter was received from Supervisor Romaine asking the IDA to consider a similar policy to Suffolk County's Long Island First Policy. Mr. Weir noted that language has been incorporated into closing documents encouraging the hiring of Long Island residents; the language will be strengthened.

RONK HUB CONDEMNATION DETERMINATIONS & FINDINGS

This matter will be deferred until the August meeting.

CEO'S REPORT (REVISITED)

Hybrid Meetings

Recent changes to the Open Meetings Law have made virtual meetings legal if a quorum of Board Members is present and the public is able to attend meetings. Members, for example may participate virtually if there is an extraordinary circumstance (illness or quarantine, a caregiving situation or if the Member is out of the state).

The motion to set a public hearing adopting the new meeting model was made by Mr. Pollakusky and seconded by Ms. Paprocky. All voted in favor. The hearing will be held prior to the August board meeting.

Macedo Construction

Mr. Pollakusky made a motion for the Board to demand recapture of the benefits granted to Macedo Construction based on their failure to maintain employment levels as well as having an unapproved subtenant in the facility and to terminate the project. Ms. Paprocky seconded the motion which was unanimously approved.

Job Creation

Letters requesting an explanation for projects that did not meet their job creation numbers have been sent out. Projects were given until August 1, 2022 to respond. Mr. Braun noted that while discussing job creation, the taxes paid are not mentioned. State taxes support state education systems and hospitals, federal taxes support Medicare and Medicaid programs. There are four hospitals in the Town that participate in these programs.

Small Scale Solar

A PILOT concept is being drafted for projects creating 5 megawatts or less of solar energy. Possible details include \$8,000 per megawatt if the project is on a less desirable site such as a superfund site; if the project is on a more desirable site the range would be \$9,000 to \$12,000 per megawatt.

The motion to accept this PILOT for small scale solar projects was made by Mr. Pollakusky and seconded by Mr. Callahan. All voted in favor.

Board Assessments

This matter will be deferred until the next meeting.

Market Study Proposal

Ms. Mulligan has reached out to 4 companies for proposals to conduct a county wide marketing study on speculative industrial projects. Two proposals were received; Camoin Associates was selected at a cost of \$15,000. A draft study is expected by the August 17th meeting.

The motion to ratify contracting Camoin Associates was made by Ms. Paprocky, seconded by Mr. Braun and unanimously approved.

Long Island Business Development Council (LIBDC) Conference

Mr. Callahan made a motion to sponsor the Montauk conference being held September 28th through September 30th for \$5,000. The motion was seconded by Mr. Pollakusky and all voted in favor.

Community Development Corporation (CDC) Annual Meeting Sponsorship

This matter will be deferred until the next meeting.

August Meeting Date

Mr. Callahan made a motion to move the next meeting to August 17th at 12:30 P.M. The motion was seconded by Mr. Pollakusky and unanimously approved.

Labor Counsel

Mr. Callahan made a motion to hire labor counsel to consider personnel issues. Ms. Paprocky seconded this motion and all voted in favor.

The motion to close the IDA meeting at 3:04 P.M. was made by Mr. Pollakusky, seconded by Ms. Paprocky and unanimously approved.

The next IDA meeting is scheduled for Wednesday, August 17, 2022 at 12:30 P.M.

PREPARED FOR:

Town of Brookhaven Industrial Development Agency
One Independence Hill
Farmingville, NY 11738

Reasonableness Assessment for Financial Assistance

G4 18197, LLC

JULY 2022

PREPARED BY:



ABOUT CAMOIN ASSOCIATES

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

THE PROJECT TEAM

Rachel Selsky

Vice President, Project Principal

Mara Klaunig

Senior Analyst

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EXECUTIVE SUMMARY

Project Description

The Town of Brookhaven Industrial Development Agency (Agency) received an application from G4 18197 LLC (Applicant) for financial assistance for the construction of a residential development (Project) at 365-369 East Main Street, East Patchogue, NY 11772, featuring 32 market rate apartments and 8 Affordable/Workforce apartments (4 for residents earning not more than 80% AMI and 4 for residents earning not more than 120% AMI). The Project represents a nearly \$8.85 million investment and is anticipated by the Applicant to generate 1 part-time permanent job within two years.

Purpose of this Analysis

An objective, third-party review of the assumptions and estimated operating and financial performance of a project helps Industrial Development Agencies perform a complete evaluation of a proposed Project. Camoin Associates was engaged to analyze the Project and deliver an analysis and opinion to answer these questions:

Q: Are the operating assumptions such as rent, vacancy, and expenses within norms for the region?

A: Yes, the operating assumptions are within market norms.

Q: Is the assistance necessary for the Project to be financially feasible, and therefore undertaken by the Applicant? If assistance is awarded, will the Applicant's rate of return on investment be similar to market expectations for similar projects in the region, and therefore reasonable?

A: The assistance is necessary to Project feasibility in years 1-5, after which the PILOT will gradually increase over time to reach towards full taxation, giving the Project time to stabilize.

1. OPERATING ASSUMPTIONS

The Applicant’s operating assumptions are compared to CoStar estimates for rent in 2022 in Suffolk County. The ability of households in Suffolk County to afford market rate, workforce, and affordable apartments is estimated by calculating the income necessary to pay no more than 30% of income on rent. The household income required to support the Applicant’s proposed rents falls well below the maximum household income limits for both workforce and affordable apartments.

Findings: The rents for affordable apartments are accessible to households earning 80% of Area Median Income (AMI) in the county, and the workforce apartments are accessible to those earning 120% of AMI.

Apartment Unit Type, Rent, and Household Income

Type of Apartment	Unit Type (1)	Number of Units (1)	Rent per Month (1)	Rent per Year	Household Income Required (2)	Income Limit (3)	Max Household Income (4)	Benchmarks
Market Rate, 80% of Units	2BR	32	\$3,200	\$38,400	\$128,000	n/a	n/a	Rent is 1.3 times higher than the average rent (5); 39% of households earn more than \$125,000 (6)
Affordable, 10% of Units	2BR	4	\$1,624	\$19,485	\$64,950	80%	\$84,290	34% of households earn less than \$74,999 (6)
Workforce, 10% of Units	2BR	4	\$2,111	\$25,331	\$84,435	120%	\$126,434	24% of households earn between \$75,000 and \$124,999 (6)

(1) Source: Applicant

(2) Income needed to pay no more than 30% on rent

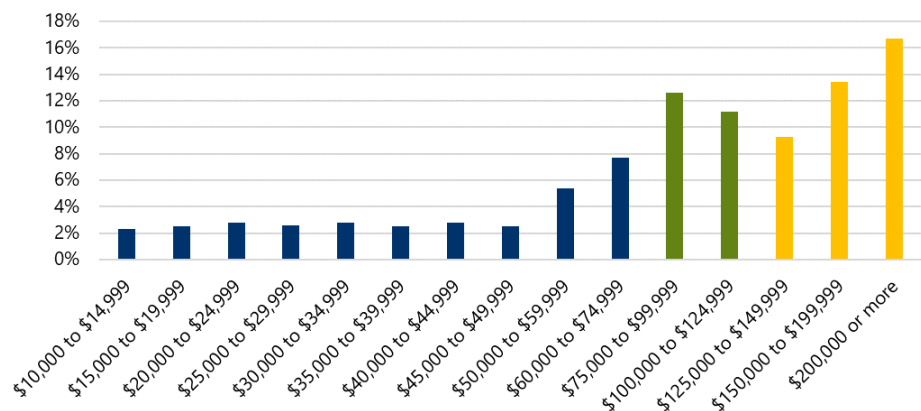
(3) Income limit for affordable housing per the U.S. Department of Housing and Urban Development; income limit for workforce housing per the Applicant

(4) Using Suffolk County's Area Median Income (AMI) of \$105,362; Source: US Census Bureau QuickFacts

(5) Average monthly rent for 2022 in Suffolk County, NY is estimated at \$2,416; Source: Costar

(6) See Household Income Distribution to the right; Source: U.S. Census Bureau, 2015-2019 American Community Survey

Household Income Distribution for Suffolk County, NY



2. PILOT ANALYSIS

Camoin Associates created a PILOT schedule in alignment with the Agency's Uniform Tax Exemption Policy (UTEP):

PILOT Schedule						
Year	Plus: Improvements			Taxable AV	Times: Tax Rate (3)	Estimated PILOT
	Current AV (1)	Improvement Value (1)	Proposed Exemption (2)			
1	\$3,155	\$54,845	100%	\$0	\$412.07	\$13,001
2	3,155	54,845	100%	0	420.31	13,261
3	3,155	54,845	100%	0	428.72	13,526
4	3,155	54,845	100%	0	437.29	13,797
5	3,155	54,845	90%	5,485	446.04	38,535
6	3,155	54,845	80%	10,969	454.96	64,258
7	3,155	54,845	70%	16,454	464.06	90,995
8	3,155	54,845	60%	21,938	473.34	118,775
9	3,155	54,845	50%	27,423	482.81	147,630
10	3,155	54,845	40%	32,907	492.46	177,592
11	3,155	54,845	30%	38,392	502.31	208,693
12	3,155	54,845	20%	43,876	512.36	240,967
13	3,155	54,845	10%	49,361	522.60	274,448
Total						\$1,415,477

(1) Source: MRB Group, validated with the Town of Brookhaven (total AV Of \$58,000)

(2) Per Agency policy, land-only taxes for 3-5 years for a total term of 13-15 years

(3) Assumes tax rate for Fiscal Year 2021/2022, with an 2% annual increase.

This PILOT analysis uses an aggregated tax rate for the jurisdictions to calculate future taxes on the residential portion. Steps in this analysis for the affected and non-affected jurisdictions:

- ◆ Estimate taxes for the first fiscal year after construction is completed, anticipated to be 2023/2024, using the most recent tax rates.
- ◆ Estimate future taxes on the parcels with and without the completed project. Tax rates are estimated to increase 2% annually.
- ◆ Assess a PILOT schedule that reduces taxes to improve Project financial performance and induce construction.

Basic Assumptions for PILOT and Estimated Taxes

Current Assessed Value (1)	\$3,155
Assessed Value of Improvements (1)	\$54,845
Total Assessed Value (2)	\$58,000
Times: Tax Rate (3)	\$412.07
Estimated Taxes on Current Assessed Value, 2023/2024	\$239,001

(1) Source: MRB Group's Plaza Square Apartments at Patchogue Economic Impact Analysis dated December 2021

(2) Source: Town of Brookhaven based on proposed improvements

(3) Tax rate for fiscal year 2021/2022 per \$100 of assessed value

With the PILOT agreement, 60% of the Applicant's taxes will be abated, resulting in \$2.1 million in foregone tax revenue to municipalities. The table on the following page shows the timeline of PILOT and tax payments generated by the Project and calculates both the benefits to the municipalities and the benefits (or savings) to the Project.

Real Property Tax Comparison

Comparison of Taxes on Full Value of Project and with PILOT

Taxes without PILOT	\$3,508,608
Less: PILOT/Tax Payments	(\$1,415,477)
Foregone Revenue (Benefits to Project)	\$2,093,131
Abatement Percent	60%

Benefits to Project and to Municipalities

Estimated New Tax Revenue (Benefits to Municipalities)  \$1,415,477

Net New Taxes Compared with No Project

PILOT and Estimated Tax Payments	\$1,415,477
Less: Estimated Taxes without Project	\$0
Estimated New Tax Revenue (Benefits to Municipalities)	\$1,415,477

Foregone Revenue (Benefits to Project)  \$2,093,131

PILOT and Tax Comparison

Year	Benefits to Municipalities			Benefit to Project			
	PILOT Payments	Less: Current Tax Revenues (1)	Net New Tax Revenues	Taxes Owed after Project Completion (2)	Less: PILOT Payments	Estimated Savings to Project	PILOT's Share of Estimated Taxes Owed
1	\$13,001	\$0	\$13,001	\$239,001	\$13,001	\$226,000	5%
2	13,261	0	13,261	243,781	13,261	230,520	5%
3	13,526	0	13,526	248,656	13,526	235,130	5%
4	13,797	0	13,797	253,629	13,797	239,833	5%
5	38,535	0	38,535	258,702	38,535	220,166	15%
6	64,258	0	64,258	263,876	64,258	199,618	24%
7	90,995	0	90,995	269,153	90,995	178,159	34%
8	118,775	0	118,775	274,537	118,775	155,762	43%
9	147,630	0	147,630	280,027	147,630	132,397	53%
10	177,592	0	177,592	285,628	177,592	108,036	62%
11	208,693	0	208,693	291,340	208,693	82,648	72%
12	240,967	0	240,967	297,167	240,967	56,200	81%
13	<u>274,448</u>	<u>0</u>	<u>274,448</u>	<u>303,111</u>	<u>274,448</u>	<u>28,662</u>	<u>91%</u>
Totals	\$1,415,477	\$0	\$1,415,477	\$3,508,608	\$1,415,477	\$2,093,131	40%

(1) The Property is currently owned by the Town and therefore does not generate tax revenue. The unimproved land would have generated \$12,692 in tax revenue in 2021-2022 had it not been owned by the Town, per the Agency.

(2) Assumes a 2% annual increase in the tax rate and a taxable value of \$58,000 upon project completion; Source: Town of Brookhaven

3. OPERATING PERFORMANCE

The operating performance of the Project is measured using Year 5 of the Applicant's Pro Forma. The Applicant assumes that gross revenue and expenses will escalate at 2% per year, and there will be a 5% vacancy rate once stabilized. Operating performance and assumptions about vacancy and concessions are within range of benchmarks. With the PILOT, real property taxes absorb 3% of project income while debt service absorbs 33% of income. Together, operating expenses, tax, and debt service absorb 71% of project income. The PILOT scenario delivers Net Operating Income as a percent of Gross Income that is within the range of benchmarks.

Operations Snapshot, Year 5

	Share of Gross			Evaluation
	Project Performance (1)	Operating Income	Benchmark Performance (2)	
Gross Operating Income, Total	\$1,536,132	100%	n/a	n/a
<u>Calculation of Net Operating Income</u>				
Gross Operating Income	\$1,536,132	100%	n/a	n/a
Vacancy Rate and Concessions	5.0%	n/a	4.8%	Within Range
Effective Gross Income (EGI), All Uses (3)	\$1,459,925	95%	95%	Within Range
Operating Expenses and Reserve	(\$518,205)	34%	49%	More Efficient
<u>Real Property Taxes (with PILOT)</u>	<u>(\$38,535)</u>	<u>3%</u>	<u>n/a</u>	<u>n/a</u>
Net Operating Income	\$903,185	59%	48%	More Efficient
Less: Debt Service	(\$482,180)	33%	n/a	
Cashflow after Operating Costs, Taxes, Debt	\$421,005	27%	n/a	n/a

(1) Source: Applicant

(2) Source: RealtyRates

(3) Net of vacancy and concessions

4. FINANCING PLAN

- ◆ The Sources and Uses of Funds shows the total project costs and capital structure of debt and equity.
- ◆ The Terms of the Senior (Long Term) Debt are within range of benchmarks.
- ◆ An estimated Market Value of the Project at the end of the PILOT was calculated for the purposes of this analysis only, as the Applicant has not indicated a sale. A sale value of \$10.9 million is calculated with a Net Operating Income method using current capitalization and tax rates. Because the long-term debt amortizes over 25 years, the outstanding principal is calculated and assumed to be repaid with sale proceeds, resulting in net sale proceeds of \$5.6 million.

Terms of the Senior (Long Term) Debt

	Terms (1)	Benchmark (2)	Evaluation
Amount Borrowed	\$7,930,300	n/a	
Loan to Total Project Cost	70%	55% to 90%	Within Range
Annual Interest Rate	4.50%	2.64% to 6.92%	Within Range
Maturity in Years	30	15 to 40	Within Range
Annual Principal and Interest	\$482,180	n/a	

(1) Source: Applicant

(2) Source: RealtyRates

Sources and Uses of Funds

<u>Sources of Funds</u>	<u>Amount (1)</u>	<u>Share</u>
Bank Financing	\$7,930,300	70%
Equity and Working Capital	<u>\$3,398,700</u>	<u>30%</u>
Total Sources	\$11,329,000	100%
<u>Uses of Funds</u>		
Acquisition and Transaction Costs	\$1,749,000	15%
Construction Costs	<u>\$9,580,000</u>	<u>85%</u>
Total Uses	\$11,329,000	100%

(1) Source: Applicant

Market Value of the Project at 15 Years (1)

Net Operating Income after full tax (2)	\$829,968
Divided by: Reversion Capitalization Rate (3)	<u>7.63%</u>
Reversion (Sale) Value	\$10,877,691
Less: Loan Payoff (2)	<u>(\$5,252,551)</u>
Net Sale Proceeds	\$5,625,139

(1) Assumes sale price based on projected project income

(2) Source: Applicant

(3) Source: RealtyRates

5. RATE OF RETURN

An estimated return on investment is calculated using the Applicant's operating pro forma and capital structure. This analysis measures whether the financial assistance is necessary and reasonable. Financial performance with and without a PILOT is estimated over the full PILOT period. Three metrics are used to evaluate outcomes:

- ◆ **The Equity Dividend Rate** is net cashflow for each year, divided by the initial equity investment. Equity Dividend Rates are benchmarked using current market information from RealtyRates.com for similar projects in the region. Equity Dividend Rates that are close to the benchmarks indicate a Project outcome in line with the current market, which means the Applicant is earning a reasonable return. Very low or negative rates indicate the Project is unlikely to be undertaken if compared to other possible investments. Equity Dividend Rates are based on an initial equity investment of \$3,398,700. For the No PILOT scenario the Project is below the benchmarks in years 1-5, but beginning in year 6 (and on average) the Project will produce a return comparable to similar projects in the region without assistance. With the PILOT, taxes are reduced sufficiently to improve performance in years 1-5 and deliver returns that meet the benchmarks. After year 5, the PILOT will gradually increase to reach towards full taxation, giving the Project time to stabilize.
- ◆ **Cash Flow** shows net cashflow to the Applicant over time. Cashflow differences between a PILOT and No PILOT scenario indicate whether the Applicant is earning a return. There are currently no benchmarks for cash flow available. Cumulative Cash Flow and annual cashflow are positive for all years with or without a PILOT. The initial equity investment of nearly \$3.4 million will be fully recouped by year 9 with a PILOT, while it would take 15 years to recoup without a PILOT.
- ◆ **Debt Service Coverage** estimates how well the Project's net income, after taxes, supports repayment of debt. At its maximum, Debt Service Coverage slightly exceeds the benchmarks with a PILOT. Debt comprises 70% of the capital structure.

Comparison of Return on Investment

	PILOT (1)	No PILOT (2)	Benchmarks (3)
<u>Equity Dividend Rates</u>			
Average	11.50%	6.76%	
Minimum	10.14%	4.41%	6.03%
Maximum	12.58%	9.30%	to 13.11%
Years Benchmarks Met	1 - 13	6 - 13	
<u>Cash Flow</u>			
Average	\$390,876	\$229,866	
Minimum	\$344,687	\$149,737	
Maximum	\$427,514	\$316,025	n/a
Cumulative	\$5,081,384	\$2,988,253	
Year Investment Recouped	9	15	
<u>Debt Service Coverage</u>			
Average	1.80	1.51	1.10
Minimum	1.69	1.31	to
Maximum	1.89	1.72	1.85
Years Benchmarks Met	1 - 13	1 - 13	

(1) See page 9

(2) See page 10

(3) Source: RealtyRates for Q2 2022

ATTACHMENT 1: PRO FORMAS

Annual Cashflows (Pro Forma) With a PILOT

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
Operating Cash Flow													
<i>Rental Income</i>													
Gross Operating Income	\$1,408,062	\$1,436,223	\$1,464,948	\$1,494,247	\$1,524,132	\$1,554,614	\$1,585,707	\$1,617,421	\$1,649,769	\$1,682,765	\$1,716,420	\$1,750,748	\$1,785,763
Less: Vacancy Allowance	(\$70,403)	(\$71,811)	(\$73,247)	(\$74,712)	(\$76,207)	(\$77,731)	(\$79,285)	(\$80,871)	(\$82,488)	(\$84,138)	(\$85,821)	(\$87,537)	(\$89,288)
Net Rental Income	\$1,337,659	\$1,364,412	\$1,391,701	\$1,419,535	\$1,447,925	\$1,476,884	\$1,506,421	\$1,536,550	\$1,567,281	\$1,598,626	\$1,630,599	\$1,663,211	\$1,696,475
<i>Other Income</i>													
Other Income (Pets)	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Net Other Income	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Effective Gross Income (EGI)	\$1,349,659	\$1,376,412	\$1,403,701	\$1,431,535	\$1,459,925	\$1,488,884	\$1,518,421	\$1,548,550	\$1,579,281	\$1,610,626	\$1,642,599	\$1,675,211	\$1,708,475
<i>Operating Expenses</i>													
Salaries and Wages	\$140,806	\$143,622	\$146,495	\$149,425	\$152,413	\$155,461	\$158,571	\$161,742	\$164,977	\$168,276	\$171,642	\$175,075	\$178,576
Maintenance	\$176,008	\$179,528	\$183,118	\$186,781	\$190,516	\$194,327	\$198,213	\$202,178	\$206,221	\$210,346	\$214,553	\$218,844	\$223,220
Deposit to replacement reserve	\$70,403	\$71,811	\$73,247	\$74,712	\$76,207	\$77,731	\$79,285	\$80,871	\$82,488	\$84,138	\$85,821	\$87,537	\$89,288
Insurance	\$56,322	\$57,449	\$58,598	\$59,770	\$60,965	\$62,185	\$63,428	\$64,697	\$65,991	\$67,311	\$68,657	\$70,030	\$71,431
Common Area Utilities	\$35,202	\$35,906	\$36,624	\$37,356	\$38,103	\$38,865	\$39,643	\$40,436	\$41,244	\$42,069	\$42,911	\$43,769	\$44,644
Operating Expenses	\$478,741	\$488,316	\$498,082	\$508,044	\$518,205	\$528,569	\$539,140	\$549,923	\$560,922	\$572,140	\$583,583	\$595,254	\$607,160
Pre-Tax Operating Income (EGI less Operating Expenses)	\$870,918	\$888,096	\$905,618	\$923,491	\$941,720	\$960,315	\$979,281	\$998,627	\$1,018,359	\$1,038,486	\$1,059,016	\$1,079,957	\$1,101,316
PILOT (Years 1 - 13) / Real Property Taxes (Years 14 - 15)	\$13,001	\$13,261	\$13,526	\$13,797	\$38,535	\$64,258	\$90,995	\$118,775	\$147,630	\$177,592	\$208,693	\$240,967	\$274,448
Net Operating Income (NOI) after Taxes	\$857,917	\$874,836	\$892,092	\$909,694	\$903,185	\$896,056	\$888,286	\$879,852	\$870,729	\$860,895	\$850,324	\$838,990	\$826,867
<i>Debt Service</i>													
Loan or Mortgage (Debt Service)													
Interest Payment	\$354,246	\$348,369	\$342,222	\$335,792	\$329,067	\$322,033	\$314,676	\$306,981	\$298,932	\$290,514	\$281,709	\$272,499	\$262,866
Principal Payment	\$127,934	\$133,811	\$139,958	\$146,388	\$153,113	\$160,147	\$167,504	\$175,199	\$183,248	\$191,666	\$200,471	\$209,681	\$219,314
Debt Service	\$482,180	\$482,180	\$482,180	\$482,180	\$482,180	\$482,180	\$482,180	\$482,180	\$482,180	\$482,180	\$482,180	\$482,180	\$482,180
Cash Flow After Financing and Reserve	\$375,737	\$392,656	\$409,912	\$427,514	\$421,005	\$413,877	\$406,106	\$397,672	\$388,549	\$378,715	\$368,144	\$356,810	\$344,687
Debt Service Coverage Ratio (DSCR)	1.78	1.81	1.85	1.89	1.87	1.86	1.84	1.82	1.81	1.79	1.76	1.74	1.71
Equity Dividend Rates	11.06%	11.55%	12.06%	12.58%	12.39%	12.18%	11.95%	11.70%	11.43%	11.14%	10.83%	10.50%	10.14%

Annual Cashflows (Pro Forma) With No PILOT

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
Operating Cash Flow													
<i>Rental Income</i>													
Gross Operating Income	\$1,408,062	\$1,436,223	\$1,464,948	\$1,494,247	\$1,524,132	\$1,554,614	\$1,585,707	\$1,617,421	\$1,649,769	\$1,682,765	\$1,716,420	\$1,750,748	\$1,785,763
Less: Vacancy Allowance	(\$70,403)	(\$71,811)	(\$73,247)	(\$74,712)	(\$76,207)	(\$77,731)	(\$79,285)	(\$80,871)	(\$82,488)	(\$84,138)	(\$85,821)	(\$87,537)	(\$89,288)
Net Rental Income	\$1,337,659	\$1,364,412	\$1,391,701	\$1,419,535	\$1,447,925	\$1,476,884	\$1,506,421	\$1,536,550	\$1,567,281	\$1,598,626	\$1,630,599	\$1,663,211	\$1,696,475
<i>Other Income</i>													
Other Income (Pets)	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Net Other Income	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Effective Gross Income (EGI)	\$1,349,659	\$1,376,412	\$1,403,701	\$1,431,535	\$1,459,925	\$1,488,884	\$1,518,421	\$1,548,550	\$1,579,281	\$1,610,626	\$1,642,599	\$1,675,211	\$1,708,475
<i>Operating Expenses</i>													
Salaries and Wages	\$140,806	\$143,622	\$146,495	\$149,425	\$152,413	\$155,461	\$158,571	\$161,742	\$164,977	\$168,276	\$171,642	\$175,075	\$178,576
Maintenance	\$176,008	\$179,528	\$183,118	\$186,781	\$190,516	\$194,327	\$198,213	\$202,178	\$206,221	\$210,346	\$214,553	\$218,844	\$223,220
Deposit to replacement reserve	\$70,403	\$71,811	\$73,247	\$74,712	\$76,207	\$77,731	\$79,285	\$80,871	\$82,488	\$84,138	\$85,821	\$87,537	\$89,288
Insurance	\$56,322	\$57,449	\$58,598	\$59,770	\$60,965	\$62,185	\$63,428	\$64,697	\$65,991	\$67,311	\$68,657	\$70,030	\$71,431
Common Area Utilities	\$35,202	\$35,906	\$36,624	\$37,356	\$38,103	\$38,865	\$39,643	\$40,436	\$41,244	\$42,069	\$42,911	\$43,769	\$44,644
Operating Expenses	\$478,741	\$488,316	\$498,082	\$508,044	\$518,205	\$528,569	\$539,140	\$549,923	\$560,922	\$572,140	\$583,583	\$595,254	\$607,160
Pre-Tax Operating Income (EGI less Operating Expenses)	\$870,918	\$888,096	\$905,618	\$923,491	\$941,720	\$960,315	\$979,281	\$998,627	\$1,018,359	\$1,038,486	\$1,059,016	\$1,079,957	\$1,101,316
Real Property Taxes	\$239,001	\$243,781	\$248,656	\$253,629	\$258,702	\$263,876	\$269,153	\$274,537	\$280,027	\$285,628	\$291,340	\$297,167	\$303,111
Net Operating Income (NOI) after Taxes	\$631,917	\$644,316	\$656,962	\$669,861	\$683,018	\$696,439	\$710,128	\$724,090	\$738,332	\$752,859	\$767,676	\$782,789	\$798,205
<i>Debt Service</i>													
Loan or Mortgage (Debt Service)													
Interest Payment	\$354,246	\$348,369	\$342,222	\$335,792	\$329,067	\$322,033	\$314,676	\$306,981	\$298,932	\$290,514	\$281,709	\$272,499	\$262,866
Principal Payment	\$127,934	\$133,811	\$139,958	\$146,388	\$153,113	\$160,147	\$167,504	\$175,199	\$183,248	\$191,666	\$200,471	\$209,681	\$219,314
Debt Service	\$482,180	\$482,180	\$482,180	\$482,180	\$482,180	\$482,180	\$482,180	\$482,180	\$482,180	\$482,180	\$482,180	\$482,180	\$482,180
Cash Flow After Financing and Reserve	\$149,737	\$162,136	\$174,782	\$187,681	\$200,839	\$214,259	\$227,948	\$241,910	\$256,152	\$270,679	\$285,496	\$300,609	\$316,025
Debt Service Coverage Ratio (DSCR)	1.31	1.34	1.36	1.39	1.42	1.44	1.47	1.50	1.53	1.56	1.59	1.62	1.66
Equity Dividend Rates	4.41%	4.77%	5.14%	5.52%	5.91%	6.30%	6.71%	7.12%	7.54%	7.96%	8.40%	8.84%	9.30%

APPENDIX A: SCOPE OF SERVICES

To assist with its evaluation of G4 18197 LLC's request for financial assistance, Camoin was commissioned by the Town of Brookhaven Industrial Development Agency to conduct the above analyses. The analysis is comprised of four tasks:

- ◆ *Test Assumptions* by comparing rents, operating costs, and vacancy rates to real estate benchmarks for similar projects and noting any significant differences. Operating performance and net income are also evaluated.
- ◆ *Review the Financing Plan* and perform an objective third-party evaluation of the estimated return on investment (ROI) to the Applicant with and without a PILOT agreement. We also analyze whether the capital structure and terms of the long-term debt are within market benchmarks for obtaining bank financing.
- ◆ *Evaluate the effects of one or more PILOTs* recommended by the Agency and determine whether the PILOT would result in a return that is within what would normally be anticipated in the current market for a similar project.
- ◆ *Provide an objective, third-party opinion* about the need for and reasonableness of the financial assistance.

Sources Consulted

- ◆ Application for Financial Assistance dated January 25, 2022.
- ◆ Project financing and annual cashflow workbook submitted by the Applicant in May 2022, with submitted revisions.
- ◆ Real estate tax information and estimates received from the Agency, including anticipated future assessed value of the Project.
- ◆ CoStar
- ◆ RealtyRates.com



CoStar is the leading source of commercial real estate intelligence in the U.S. It provides a full market inventory of properties and spaces—available as well as fully leased—by market and submarket. Details on vacancy, absorption, lease rates, inventory, and other real estate market data are provided, as well as property-specific information including photos and floor plans. More at www.costar.com.



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APPENDIX B: DEFINITIONS

Equity Dividend Rate: This is calculated as the rate of return on the equity component of a project. It is calculated as follows: (Source: RealtyRates.com)

Equity Dividend / Equity Investment = Equity Dividend Rate, where Equity Dividend = Net Operating Income – Debt Service.

Debt Service Coverage Ratio (DSCR): The ratio of annual debt repayment, including principal and interest, to total Net Operating Income (NOI). (Source: RealtyRates.com)

Net Operating Income (NOI): Income net of all operating costs including vacancy and collection loss but not including debt service. Appraisers also typically expense reserves for repairs and replacements. However, because reserves are not usually reported along with other transaction data, RealtyRates.com tracks lender requirements but does not include them in calculations. (Source: RealtyRates.com)



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- Recognition in 2019 Annual Report, Website, Press Release, and Social Media Outlets surrounding the event

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- Logo on Invitation, Program & Advertising

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- Five (5) VIP Tickets
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Via Email: lmulligan@brookhavenny.gov

Lisa Mulligan

Town of Brookhaven Industrial Development Agency

1 Independence Hill

Farmingville, NY 11738

Re: 17 Belle Meade Rd, LLC
17 Belle Meade Road, East Setauket, New York, SCTM # District 0200
Section 202.00 Block 03.00 Lot 004.002 (the "Property")

Dear Ms. Mulligan:

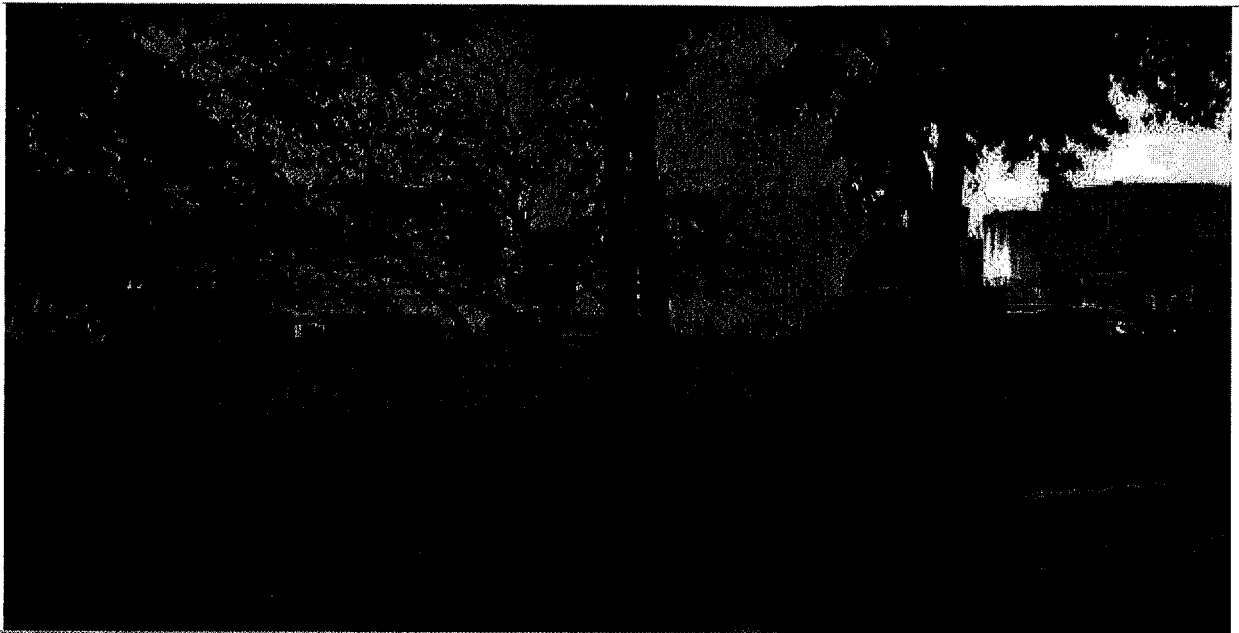
This firm represents 17 Belle Meade Road LLC, the owner of the above referenced Property. As you are aware, the Property was just refinanced for Five Million (\$5,000,000.00) Dollars with Signature Bank. I discussed with Howard Gross, Esq., that Signature has authorized a mortgage of up to \$6,240,000.00, and we are now proposing to add a second mortgage of One Million Two Hundred Forty Thousand (\$1,240,000.00) to which we are requesting IDA approval and subordination.

We respectfully request this matter be put on the agenda for the upcoming August IDA meeting for the IDA to consent to the second mortgage with Signature Bank, acknowledge owner is not in default with respect to any of its obligations owed to the IDA and subordinate the lease between Owner and IDA to the new mortgage loan to be held by Signature Bank.

Very truly yours,

Keith H. Archer

cc: Howard Gross, Esq., (via email: hgross@wgplaw.com)



Northville Industries terminal in Holtsville / Google Maps image

\$13.4M fuel-cell projects get IDA incentives

By: David Winzelberg August 5, 2022

Two projects to construct fuel-cell facilities in Holtsville and Setauket will get economic incentives from the Town of Brookhaven Industrial Development Agency.

FourGen-H LLC and FourGen-S LLC, both affiliates of Melville-based NIC Holding Corp., the parent company of Northville Industries, will construct the two projects at a combined cost of about \$13.4 million, according to an IDA statement.

FourGen-H plans to construct a 920-kW fuel-cell electric power generator on about 2,000 square feet of an 8.4-acre vacant lot at Northville's Holtsville Terminal. FourGen S plans to build a 1,380-kW fuel-cell installation on about 3,000 square feet on 54 acres at Northville's terminal at 19 N. Belle Meade Road in Setauket.

Fuel cells generate power through a process called catalytic steam reformation, which converts fuel into hydrogen. The hydrogen and air are supplied to the fuel cells and an electrochemical combination produces direct current electricity, heat and water. The direct current electricity is converted to alternating current, which is then delivered to the electric grid.

In use since the 1960s, fuel-cell technology has been employed in NASA's space shuttles. Fuel cells are more fuel efficient than Long Island's typical power generation facilities and emit virtually no pollutants. The units, which look like shipping containers, are about 29-feet long, 10-feet high and about 8-feet wide.

"These projects represent a continuation of Brookhaven's leadership on clean energy initiatives," Frederick Braun, chairman of the Brookhaven IDA, said in the statement.

Plants OK'd for tax breaks

Brookhaven will welcome two new fuel cells

BY MARK HARRINGTON

mark.harrington@newsday.com

Fuel cells continue to make power inroads in the Town of Brookhaven.

Last week the town's Industrial Development Agency finalized a package of tax breaks for two fuel-cell power plants to be built in Setauket and Holtsville. Fuel cells make power by converting natural gas into hydrogen in an electrochemical process that avoids combustion. Heat and water are its byproducts.

The new fuel cells will be owned by subsidiaries of Northville Industries, the Melville-based petroleum company which houses a oil-tank farm in Holtsville, where one of the cells will be located on a 2,000-square-foot lot. The other will take up 3,000 square feet of a 54-acre Northville ter-

minal on Belle Meade Road in Setauket.

The fuel cell plants, to be run under the names FourGen H and FourGen S, will produce 920 kilowatts and 1.38 megawatts, respectively, to be sold to the Long Island Power Authority grid under a community-generation contract that would lower electric bills of hundreds of subscribing home and business customers.

Earlier this year, Brookhaven unveiled a 7.4-megawatt Fuel Cell Park at the Brookhaven Landfill in Yaphank, enough electricity, it said, to power up to 7,500 homes. The plan, Supervisor Ed Romaine said in January, is to transition the landfill to an energy park when it stops accepting waste after 2024.

The Yaphank project was developed by Fuel Cell Energy and the natural gas for the facility provided by National Grid. The town also recently approved a resolution for a solar farm at the landfill that would generate \$180,000 in annual revenue for the town.

For the newest fuel cells, the

Northville subsidiaries — NIC Holdings and FourGen S and H — said their facilities will be staffed by existing employees of its petroleum facilities, with eight additional people employed during construction at each facility.

"As Northville's traditional petroleum fuels business declines as New York decarbonizes, the revenues from this project will support the terminal's fixed costs and the continued employment of the 12 individuals who staff it," wrote Steve Ripp, president of FourGen, in writing in requesting tax breaks from the IDA. He didn't respond to requests seeking comment.

The \$5.44 million Holtsville project cost is expected to be helped by up to \$345,000 in sales tax breaks to develop the project, according to the IDA resolution. FourGen is scheduled to make graduated payments in lieu of taxes to the town of between \$29,053 and \$43,171 annually over its 25-year contract agreement.

The Setauket facility will cost more than \$7 million to

build and equip, before an expected sales-tax exemption, and its payments in lieu of taxes over the 25 year-period will start at \$43,579 annually and conclude at \$64,756 annually. At present, property taxes for the 3,000-square-foot parcel are around \$600 a year, according to IDA documents.

The Setauket project will receive up to \$517,500 in sales- and use-tax exemptions for equipment, building materials, services or "other personal use property," all from state and county tax that "does not directly impact the town or the school district," according to documents filed with the IDA's resolution.

Fuel cells are considerably cleaner than traditional power plants because they don't burn fuel, but their use of natural gas has earned them critics among some environmentalists.

"The IDA application refers to this as 'clean energy,' but these are usually natural gas power plants which are not renewable," wrote resident Kerim Odekon, in documents filed with the IDA.

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THIS DATE IN HISTORY

1898 Fighting in the Spanish-American War came to an end.
1909 The Indianapolis Motor Speedway, home to the Indianapolis 500, opened.
1953 The Soviet Union conducted a secret test of its first hydrogen bomb.
1981 IBM introduced its first personal computer, the model 5150, at a New York news conference.
1994 In baseball's eighth work stoppage since 1972, players went on strike rather than allow team owners to limit their salaries. (The strike ended in April 1995.)
2000 The Russian nuclear submarine Kursk and its 118-man crew were lost during naval exercises in the Barents Sea.
2013 James "Whitey" Bulger, the feared Boston mob boss who became one of the nation's most-wanted fugitives, was convicted in a string of 11 killings and dozens of other gangland crimes, many of them committed while he was said to be an FBI informant.

\$5G reward offered for lynx owner

BY BRINLEY HINEMAN

brinley.hineman@newsday.com

The Suffolk County SPCA is offering a reward for information leading to the arrest and conviction of the owners of a Eurasian lynx that was captured after roaming Central Islip streets for three days in late July.

The animal welfare nonprofit announced a \$5,000 award on Thursday. The SPCA is one of the agencies involved in the case of an illegally owned Eurasian lynx — nicknamed Leo. Investigators hope the reward will entice more tips in their quest to determine the cat's origins, said SPCA Chief Roy Gross.

"We think somebody's going to come forward. We're looking to set an example more than anything, because this cat, obviously, could be extremely dangerous and is capable of inflicting bodily harm," he said, adding that owning the cat is a misdemeanor.

The 40-pound lynx was first spotted on a Central Islip



DIANE HUIVER

The Suffolk SPCA wants to know who owned this Eurasian lynx.

porch and was on the lam for three days before he was captured pawing through garbage on July 29. Staff at the Sweet-

briar Nature Center in Smithtown had cared for Leo until Wednesday, when he was transported to his permanent

home. Gross declined to share Leo's location, but said they would announce his new home after his quarantine period.

Janine Bendicksen, a wildlife rehabber at Sweetbriar, said the cat sparked curiosity from visitors, some of whom made offers to buy the cat or showed up with binoculars and photo equipment in hopes of catching a glimpse.

Leo, about 1-year-old, was extremely fearful, Bendicksen said. His enclosure had both indoor and outdoor areas, but he opted to stay in his cage for close to 20 hours a day. He was only active from 1 a.m. to 5 a.m. The cat didn't use the bathroom for two days until staff installed a litter box in the enclosure. His bathroom habits and preference for his cage indicate that he was an indoor and domesticated animal, Bendicksen said.

The feline's favorite food was bone-in chicken and venison, but snubbed everything else, including fish and rabbit. He remains healthy, she said.

IDA benefits: Public good or private profit?

The FourGen-S LLC company recently filed an application to the Brookhaven Industrial Agency for a project which would be situated on the Northville Gas property at 19 N. Belle Mead Road in East Setauket. The project is a 1.38 megawatt fuel cell electric power generation system and will be fueled by natural gas. The generators would be placed on a vacant 3,000 square foot portion of an approximately 54-acre host parcel of L Industrial 1 District light industry property. The applicant has requested two IDA benefits: a property tax payment in lieu of taxes and a sales tax exemption.

The full host parcel currently pays \$206,155 in property taxes per year, and by my calculations the current tax paid on the project's 3,000 square foot portion of the parcel is approximately \$264 per year. Starting in year one, the proposed PILOT would be \$43,579 per year for that footprint, bringing the total parcel tax payment to approximately \$250,000. In other words, there would be an immediate improvement to the local tax base starting in year one. Over the life of the proposed 25-year agreement, this amount would increase to \$64,756 per year.

With respect to the sales tax exemption,

the applicant is requesting relief from sales tax on the purchase of their equipment, possibly up to \$517,500. Approximately \$240,100 of this amount relates to New York State sales tax exemptions which are already in place and apply to these types of purchases. The other \$277,500 is Suffolk County sales tax, most of which is covered by these exemptions as well. In any case, this does not directly impact the town or the local school district.

I also appreciate concerns that have been raised about the potential impact on school district financing and the local tax base, and as a former, long-time school board member, I have some understanding of and sensitivity to these issues. I especially appreciate and share concerns related to the working families and small businesses in our community.

You will be happy to learn that a representative from the company stated to me there will be an opportunity for approximately 2,500 local families and small businesses to sign up for discounted power as a result of this project. According to PSEGLI, the average monthly electric bill is \$162 per month, or \$1,944 per year. With 2,500 local customers receiving a 10% discount on their bill, this could generate savings of around \$486,000 per year starting in year one — a community benefit that could go directly into the pockets of our residents.

As a member of the Brookhaven Town Board, I am not part of the deliberations or analysis related to this or any other IDA application, but as a general principle I have found that many IDA projects do not seem to offer a clear justification for the use of public money to increase the profitability of private

enterprises. In the case of this project, for example, it would be much easier to make the case for a clear public good if the fuel cells were running on "green hydrogen," but they are fueled by natural gas. I suppose an argument could be made that the applicant is helping to build power generation infrastructure that could one day run on hydrogen, but although this equipment has that capability, they are not using it today. A second concern is that there will be no permanent jobs created as a result of this project. In the end, arguments for the granting of benefits in this particular case are based on a number of assumptions and projections, including the assertion that the project could not move forward without these benefits.

I would encourage residents to contact the IDA directly (brookhavenida.org or 631-451-6563) to learn more about the projects it considers or to have your concerns included in the public record. I have already shared these thoughts with the IDA, along with a reiteration of my wish for IDA benefits, when appropriately granted, to help move us toward a greener and more equitable future.

Jonathan Kornreich (D) is a Town of Brookhaven councilmember representing Council District 1.



By Jonathan Kornreich

Town of Brookhaven Industrial Development Agency

MRB Cost Benefit Calculator



Date: July 27, 2021
 Project Title: G4 18197, LLC
 Project Location: 365-369 East Main Street, East Patchogue

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

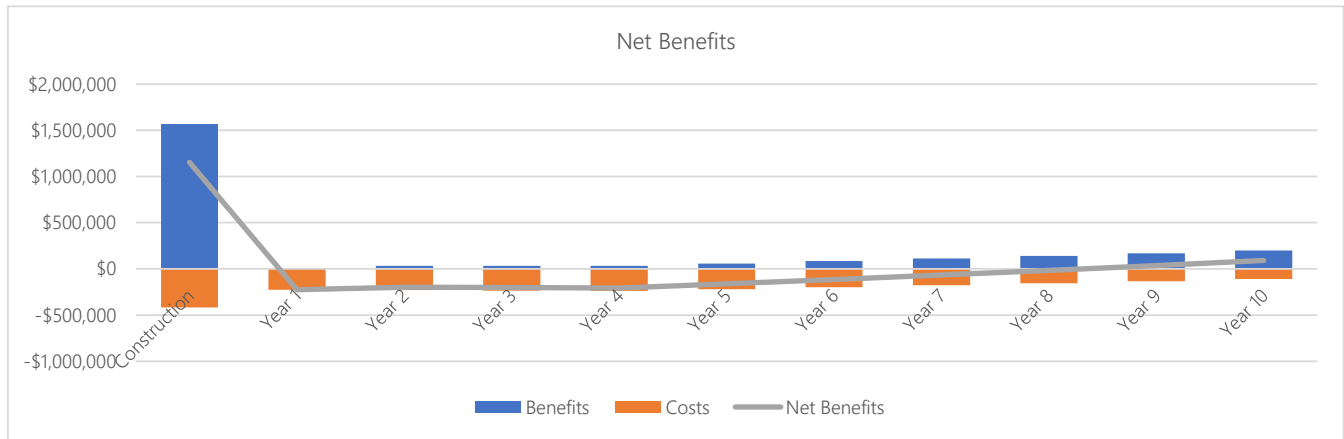
Project Total Investment
 \$8,840,000

		Temporary (Construction)		
		Direct	Indirect	Total
Jobs		16	4	20
Earnings		\$1,217,469	\$262,739	\$1,480,208
Local Spend		\$2,904,824	\$912,128	\$3,816,952

		Ongoing (Operations)		
		Direct	Indirect	Total
Jobs		1	0	1
Earnings		\$329,218	\$71,048	\$400,266

Aggregate over life of the PILOT

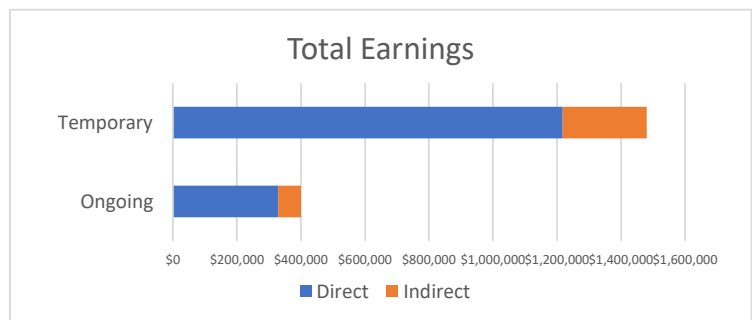
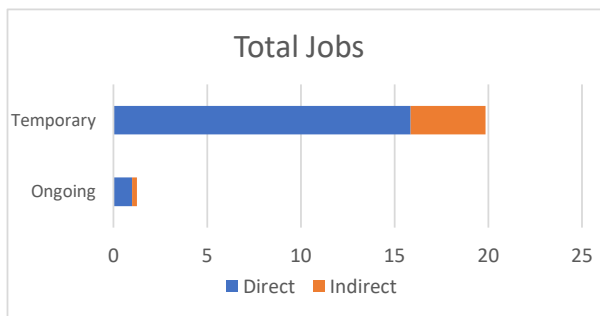
Figure 1



Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

Figure 3



Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$2,093,190	\$1,883,382
Sales Tax Exemption	\$358,369	\$358,369
Local Sales Tax Exemption	\$192,169	\$192,169
State Sales Tax Exemption	\$166,200	\$166,200
Mortgage Recording Tax Exemption	\$57,750	\$57,750
Local Mortgage Recording Tax Exemption	\$19,250	\$19,250
State Mortgage Recording Tax Exemption	\$38,500	\$38,500
Total Costs	\$2,509,308	\$2,299,501

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$3,124,849	\$2,840,247
To Private Individuals	\$1,880,473	\$1,824,485
Temporary Payroll	\$1,480,208	\$1,480,208
Ongoing Payroll	\$400,266	\$344,278
Other Payments to Private Individuals	\$0	\$0
To the Public	\$1,244,376	\$1,015,762
Increase in Property Tax Revenue	\$1,229,156	\$1,000,995
Temporary Jobs - Sales Tax Revenue	\$11,980	\$11,980
Ongoing Jobs - Sales Tax Revenue	\$3,240	\$2,786
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$97,785	\$94,873
To the Public	\$97,785	\$94,873
Temporary Income Tax Revenue	\$66,609	\$66,609
Ongoing Income Tax Revenue	\$18,012	\$15,492
Temporary Jobs - Sales Tax Revenue	\$10,361	\$10,361
Ongoing Jobs - Sales Tax Revenue	\$2,802	\$2,410
Total Benefits to State & Region	\$3,222,634	\$2,935,120

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$2,840,247	\$2,094,801	1:1
State	\$94,873	\$204,700	:1
Grand Total	\$2,935,120	\$2,299,501	1:1

*Discounted at 2%

Additional Comments from IDA

Applicant proposes to construct 40 units of residential housing, which will include 4 affordable and 4 workforce units within the Town's East Patchogue Overlay District. As per the IDA's Uniform Project Evaluation Criteria Policy, the criteria met for this project include, but are not limited to, capital investment by the applicant and alignment with local planning and development efforts.

Does the IDA believe that the project can be accomplished in a timely fashion? Yes



VENTURE ONE REAL ESTATE LLC

Rendering of a planned 121,000-square-foot warehouse in Bohemia.

tani and leaving the scene of the accident.
 Is Santani's life only worth probation and community service as a substitute for a mere six months in jail? After fatally injuring Santani, Daniel Campbell did not even stick around to see if he could help the victim. Santani's parents expressed disbelief at the

sentence, and we all should be outraged by it.
 — ARTHUR AUSTER, MELVILLE

Warehouses are good, not big tax breaks
 I was thrilled to read how active the warehousing business is ["Warehouses see boom on LI," LI Business, Aug. 7].

What did not thrill me, however, is the way county and local Industrial Development Agencies grant tax incentives. When an IDA offers millions of dollars in savings to a property owner, it shifts the tax burden back onto individual property owners with no leverage, usually homeowners or small businesses. The tax discounts offered the developer / property owners allow them the ability to realize a higher price and value per square foot of the potential development. It is time for those property owners to offer their space at a more reasonable price, not one that can only meet the market price on the backs of the rest of us.
 — ARTHUR ADELMAN, SEA CLIFF

"solar farms" that take up precious space, or turbines in our ocean. There must be many places where solar panels could be used — shopping centers, hospitals, schools, etc. This makes sense, especially during this heat wave on Long Island.
 — JEANNE KLEIN, WILLISTON PARK

Key act missing from PACT Act coverage
 The article "Military burn pits leave life-altering ailments" [News, Aug. 7] failed to mention an important section included in the PACT Act — the Camp Lejeune Justice Act. The latter is a bipartisan bill intended to ensure that individ-

uals — veterans, their families or others living or working on the Marine base in North Carolina between 1953 and 1987 — who were grievously harmed by contaminated water receive compensation for ailments and diseases that have arisen from drinking and bathing in this toxic water. More than 1 million Marines and their families served at Camp Lejeune during those years and are being diagnosed with many toxic water-related cancers, neuromuscular diseases and other ailments. It is disturbing to see the PACT Act coverage in major media failed to include the Camp Lejeune Justice Act.
 — CHRISTINA PAINO, HAUPPAUGE

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August 3, 2022

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Via email and Federal Express

Town of Brookhaven
 Industrial Development Agency
 c/o Town of Brookhaven Division of Economic Development
 One Independence Hill
 Farmingville, NY 11738
 Attn: Lisa Mulligan, CEO

Re: Form Application for Financial Assistance

Dear Ms. Mulligan:

Please accept this revised cover letter and the enclosed Form Application for Financial Assistance (“Application”) in place of the cover letter and Application submitted to you on July 5, 2022.

WellLife Network, Inc. (“WellLife”) is a 501(c)3 human service organization, whose mission is to empower individuals and families with diverse needs to realize their full potential for achieving meaningful goals, guided by principles of independence, wellness, safety and recovery. A leader in creating an array of recovery-based housing, WellLife provides service-enriched community residences and apartments to provide independent living arrangements with ongoing supports. WellLife currently provides housing services in more than 1,000 beds throughout NYC and Long Island.

WellLife Organizational Information

WellLife, established more than 40 years ago, has assisted more than one million people in achieving greater independence. WellLife is one of the region’s largest and most diversified voluntary, not-for-profit health and human services organizations. WellLife’s extensive network of providers for behavioral health, family and children, developmental disabilities, rehabilitation & vocational training, residential/community education and health awareness services, assists more than 25,000 individuals and families each year. WellLife has been a leader in creating an array of recovery-based housing, from service-enriched community residences and apartments to independent community living and mixed-use affordable housing developments with supports.





WellLife works closely with business, government, and voluntary and philanthropic communities to develop innovative services to meet community needs. WellLife programs are licensed and approved for service by several governmental agencies, including the U.S. Dept. of Health, NYS Office of Mental Health, Office for People with Developmental Disabilities, Office of Addiction Services and Supports, and the NYC Dept. of Health and Mental Hygiene. WellLife programs are designed to help each person achieve their health and life's goals by providing high quality, value-based and cost-efficient services that meet the ever-changing needs of our community. WellLife is committed to being the provider of choice, known for life-changing and outcome-driven services. The integrated delivery network operated by WellLife assists our most vulnerable participants to successfully negotiate the complex health care environment in order to obtain and utilize all the supports they need, when they need them.

Since the early 1980s, WellLife has been providing to the most vulnerable New Yorker a continuum of residential services, health home care coordination, services for the developmentally disabled, addiction recovery services, children/family services, peer services, advocacy, outreach, and education to individuals recovering from disabling conditions in NYC/Long Island. WellLife has been meeting the growing challenges confronted by people living with developmental disabilities, mental illness and co-occurring substance use disorders.

Medford Gardens Overview

Medford Gardens will be a newly constructed, age-restricted, (55+), 67-unit, mixed-use apartment development in Medford. WellLife is proposing a 3-story apartment building that will provide safe, secure, and affordable housing to individuals who are 55 years or older. This mixed-use residence will house individuals with disabilities (described in further under housing support services paragraphs) in the supportive housing units and individuals who meet income eligibility in the community/affordable units. Individuals that meet supportive housing criteria will be referred by the Long Island Continuum of Care, Coordinated Entry System that is directed by the Long Island Coalition for the Homeless.

The project will require partial clearing of the approximately 7-acre site on Horseblock Road. The development will include an on-site sewage treatment plant, connected walking paths, outdoor recreation space, landscaped gardens, and parking. It will be a fully electric development. WellLife is partnering with energy consultants to create an energy efficient building for the residents to enjoy.

WellLife is proposing to develop 33 units of supportive housing at Medford Gardens for individuals who are over 55 and have a disabling condition, thirteen apartments will be identified for individuals with mental health challenges; ten apartments are targeted for individuals with HIV/AIDS; and ten apartments will target frail/elderly seniors. There



will be one two-bedroom apartment designated for a 24/7 onsite superintendent. The 33 apartments will have support services provided by WellLife staff located onsite and in the nearby community. WellLife was awarded an Empire State Supportive Housing Initiative (ESSHI) grant to provide housing and support services for individuals with physical and/or mental disabilities in the community.

The main entrance to the development will be off Horseblock Rd. The supportive housing building lobby will consist of a concierge desk, mailboxes and seating areas and will connect directly to the staff offices and community room. A fitness room will also be provided, and laundry facilities will be located on each floor. Bulk and bicycle storage are provided for the tenant's use. All amenities will be accessible by elevator. There will be 24/7 front desk coverage in addition to the onsite, live-in, superintendent.

Housing Support Services

WellLife's services are designed to help residents to maximize their potential. Access to safe, quality, affordable housing, that provides the supports necessary for independent living constitutes one of the most basic and powerful social determinants of health. Individuals in need of supportive housing are often trapped in a cycle of crisis and housing instability that our supportive housing model is designed to address. WellLife will effectively serve individuals by providing individualized, recovery-oriented services by trained trauma informed staff. This approach includes frontloading services upon admission and gradually reducing services as individuals become more independent and integrate into their communities. Services will be person-centered, flexible, and directed toward helping ALL residents maintain physical and emotional health, participate in treatment and rehabilitative services, assist with educational and employment goals, sustain healthy relationships, and, over-all, improve their quality of life and that of the greater community (addressed in community impact below).

All services will be informed by evidence-based practices and trauma-informed care, promoting wellness and recovery, and is consistent with WellLife's commitment to disparities elimination and cultural competence. Individuals with mental health disabilities have a complex set of identified housing and service needs. WellLife operates over 1000 units of supportive housing on Long Island and in NYC and has extensive experience providing community housing services to individuals with mental health challenges, many residents arrive with individualized needs that require tailored services to assist them during their transition to their new home.

Frail elderly housing needs can be complex. Frail elderly seniors may be reliant on home-based services for medical care; have difficulties in self-care; have difficulties in maintaining social functioning; have difficulty coordinating care with multiple medical providers; and little to no social or familial supports. Frail and elderly individuals will need special services to maintain their housing and remain independent. Housing staff



will utilize evidence-based practices and trauma informed services to assist individuals with aging in place and avoiding costly institutionalization, emergency department visit, use of EMS services and hospitalization. Housing services will include a combination of onsite/inhouse services and community-based interventions, social work services, care coordination, occupational therapy, home safety assessments, aging services, living assessments, medical home visits, tenant association meetings and community integration services to prevent isolation.

WellLife will provide an array of long-term housing assistance and support services to people living with HIV/AIDS. By stabilizing housing and addressing basic needs, WellLife staff will focus on reducing housing instability, connect and retain clients in medical care, improve adherence to antiretroviral therapies and reduce the transmission of HIV. WellLife will provide safe, affordable, and permanent housing and supportive services for individuals with HIV/AIDS on site and via linkages in the community. Supportive services focus on issues related to ongoing access to HIV primary care, behavioral health needs, chronic health conditions, nutrition and overall wellness to ensure people living with HIV/AIDS maintain stable housing and enjoy improved quality of life. Tenancy preservation services assist with maintaining permanent housing for people living with HIV/AIDS through counseling, information and skills-building activities, and referral services.

WellLife's supportive housing services are designed to help ALL residents establish functional, satisfying lives, of their choice to the greatest extent possible. The primary purposes of the services provided are to develop independence, wellness self-management, and the pursuit of important relationships, careers, and other opportunities. Due to the needs of the target population, services will focus on retaining housing, focusing on complex co-morbid medical issues, co-occurring disorders, integration into the community and the development of healthy coping skills. WellLife Network will support individuals and families address their social determinants of health that include but are not limited to the achievement of greater independence and self-sufficiency through stable housing with rental subsidies, vocational training, and employment counseling. WellLife vocational staff will assess the local community for tenant employment opportunities in local businesses, assisting to address the workforce shortage across the county.

Medford Gardens staffing pattern will include seven (7) newly created, full time, onsite staff members. These seven staff members will have desks and shared office space located in the new building.

- Direct service professionals (DSP): 4 (full time) DSPs assist residents with day to day needs and manage access of visitors and guests to the building. DSPs are onsite 24/7, scheduled in shifts, day, evening and overnight. DSPs coordinate

with housing case managers, building maintenance staff and external service providers.

- Housing Case Managers: 2 (full time) are assigned a case load of residents that assist with life skill development, coordinate with medical and behavioral health teams, assist with benefits and entitlements, provide supportive counseling and general day to day assistance as needed.
- Program Director: provides supervision and oversight for the entire program.
- Part-time and per-diem staff will be utilized to provide coverage for time off, sick days, vacations and holidays.

There will be additional WellLife staff assisting the residents of Medford Gardens from the intake division, property management division, clinical services division, general services and entitlements. These staff will not have offices at Medford Gardens, but will provide services to the residents as needed, as a visitor at Medford Gardens, or at our Coram Community Center located at 3600 Route 112.

WellLife's Suffolk County construction partner, BELFOR, approximates 120 construction jobs will be created during the building phase.

Affordable, Income Eligible Housing

The proposed project targets a mixed (55 and over) population of affordable housing serving a wide band of incomes from 30% to 60% of AMI. Individuals will be eligible to apply for an apartment during the open application process approximately 3 months before construction completion. WellLife will partner with Long Island Housing Partnership or Community Development Corporation of Long Island to conduct the affordable housing lottery. WellLife will partner with CGMR Compliance Partners LLC to certify tenants' income and assets to ensure housing tax credit compliance prior to residency.

The Low-Income Housing Tax Credit (LIHTC) subsidizes a portion of the acquisition, construction, and rehabilitation of affordable rental housing for low- and moderate-income tenants. The LIHTC was enacted as part of the 1986 Tax Reform Act. Since the mid-1990s, the LIHTC program has supported the construction or rehabilitation of about 110,000 affordable rental units each year. The federal government issues tax credits to state and territorial governments. State housing agencies then award the credits to private developers of affordable rental housing projects through a competitive process. Developers generally sell the credits to private investors to obtain funding. Once the housing project is placed in service (essentially, made available to tenants), investors can claim the LIHTC over a 10-year period.



Rental Costs

\$1,200 Supportive/Subsidized units, renter pays 30% of their income (33 units)

40% AMI (8 units) - \$975/month, eligible individuals can earn up to \$40,700

50% AMI (8 units) - \$1,218/month, eligible individuals can earn up to \$50,900

60% AMI (17 units) - \$1,460/month, eligible individuals can earn up to \$61,100

The Fair Market Rate (FMR) of one-bedroom rental apartments in Suffolk County \$2,000 per month.

Medford Gardens Ownership Structure

The Project site is under control via a purchase and sale agreement and will be acquired by Medford Gardens Housing Development Fund Corp ("HDFC"). The HDFC will hold fee title to the project and will act as the nominee for Medford Gardens, LLC., a to-be-formed New York limited liability company, which in turn will be the beneficial owner of the Project pursuant to the terms of a Nominee Agreement between the HDFC and Medford Gardens, LLC. The Medford Gardens, LLC general partner will be Medford Gardens MM, LLC, a to-be-formed New York limited liability company. The applicant, WellLife Network Inc., will also be the sole shareholder of Medford Gardens, LLC. The applicant will also act as the service provider and manager for the project. Please see the Medford Gardens Organizational Structure attached as Exhibit A hereto.

Local Community Impact

In Suffolk County, according to the Long Island Housing Data Profiles, published by Regional Plan Association (RPA.org) in 2020, 54.8% of renters in Medford were considered rent-burdened, spending more than 30% of their income on housing costs. Over the last two decades, Long Island incomes have failed to keep up with housing costs, for both owners and renters. When adjusted for inflation, the median income for Long Island has fallen slightly since 2000, while median housing costs have increased by 24%. Furthermore, housing needs differ with age, with younger and older adults typically requiring smaller housing units than families. Long Island's housing stock is helping drive a demographic shift toward older households. With a lack of appropriate housing for younger adults and difficulties in attracting new businesses, the percentage of Long Island's population over 65 is increasing rapidly, while its share of younger households is shrinking. Medford Gardens creates opportunities for older, low-income residents to downsize their living space and create housing opportunities for younger individuals and families in the community.

The positive community impact of Medford Gardens and the most obvious economic benefit of affordable housing is the increase in discretionary spending. For low-income and disabled individuals rent is the biggest and most important expense each month. When income loss threatens the ability to meet rent payments, the likelihood of spending money on anything other than the most basic needs harms the local economy. When affordable housing residents can make their rent payments, they're able to spend more on local purchases and go beyond the bare necessities to buy healthy food, have better access to healthcare, and spend more at nearby businesses.

Affordable housing results in fewer evictions for communities. The threat of evictions is a significant concern for workers making just enough to pay their rent every month. The repercussions of evictions of low-income individuals can likely have long-lasting effects that impact generations in a family. Evictions spark a cycle of instability for individuals and often take years to recover from. This has a ripple effect in their communities and harms a community's social and economic wellbeing. Thus, housing stability is at the heart of affordable housing, it is designed to prevent evictions and provide support and renters who are at risk of eviction.

Housing is an important social determinant of health. Safe, secure, affordable housing is a component that drastically influences a person's physical and mental well-being. Poverty severely limits people's options, which is why poverty is linked to a vast range of health problems, both acute and chronic in nature. Individuals with access to quality affordable housing options, are far less likely to face environmental threats, and far more likely to have enough income for healthy food options and routine medical care which lowers the risk of severe chronic health problems. The more people can spend on adequate healthcare and fresh food, the better and healthier the local economy becomes.

Medford Gardens Development Team

The development team for Medford Gardens includes:

- Lead Developer: WellLife Network Inc
- Local Consultant: Kelly Development, Mike Kelly & Barbara O'Brien
- Housing Consultant: CSD Housing LLC.
- Architect: H2M Architects and Engineers
- Contractor: BELFOR
- Site Plan Engineering: Labcrew Engineering
- STP Engineering: Naylor Engineering
- Land Use Attorney: Joe Buzzell, Buzzell, Blanda & Visconti
- HDFC Formation: Danielle Katz, Barclay Damon



The proposed Medford Gardens project will primarily be funded by low-income housing tax credits which require the building to be owned by a for profit entity. As such, Medford Gardens, LLC will be formed for this PILOT application. WellLife Network, Inc. ("WellLife") will ultimately control all activity at the building as the managing member as discussed throughout this document. Please see attached organizational chart for additional information on HDFC formation and ownership.

WellLife Network is submitting this application in connection with our New York State funding application which requires a PILOT. Please contact me with any questions or comments. Thank you.

Sincerely,

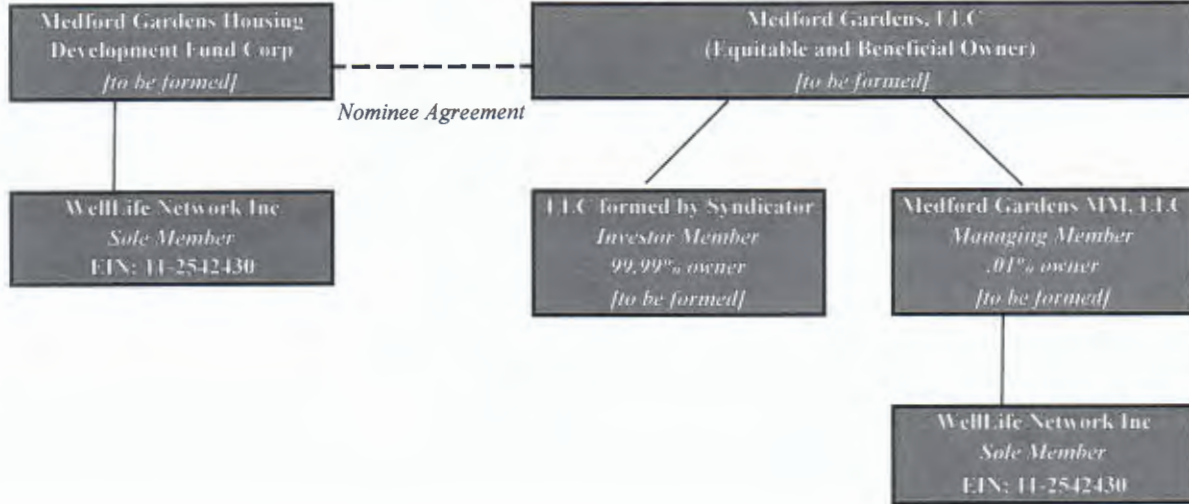
A handwritten signature in black ink that reads 'Sherry Tucker'. The signature is written in a cursive, flowing style.

Sherry Tucker
CEO

EXHIBIT A

Medford Gardens Organizational Structure

Ownership:



The Project site is under control via a purchase and sale agreement and will be acquired by Medford Gardens Housing Development Fund Corp ("HDFC"). The HDFC will hold fee title to the project and will act as the nominee for Medford Gardens, LLC., a to-be-formed New York limited liability company, which in turn will be the beneficial owner of the Project pursuant to the terms of a Nominee Agreement between the HDFC and Medford Gardens, LLC. The Medford Gardens, LLC Managing Member will be Medford Gardens MM, LLC, a to-be-formed New York limited liability company. The applicant, WellLife Network Inc., will also be the sole shareholder of Medford Gardens, LLC. The applicant will also act as the service provider and manager for the project.

WAREHOUSE ISLAND

Mitchell and Gregg Rechler, of Rechler Equity Partners, are bullish on warehouses that can be subdivided for smaller tenants.



Demand from Amazon, others, fueling plans for over 11 million square feet of new facilities

BY JAMES T. MADORE
james.madore@newsday.com

More than 11 million square feet of warehouses have been proposed for Long Island by developers looking to profit from record-low vacancy rates, high rents and the seemingly insatiable needs of Amazon and other businesses for storage space.

The new projects together would equal almost 27 Nassau Coliseums.

Commercial real estate compa-

nies plan to spend more than \$2.4 billion on 25 warehouse projects from Woodmere to Westhampton Beach, according to data compiled by Newsday. Most of the facilities are slated to open later this year or in 2023 and 2024.

But whether all the proposed warehouses move from blueprints to shovels in the ground is far from certain. Experts said the market could become oversaturated as potential tenants reconsider their space needs because of the slowing economy,

a reduction in consumer spending and higher interest rates.

Few of the projects have tenants yet. The exceptions are in Melville, Syosset and Woodmere, where Amazon has signed leases for buildings that will be used to deliver packages on the “last-mile” to customers’ doorsteps, the database of publicly announced projects shows.

The planned buildings — unlike the Island’s existing 180 million square feet of industrial space that was built decades ago — will have what firms are

increasingly looking for: high ceilings, fewer internal columns holding up the roof, lots of truck bays and ample parking, according to the experts.

They said multiple factors are behind the warehouse boom.

“We’re adding a significant amount [of warehouse space] at one time, and one of the reasons is last-mile delivery by Amazon and others — but that’s not the only thing that has been happening,” said David Pennetta, executive managing director of the Long Island office of Cushman

& Wakefield real estate brokers.

He said the number of warehouses has declined in the past few years as some are demolished to make way for apartments and offices, often near train stations in downtowns. At the same time, national companies want to open distribution centers here to serve the metropolitan area, and companies from New York City are seeking space in Nassau and Suffolk counties.

See **WAREHOUSES** on A32

PEOPLE ON THE MOVE See who has been hired or promoted on Long Island newsday.com/onthemove

WAREHOUSES SEE BOOM ON LI

LI BUSINESS

WAREHOUSES from A31

"So, you have a contraction of supply," Pennetta said.

Warehouse vacancy rates on Long Island have plummeted from 11.4% in 2012 to 2.3% today. As a result, rents have soared in the period, going from \$6.79 per square foot, on average, to \$14.52, according to Cushman & Wakefield.

Pennetta and others credited the Home Depot warehouse on Duffy Avenue in Hicksville with causing international and national development companies to see opportunity in a region that they bypassed for decades.

The 195,610-square-foot facility was constructed in 2019-20 by Lincoln Equities Group LLC of East Rutherford, New Jersey. Lincoln then quickly sold the building for a record amount after negotiating a lucrative rental agreement with Home Depot.

"It was the first new speculative industrial property built on Long Island in 15 years and [the owner] wound up getting almost double what the market was in rent," Pennetta said. "That big jump up in rent got people's attention and sort of started this big rush" of warehouse construction.

Out-of-state players

Among the new arrivals with projects under way or in the government approval process are New Jersey-based Hartz Mountain Industries; Kansas City, Missouri-based NorthPoint Development; San Francisco-based Prologis; Manhattan-based Brookfield Properties and Rockefeller Group International; and Rosemont, Illinois-based Venture One Real Estate.

Venture One has been studying Long Island for more than two years as part of a larger strategy to expand beyond its Midwest base, said Brian McDonagh, a company vice president.

He said Venture One plans to build a total of 320,416 square feet in three warehouses — two along Veterans Memorial Highway in Bohemia and Ronkonkoma and another in the Hauppauge Innovation Park. Together, they will cost \$89.5 million.

"We saw an opportunity to really deliver additional cost savings to corporate users who manufacture on the Island and



Teresa Ferraro, president and CEO of East / West Industries Inc., says adding warehouse space was key for the company's growth.

those trying to serve the Island from New Jersey or the city," McDonagh said, citing a 50% increase in freight costs because of higher gasoline prices and the shortage of truck drivers and warehouse workers.

Venture One also has been acquiring small warehouses in Suffolk but has no interest in converting vacant big-box stores, malls and strip shopping centers to distribution centers.

"The dollars that you would need to invest in those structures to make them functionally usable, a lot of times it doesn't make sense . . . Better to scrap them and start over," McDonagh said. "The other issue is that a lot of brick-and-mortar retail sites on Long Island don't have direct access to the LIE, which is incredibly important for industrial-warehouse development because trucks cannot use the parkways."

Half of the two-dozen proposed warehouse projects are near the LIE, some less than a mile from an entrance ramp or along the Service Road, according to the Newsday database.

Developers from outside of Long Island aren't the only ones diving into the local warehouse market.

Last year, BEB Capital in Port Washington formed a joint venture with the Rockpoint Group, a private equity firm in Boston, to purchase up to \$1 billion in existing warehouses, factories



Illinois-based Venture One Real Estate plans to build this 121,000-square-foot warehouse in Bohemia, plus two other LI projects.



BEB Capital CEO Lee J. Brodsky says his company is moving quickly to acquire warehouse buildings.

and offices in the Northeast, "with a primary focus" on Nassau and Suffolk, according to executives.

"There's a significant pipeline [of proposed warehouses] that Long Island has never seen before," said Lee J. Brodsky, CEO of BEB, which his father started in 2017. The joint venture "allows us to move quickly to acquire existing [buildings] ahead of the completion of the new construction" by competi-

tors, and to hopefully snag additional tenants.

BEB owns nine industrial-warehouse buildings locally — two bought via the joint venture.

Brodsky said demand for spaces under 100,000 square feet, his company's specialty, remains robust. "We haven't seen a leasing slowdown, though we are reading about change in e-commerce strategies," he said, referring to online retailers that are scaling

back their warehousing plans.

With slower growth in online shopping compared with 2020's feverish pace, Amazon has moved out of some of its warehouse space nationwide. The retailer is not renewing leases or terminating them early, and in some cases, sub-leasing space to others.

Amazon has plans for at least nine last-mile warehouses in Nassau and Suffolk — but it's also closing its warehouse at

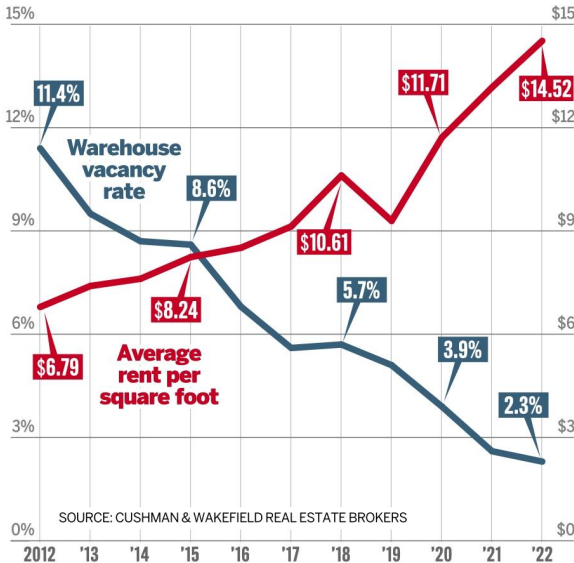
WAREHOUSES COMING TO LI Top 10 projects, by square footage

Town/Village	Street address	Square footage	Estimated cost to build	Project name/ Developer
Yaphank	205 Sills Rd.	2.5 million (four buildings)	\$506.5 million	Long Island Rail Terminal by NorthPoint Development & Winters Bros.
Calverton	3511 Middle Country Rd. (near Splish Splash)	1 million-plus (three buildings)	NA	Calverton Industrial Subdivision
Melville	235 Pinelawn Rd. & 90 Ruland Rd.	945,686 (two buildings)	\$180.5 million	Hartz Mountain Industries
Medford	10 Donald's Way (off Horseblock Road)	845,000 (multiple buildings)	\$220 million	Rechler Business District by Rechler Equity Partners
Calverton	1743 Middle Rd. (near the LIE)	641,000 (one building)	\$132 million	Riverhead Logistics Center by NorthPoint Development
Yaphank	Horseblock Rd. & Yaphank Ave.	561,000 (three buildings)	\$123.4 million	Segme Brookhaven LLC by Efreem and Gila Gerszberg
Yaphank	Northside of the LIE	549,942 (three buildings)	\$156 million	WF Industrial
Bellport	Station Rd. & Sunrise Highway	523,100 (three buildings)	\$121.4 million	AIREF Station Road Logistics Center by Ares Industrial Real Estate Fund LP
Calverton	4285 Middle Country Rd.	423,964 (eight buildings)	\$60-\$70 million	HK Ventures LLC
Melville	Spagnoli Rd.	411,000 (one building)	\$106 million	Hartz Mountain Industries

SOURCES: INDUSTRIAL DEVELOPMENT AGENCY APPLICATIONS; TOWN PLANNING DEPT. APPLICATIONS; COMMERCIAL REAL ESTATE DEVELOPMENT COMPANIES; NEWSDAY RESEARCH

VACANCIES DROP, RENTS SOAR

As space becomes scarce, rents for Long Island warehouses have more than doubled since 2012.



DATABASE
See the full list of warehouse projects at newsday.com/business

201 Grumman Rd. W. in Bethpage this summer.

About 500 affected employees will be transferred to other sites, notably a new 204,000-square-foot facility on the former Cerro Wire site in Syosset. The Bethpage location, which is 161,360 square feet and was built in the late 1990s for Goya Foods, has been used for Amazon deliveries since 2016.

"We continually evaluate our operations network to ensure our buildings provide a modern, engaging and technologically-advanced environment that creates the best possible experience for our employees and our customers," said company spokesman Steve Kelly. "In some cases, as with our Bethpage delivery station, the best option for our employees and

100 buildings.

Mitchell Rechler, the firm's co-managing partner, said it's happy to have Amazon as a tenant, but is focused primarily on meeting the needs of local manufacturers and distribution companies.

"Amazon entered the market a few years ago and it drew a tremendous amount of local media attention for good reason," he said. "But that's not what the market is all about . . . Many of our tenants have expanded over the last few years" and rented additional warehouse space to accommodate their increased sales and to stockpile materials because of supply chain disruptions.

Rechler Equity tenant East / West Industries Inc., a defense contractor in Ronkonkoma, leased an additional 27,000 square feet of warehouse and production space in a multi-tenant building on Orville Drive North in May. The building has been home to the East / West office and factory for six years but the company's warehouse was across the street.

Teresa Ferraro, president and CEO of East / West, said having its operation under one roof, in 75,000 square feet, is critical to winning new orders from aerospace giants such as Boeing, Lockheed Martin, Northrop Grumman and Sikorsky. East / West, which has 88 employees, produces seats for military helicopters and airplanes and survival kits with oxygen for aircrews to use in emergencies.

"If we didn't show growth and expansion, they probably wouldn't have given us additional contracts," Ferraro said, adding her customers want their suppliers to have ample warehouse space and orderly production processes. "It's a risk to them if we are busting at the seams."

Options for smaller tenants

Gregg Rechler, co-managing partner and Mitchell's cousin, said many of Rechler Equity's tenants are in need of additional space.

That's why the firm is proposing the fourth-largest project in the database based on square footage: Rechler Business District, to be located off Horseblock Road in Medford. The \$220 million project will consist of 845,000 square feet over six or seven buildings.

"While a lot of our competitors plan to build big boxes that are 400,000 square feet, 800,000 square feet, our intention with Medford is different

. . . The first building will be 141,000 square feet that can be subdivided into spaces of 20,000 square feet or even 10,000 square feet," Gregg Rechler said.

The largest project planned for the Island is from Kansas City's NorthPoint Development and West Babylon-based garbage hauler Winters Bros. Waste Systems: the Long Island Rail Terminal on Sills Road in Yaphank.

The \$506.5 million project, to be built on land owned by Winters Bros., consists of 2.5 million square feet over four buildings. It differs from all the other planned facilities in that it has a railroad link as well as proximity to the LIE.

Rail link offers benefits

Kyle Strober, executive director of the developers' group Association for a Better Long Island, said the rail link provides multiple benefits, including that "consumers will receive products faster while usage of freight rail will reduce the number of trucks on our roads."

Lisa M.G. Mulligan, CEO of the Brookhaven Town Industrial Development Agency, agreed, adding the IDA awarded NorthPoint and Winters Bros. \$73.5 million in tax breaks over 15 years because of the project's rail component and potential to create up to 1,300 jobs.

"I don't have a lot of projects that come across my desk that say, 'as a result of this, there will be more than 1,000 people employed,'" she said.

Still, the Brookhaven IDA has commissioned a study to determine how many new speculative warehouses are needed in Suffolk, with an eye toward preventing a glut of unused space. Many of the 25 announced projects have either won tax breaks from Long Island's eight IDAs or applied for them.

"We felt that we needed a better understanding of how much [warehouse space] can be absorbed — where is the tipping point," Mulligan said.

Experts said economic forces, such as inflation, difficulty in obtaining financial backers and a possible recession, will determine whether all the blueprints become buildings.

Pennetta, the Cushman & Wakefield executive, isn't worried about oversaturation.

"Not everything that's on the table right now is going to move forward," he said. "The market will self-adjust. There'll be a natural correction, not a crash."



Peter L. Curry
Partner

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Direct Fax: 516.336.2208
pcurry@farrellfritz.com

400 RXR Plaza
Uniondale, NY 11556
www.farrellfritz.com

Our File No.
31785-101

August 10, 2022

VIA E-MAIL

Town of Brookhaven IDA Board
Lisa M.G. Mulligan, CEO
1 Independence Hill
Farmingville, NY 11738

Re: HSRE-EB HOLTSVILLE, LLC

Dear Ms. Mulligan and Members of the Board:

I write regarding a proposed Third Amendment to Loan Documents to be entered into between the above entity and Wells Fargo Bank, National Association. A copy of the Amendment documents is attached. This Amendment primarily extends the maturity date of the loan from August 11, 2022 to December 8, 2022. It also confirms the outstanding principal amount of the loan. HSRE-EB Holtsville, LLC is not borrowing any additional funds, and does not seek any additional economic assistance from the Brookhaven IDA.

Please allow this letter to serve as my client's request, in accordance with the existing Agency lease documents, that the Agency execute and deliver the requested Consent, Reaffirmation, Agreement and Amendment of Agency. The delivery of this document has been requested by Wells Fargo in connection with the closing of the loan extension.

Please feel free to contact me with any questions.

Very truly yours,

Peter L. Curry
FARRELL FRITZ, P.C.

cc: William F. Weir, Esq.
Terance V. Walsh, Esq.
Eric J. Brenner, Esq.
Ms. Elizabeth Wood
Kylie R. Springs, Esq.

Lenore Paprocky
36 Kathleen Crescent
Coram, NY 11727

July 28, 2022

To: Brookhaven Town Board

Fred Braun, Chairman Brookhaven IDA/LDC

Lisa Mulligan, CEO Brookhaven IDA/LDC

1 Independence Hill, Farmingville NY 11738

RE: Resignation from Board

Dear Brookhaven Town Board, Mr. Braun and Mrs. Mulligan,

Please accept this letter of resignation from the Brookhaven IDA/LDC Board of Directors, effective immediately.

Due to my pre-occupation elsewhere, I am not in the position to devote the proper time and attention to the projects and future endeavors of the IDA/LDC.

During the past year, I have learned so much about how an IDA helps the growth of our area and I am proud to have been a part of this organization. I hope that my contributions to the IDA/LDC have been positive and my relationships with the entire board have been extremely rewarding.

I have the utmost respect for the entire IDA team and wish nothing but the best for the Brookhaven IDA/LDC.

Sincerely,

Lenore Paprocky

G4 18197, LLC DRAFT PILOT

YEAR		PILOT
1	\$	13,001
2	\$	13,261
3	\$	13,526
4	\$	13,797
5	\$	38,535
6	\$	64,258
7	\$	90,995
8	\$	118,775
9	\$	147,630
10	\$	177,592
11	\$	208,693
12	\$	240,967
13	\$	274,448

**PROPOSED PILOT BENEFITS ARE FOR DISCUSSION
PURPOSES ONLY AND HAVE NOT BEEN APPROVED BY THE
AGENCY.**

MESO HOLDING LLC

PO Box 64

Ronkonkoma, NY 11779

Phone:631-698-1120

info@macedoinc.com

VIA CERTIFIED MAIL RETURN RECEIPT

Town of Brookhaven
Industrial development Agency
1 Independence Hill
Farmingville, New York 11738

August 8, 2022

To The Members Of The IDA Board:

I am hoping this letter finds you all well. Covid, a previously foreign word has unfortunately become a world wide common word which has hit our homes and businesses. As a result of the effects of the pandemic primarily on the construction business, the lack of employees, lack of availability in building materials, price surges on all materials, equipment and fuel, these factors along with Macedo's reduction in our liability insurance coverage, which is due to astronomical increases in insurance costs and carries reducing their coverage on specific high risk work, Macedo has not been able to maintain the level of employee quantities we thought we would maintain when our relationship with the IDA began in 2008.

The effects of the pandemic along with insurance costs and reduced liability coverage offered to our company, specifically these 2 things intertwined in that during the height of the pandemic many employees chose to not work and did not return, and also our liability coverage had a significant reduction which now only allows Macedo to perform less than 50% of the types of projects we used to be able to perform. For example, the bulk of our previous year's revenues came from housing developments sites, track housing, apartment complexes, condo, HOAA developments. Our insurance as of 2020-2021 no longer allowed us to perform this type of work. This type of work required much more labor force, which we can no longer maintain, due to lack of availability and due to lack of work available for us to perform under the restricted terms of our liability insurance.

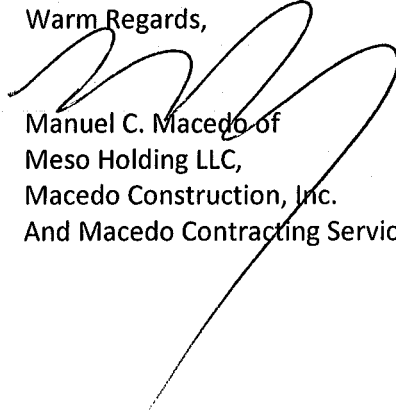
These are the main factors which have directly affected mine and my family's life and business, we have found ourselves in a position that we have not been able to sustain the quantity of employees required under the IDA guidelines. We have disclosed this in our past submissions to the IDA but now believe it has come to the time for us to gracefully separate ourselves as we do not see any changes in the near future which would provide us the opportunity to increase our employees...certainly not to the level required.

We are hereby respectfully requesting that the IDA waive any restored factors and penalties as a result of our premature release from the IDA and will give value to our significant improvements to our

building and property and thus, the surrounding area when considering our request. And we hope you take into consideration that there were no intentional reductions and these are all circumstances that occurred beyond our control and against our will and want, and without any intention on Macedo's end.

It has been a pleasure to work with you. We are certainly honored to have been given this opportunity.

Warm Regards,

A handwritten signature in black ink, consisting of several loops and a long tail stroke that extends downwards and to the left.

Manuel C. Macedo of
Meso Holding LLC,
Macedo Construction, Inc.
And Macedo Contracting Services, Inc.

Cc: Michele R. Messina, PC via email

**FORM APPLICATION FOR FINANCIAL ASSISTANCE
TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
1 Independence Hill, 2nd Floor, Farmingville, New York 11738**

DATE: 8/2/22

APPLICATION OF: Segme Brookhaven LLC - Contract Vendee
Name of Owner and/or User of Proposed Project

ADDRESS: 777 New Durham Road
Edison, NJ 08817

Type of Application: Tax-Exempt Bond Taxable Bond
 Straight Lease Refunding Bond

Please respond to all items either by filling in blanks, by attachment (by marking space “see attachment number 1”, etc.) or by N.A., where not applicable. Application must be filed in two copies. A non-refundable application fee is required at the time of submission of this application to the Agency. The non-refundable application fee is \$3,000 for applications under \$5 million and \$4,000 for applications of \$5 million or more.

Transaction Counsel to the Agency may require a retainer which will be applied to fees incurred and actual out-of-pocket disbursements made during the inducement and negotiation processes and will be reflected on their final statement at closing.

Information provided herein will not be made public by the Agency prior to the passage of an official Inducement Resolution but may be subject to disclosure under the New York State Freedom of Information Law.

Prior to submitting a completed final application, please arrange to meet with the Agency’s staff to review your draft application. Incomplete applications will not be considered. The Board reserves the right to require that the applicant pay for the preparation of a Cost Benefit Analysis, and the right to approve the company completing the analysis.

PLEASE NOTE: It is the policy of the Brookhaven IDA to encourage the use of local labor and the payment of the area standard wage during construction on the project.

IDA benefits may not be conferred upon the Company until the Lease and Project Agreement have been executed.

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Part I: Owner & User Data

1. Owner Data:

A. Owner (Applicant for assistance): Segme Brookhaven, LLC - Contract Vendee

Address: 777 New Durham Road
Edison, New Jersey 08817

Federal Employer I [REDACTED] Website: 2020acq.com

NAICS Code: 531120

Owner Officer Certifying Application: Efrem Gerszberg

Title of Officer: Managing Member

Phone Number [REDACTED]

E-mail [REDACTED]

B. Business Type:

Sole Proprietorship Partnership Limited Liability Company

Privately Held Public Corporation Listed on _____

State of Incorporation/Formation: New Jersey

C. Nature of Business:

(e.g., "manufacturer of _____ for _____ industry"; "distributor of _____"; or "real estate holding company")

Real Estate

D. Owner Counsel:

Firm Name: VanBrunt, Juzwiak & Russo, PC

Address: 140 Main Street
Sayville, NY 11782

Individual Attorney: Eric J. Russo

Phone Number: 631-589-5000

E-mail: eric@vbjr.com

E. Principal Stockholders, Members or Partners, if any, of the Owner:

Name	Percent Owned
<u>Efrem Gerszberg</u>	<u>99%</u>
<u>Gila Gerszberg</u>	<u>1%</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

F. Has the Owner, or any subsidiary or affiliate of the Owner, or any stockholder, partner, member, officer, director, or other entity with which any of these individuals is or has been associated with:

i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (If yes, please explain)

no

ii. been convicted of a felony, or misdemeanor, or criminal offense (other than a motor vehicle violation)? (If yes, please explain)

no

G. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the Owner, list all other organizations which are related to the Owner by virtue of such persons having more than a 50% interest in such organizations.

Yes (See Schedule A attached)

Efrem Gerszberg 99%
Gila Gerszberg 1%

H. Is the Owner related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

Yes (See Schedule A attached)

Efrem Gerszberg 99%
Gila Gerszberg 1%

~~I. List parent corporation, sister corporations and subsidiaries:~~

Yes (See Schedule A attached)

Efrem Gerszberg 99%
Gila Gerszberg 1%

J. Has the Owner (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town, or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

no

K. List major bank references of the Owner:

Jialin Jim - Brookfield - 212-618-3441

Daniel Vergel - Bank of America - 732-287-6688

2. User Data

*** (for co-applicants for assistance or where a landlord/tenant relationship will exist between the owner and the user) ***

A. User (together with the Owner, the "Applicant"): N/A

Address: _____

Federal Employer ID #: _____ Website: _____

NAICS Code: _____

User Officer Certifying Application: _____

Title of Officer: _____

Phone Number: _____ E-mail: _____

B. Business Type:

Sole Proprietorship Partnership Privately Held

Public Corporation Listed on _____

State of Incorporation/Formation: N/A

C. Nature of Business:

(e.g., "manufacturer of _____ for _____ industry"; "distributor of _____"; or "real estate holding company")

N/A

D. Are the User and the Owner Related Entities? Yes No

i. If yes, the remainder of the questions in this Part I, Section 2 (with the exception of "F" below) need not be answered if answered for the Owner.

ii. If no, please complete all questions below.

E. User's Counsel:

Firm Name: N/A

Address: _____

Individual Attorney: _____

Phone Number: _____

E-mail: _____

F. Principal Stockholders or Partners, if any:

Name	Percent Owned
<u>N/A</u>	_____
_____	_____
_____	_____

G. Has the User, or any subsidiary or affiliate of the User, or any stockholder, partner, officer, director, or other entity with which any of these individuals is or has been associated with:

i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (If yes, please explain)

N/A

ii. been convicted of a felony or criminal offense (other than a motor vehicle violation)? (If yes, please explain)

N/A

- H. If any of the above persons (see "F", above) or a group of them, owns more than 50% interest in the User, list all other organizations which are related to the User by virtue of such persons having more than a 50% interest in such organizations.

N/A

- I. Is the User related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

N/A

- J. List parent corporation, sister corporations and subsidiaries:

N/A

- K. Has the User (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town, or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

N/A

- L. List major bank references of the User:

N/A

Part II – Operation at Current Location

*** (if the Owner and the User are unrelated entities, answer separately for each) ***

1. Current Location Address: n/s Horseblock Rd, 1900' w/o Yaphank Ave, Yaphank

2. Owned or Leased: contract vendee

3. Describe your present location (acreage, square footage, number buildings, number of floors, etc.):

50.4 acres undeveloped vacant parcel

4. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services:

Wholesale, Distribution & Warehouses

5. Are other facilities or related companies of the Applicant located within the State?
Yes No

A. If yes, list the Address: **Segme Tam, LLC (See Schedule A attached)**

6. Will the completion of the project result in the removal of any facility or facilities of the Applicant from one area of the state to another OR in the abandonment of any facility or facilities of the Applicant located within the State? Yes No

A. If no, explain how current facilities will be utilized: **3 Total Warehouse Buildings
(561,000 sq. ft)**

- B. If yes, please indicate whether the project is reasonably necessary for the Applicant to maintain its competitive position in its industry or remain in the State and explain in full:

N/A

7. Has the Applicant actively considered sites in another state? Yes No

A. If yes, please list states considered and explain: _____

8. Is the requested financial assistance reasonably necessary to prevent the Applicant from moving out of New York State? Yes No

A. Please explain: _____

9. Number of full-time equivalent employees (FTE's) at current location and average salary (indicate hourly or yearly salary):

None

Part III – Project Data

1. Project Type:

A. What type of transaction are you seeking? (Check one)

- Straight Lease Taxable Bonds Tax-Exempt Bonds
Equipment Lease Only

B. Type of benefit(s) the Applicant is seeking: (Check all that apply)

- Sales Tax Exemption Mortgage Recording Tax Exemption
PILOT Agreement:

2. Location of project:

A. Street Address: n/s Horseblock Road, 1900' w/o Yaphank Avenue, Yaphank, NY

B. Tax Map: District 0200 Section 846 Block 03 Lot(s) 5

C. Municipal Jurisdiction:

- i. Town: Yaphank
ii. Village: n/a
iii. School District: South Country CSD

D. Acreage: 50.4

3. Project Components (check all appropriate categories):

- A. Construction of a new building Yes No
i. Square footage: 561,000 sq. ft. – Total of Three (3) Buildings
- B. Renovations of an existing building Yes No
i. Square footage: _____
- C. Demolition of an existing building Yes No
i. Square footage: _____
- D. Land to be cleared or disturbed Yes No
i. Square footage/acreage: 41 acres
-
- E. Construction of addition to an existing building Yes No
i. Square footage of addition: _____
ii. Total square footage upon completion: _____
- F. Acquisition of an existing building Yes No
i. Square footage of existing building: _____

- G. Installation of machinery and/or equipment Yes No
i. List principal items or categories of equipment to be acquired: _____

4. Current Use at Proposed Location:

A. Does the Applicant currently hold fee title to the proposed location?

- i. If no, please list the present owner of the site: ROSH LLC

B. Present use of the proposed location: undeveloped vacant land

C. Is the proposed location currently subject to an IDA transaction (whether through this Agency or another?) Yes No

- i. If yes, explain: _____

D. Is there a purchase contract for the site? (If yes, explain): Yes No

Applicant is contract vendee

E. Is there an existing or proposed lease for the site? (If yes, explain): Yes No

5. Proposed Use:

A. Describe the specific operations of the Applicant or other users to be conducted at the project site: Applicant proposes the construction of 2 one-story 199,000sf warehouse/office/storage buildings with loading dock and

1 one-story 163,000sf warehouse/office/storage building, with off-street parking, landscaping, drainage, grading, buffers &

infrastructure improvements; 1313 parking spaces: 915 vehicle, 25 ADA, 131 truck, 242 vehicle landbanked.

B. Proposed product lines and market demands: Market demand for newer warehouses in response to

growing e-commerce; the market is strong for tenants looking to rent warehouse space

for 200,000sf or less; Tenants fall within the food, industrial and logistics/retail categories.

C. If any space is to be leased to third parties, indicate the tenant(s), total square footage of the project to be leased to each tenant, and the proposed use by each tenant:

Applicant anticipates tenancies for companies within the food, industrial and logistics & retail industries. Applicant is in discussion with Lidl, Luxury Home, DSV, 1 undisclosed logistics company and 2 undisclosed food distributors.

D. Need/purpose for project (e.g., why is it necessary, effect on Applicant's business):

The need for distribution warehouses located as close as possible to their end-users is in demand now due to increase in on-line retail; vacancy rates are low on LI with demand for newer warehouse/distribution facilities constructed to today's requirements with large footprints & tall ceilings to facilitate rapid expansion of e-commerce. Will provide increased industrial space, 300 jobs and tax revenues.

E. Will any portion of the project be used for the making of retail sales to customers who personally visit the project location? Yes No

i. If yes, what percentage of the project location will be utilized in connection with the sale of retail goods and/or services to customers who personally visit the project location?

F. To what extent will the project utilize resource conservation, energy efficiency, green technologies, and alternative / renewable energy measures?

Applicant considering solar.

6. Project Work:

A. Has construction work on this project begun? If yes, complete the following:

- i. Site Clearance: Yes No % COMPLETE
ii. Foundation: Yes No % COMPLETE
iii. Footings: Yes No % COMPLETE
iv. Steel: Yes No % COMPLETE
v. Masonry: Yes No % COMPLETE
vi. Other:

B. What is the current zoning? L-1 Industrial

C. Will the project meet zoning requirements at the proposed location?

Yes No

D. If a change of zoning is required, please provide the details/status of the change of zone request: No change of zone required.

E. Have site plans been submitted to the appropriate planning department? Yes No

7. Project Completion Schedule:

A. What is the proposed commencement date for the acquisition and the construction/renovation/equipping of the project?

i. Acquisition: October 2022

ii. Construction/Renovation/Equipping: Clearing 1/2023; Constr. 4/2023

B. Provide an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur: Anticipate 20 months for construction and completion with Certificate of

Occupancy. Expected leasing after completion of construction and receipt of Certificate of Occupancy.

Part IV – Project Costs and Financing

1. Project Costs:

A. Give an accurate estimate of cost necessary for the acquisition, construction, renovation, improvement and/or equipping of the project location:

<u>Description</u>	<u>Amount</u>
Land and/or building acquisition	\$ 35,500,000
Building(s) demolition/construction	\$ 56,500,000
Building renovation	\$ none
Site Work	\$ 7,000,000
Machinery and Equipment	\$ none
Legal Fees	\$ 350,000
Architectural/Engineering Fees	\$ 250,000
Financial Charges	\$ 10,000,000
Other (Specify)	\$ 13,758,000 (Town fees, leasing, marketing, etc.)
Total	\$ 123,358,000

Please note, IDA fees are based on the total project costs listed above. At the completion of your project, you are required to provide both a certificate of completion along with a cost affidavit certifying the final project costs. The IDA fees may be adjusted as a result of the certified cost affidavit. Money will not be refunded if the final project cost is less than the amount listed above.

2. Method of Financing:

	<u>Amount</u>	<u>Term</u>
A. Tax-exempt bond financing:	\$ -0-	_____ years
B. Taxable bond financing:	\$ -0-	_____ years
C. Conventional Mortgage:	\$ 111,358,000	3 _____ years
D. SBA (504) or other governmental financing:	\$ -0-	_____ years
E. Public Sources (include sum of all State and federal grants and tax credits):	\$ -0-	
F. Other loans:	\$ -0-	_____ years
G. Owner/User equity contribution:	\$ 12,000,000	_____ years

Total Project Costs \$ 123,358,000

i. What percentage of the project costs will be financed from public sector sources?

none

3. Project Financing:

A. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? Yes No

i. If yes, provide detail on a separate sheet. **\$500,000 in Legal fees, Engineer Architect and Environmental Services**

B. Are costs of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of bond proceeds? Give details:

No

C. Will any of the funds borrowed through the Agency be used to repay or refinance an existing mortgage or outstanding loan? Give details:

No

D. Has the Applicant made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom:

No

Part V – Project Benefits

1. Mortgage Recording Tax Benefit:

A. Mortgage Amount for exemption (include sum total of construction/permanent/bridge financing):

\$ 111,358,000

B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and .75%):

\$ 835,185

2. Sales and Use Tax Benefit:

A. Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax (such amount to benefit from the Agency's exemption):

\$ 87,966,945

B. Estimated State and local Sales and Use Tax exemption (product of 8.625% and figure above):

\$ 7,587,149

C. If your project has a landlord/tenant (owner/user) arrangement, please provide a breakdown of the number in "B" above:

i. Owner: \$ n/a

ii. User: \$ n/a

3. Real Property Tax Benefit:

A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit: No

B. Agency PILOT Benefit:

i. Term of PILOT requested: 20 years

ii. Upon acceptance of this application, the Agency staff will create a PILOT schedule and attach such information to Exhibit A hereto. Applicant hereby requests such PILOT benefit as described on Exhibit A.

**** This application will not be deemed complete and final until Exhibit A hereto has been completed. ****

Part VI – Employment Data

1. List the Applicant’s and each user's present employment and estimates of (i) employment at the proposed project location, not just new employment, at the end of year one and year two following project completion and (ii) the number of residents of the Labor Market Area* (“LMA”) that would fill the full-time and part-time jobs at the end of the second year following completion:

Present number of FTEs **: 0 2022 N/A
 FTEs to be Created in First Year: 2024 Date Average Annual Salary of Jobs to be Retained
 (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
FTE												85	85

FTEs to be Created in Second Year: 2025 (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
FTE												125	125

Number of Residents of LMA:

Full-Time: 100

Part-Time: 50 during Oct-Dec

Cumulative Total FTEs ** After Year 2 125

Construction Jobs to be Created: 60 FT & 30 PT during construction only

* The Labor Market Area includes the County/City/Town/Village in which the project is located as well as Nassau and Suffolk Counties.

** To calculate FTEs (Full-Time Equivalent Employees) please use the following example: if an organization considers 40 hours per week as full-time and there are four employees who work 10 hours each per week, the cumulative hours for those employees equal 1 FTE.

2. Salary and Fringe Benefits:

Category of Jobs to be Created	Average Salary	Average Fringe Benefits
Salary Wage Earners	-0-	
Commission Wage Earners	-0-	
Hourly Wage Earners	40,000	7,200
1099 and Contract Workers	-0-	

What is the annualized salary range of jobs to created? 40,000 to 45,000

Note: The Agency reserves the right to visit the facility to confirm that job creation numbers are being met.

Part VII – Representations, Certifications and Indemnification

1. Is the Applicant in any litigation which would have a material adverse effect on the Applicant's financial condition? (If yes, furnish details on a separate sheet)

Yes No

2. Has the Applicant or any of the management of the Applicant, the anticipated users or any of their affiliates, or any other concern with which such management has been connected, been cited for a violation of federal, state, or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution, or other operating practices? (If yes, furnish details on a separate sheet)

Yes No

3. Is there a likelihood that the Applicant would proceed with this project without the Agency's assistance? (If no, please explain why; if yes, please explain why the Agency should grant the benefits requested)

Yes No

The economics would not be feasible.

4. If the Applicant is unable to obtain financial assistance from the Agency for the project, what would be the impact on the Applicant and on the municipality?

shall not be able to proceed with the project without the Brookhaven
Town IDA benefits due to construction costs and financing terms.

Original signature and initials are required. Electronic signatures and initials are not permitted.

5. The Applicant understands and agrees that in accordance with Section 858-b(2) of the General Municipal Law, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the project will be listed with the New York State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300) in which the project is located (collectively, the "Referral Agencies"). The Applicant also agrees that it will, except as otherwise provided by collective bargaining contracts or agreements to which they are parties, where practicable, first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the Referral Agencies.

Initial *M*

6. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the Project as well as may lead to other possible enforcement actions.

Initial *W*

7. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

Initial *G*

8. The Applicant represents and warrants that to the Applicant's knowledge neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become a person or entity with who United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List or under any statute, executive order including the September 24, 2001, Executive Order Block Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, or other governmental action and is not and will not assign or otherwise transfer this Agreement to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

Initial *G*

9. The Applicant confirms and hereby acknowledges it has received the Agency's fee schedule attached hereto as Schedule A and agrees to pay such fees, together with any expenses incurred by the Agency, including those of Transaction Counsel, with respect to the Facility. The Applicant agrees 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 project. The IDA fees are based on the total project costs listed in this application. At the completion of the project, you are required to provide both a certificate of completion along with a cost affidavit certifying the final project costs. The IDA fees may be increased as a result of the certified cost affidavit. Monies will not be refunded if the final costs are below the amount listed in the application.

Initial *AS*

10. The Applicant confirms and hereby acknowledges it has received the Agency's Construction Wage Policy attached hereto as Schedule B and agrees to comply with the same.

Initial *AS*

11. The Applicant hereby agrees to comply with Section 875 of the General Municipal Law. The Company further agrees that the financial assistance granted to the project by the Agency is subject to recapture pursuant to Section 875 of the Act and the Agency's Recapture and Termination Policy, attached hereto as Schedule C.

Initial *AS*

12. The Applicant confirms and hereby acknowledges it has received the Agency's PILOT Policy attached hereto as Schedule D and agrees to comply with the same.

Initial *AS*

13. The Company hereby authorizes the Agency, without further notice or consent, to use the Company's name, logo and photographs related to the Facility in its advertising, marketing, and communications materials. Such materials may include web pages, print ads, direct mail and various types of brochures or marketing sheets, and various media formats other than those listed (including without limitation video or audio presentations through any media form). In these materials, the Agency also has the right to publicize its involvement in the Project.

Initial *AS*

Part IX – Special Representations

1. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if financial assistance is provided for the proposed project. The Applicant hereby indicates its compliance with Section 862(1) by signing the applicable statement below. (Please sign only one of the following statements a. or b. below).

- a. The completion of the entire project will not result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state.

Representative of the Applicant: _____

- b. The completion of this entire project will result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state because the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

Representative of the Applicant: _____

2. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

Representative of the Applicant: _____

3. In accordance with Section 862(1) of the New York General Municipal Law the Applicant understands and agrees that projects which result in the removal of an industrial or manufacturing plant of the project occupant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the project occupant within the State is ineligible for financial assistance from the Agency, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the project in its respective industry or to discourage the project occupant from removing such other plant or facility to a location outside the State.

Representative of the Applicant: _____

4. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving financial assistance for the proposed project is in substantial compliance with applicable local, state, and federal tax, worker protection and environmental laws, rules, and regulations.

Representative of the Applicant: _____

Part X – Certification

Efrem Gerszberg (Name of representative of entities submitting application) deposes and says that he or she is the Managing Member (title) of Segme Brookhaven LLC, the entities named in the attached application; that he or she has read the foregoing application and knows the contents thereof; and that the same is true to his or her knowledge.

Deponent further says that s/he is duly authorized to make this certification on behalf of the entities named in the attached Application (the "Applicant") and to bind the Applicant. The grounds of deponent's belief relative to all matters in said Application which are not stated upon his/her personal knowledge are investigations which deponent has caused to be made concerning the subject matter this Application, as well as information acquired by deponent in the course of his/her duties in connection with said Applicant and from the books and papers of the Applicant.

As representative of the Applicant, deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the Town of Brookhaven Industrial Development Agency (hereinafter referred to as the "Agency") in connection with this Application, the attendant negotiations and all matters relating to the provision of financial assistance to which this Application relates, whether or not ever carried to successful conclusion. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels or neglects the application or if the Applicant is unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees to bond or transaction counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion of the transaction contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the Agency in accordance with its fee schedule in effect on the date of the foregoing application, and all other appropriate fees, which amounts are payable at closing.

The Applicant hereby subscribes and affirms under the penalties of perjury that the information provided in this Application is true, accurate and complete to the best of his or her knowledge


Representative of Applicant

Sworn to me before this 2
Day of Aug, 20 22
MARYJANE A. JACOBY
NOTARY PUBLIC OF NEW JERSEY
Comm. # 50095788
My Commission Expires 1/2/2024


**** Note: If the entities named in this Application are unrelated and one individual cannot bind both entities, Parts VII, IX and X of this Application must be completed by an individual representative for each entity ****

SCHEDULE A

LIST OF RELATED COMPANIES

1. Segme Tam, LLC, Brookville, New York
2. Segme Old Bridge GC, LLC, Old Bridge, New Jersey
3. Segme RT 9 BOE, LLC, Old Bridge, New Jersey
4. Segme Cedar Lane, LLC, Edison, New Jersey
5. Segme Mansfield 130, LLC, Mansfield, New Jersey
6. Segme Millstone, LLC, Millstone, New Jersey
7. Segme Bunim, LLC, Glendale California

All of the above have same mailing address of:

777 New Durham Road
Edison, New Jersey 08817

EXHIBIT A

Proposed PILOT Schedule

Upon acceptance of the Application and completion of the Cost Benefit Analysis, the Agency will attach the proposed PILOT Schedule to this Exhibit.

Town of Brookhaven Industrial Development
Schedule of Fees

Application -	\$3,000 for projects with total costs under \$5 million \$4,000 for projects with total costs \$5 million and over (non-refundable)
Closing/Expansion Sale/Transfer/Increase of Mortgage Amount/ Issuance of Refunding Bonds -	$\frac{3}{4}$ of one percent up to \$25 million total project cost and an additional $\frac{1}{4}$ of one percent on any project costs in excess of \$25 million. Projects will incur a minimum charge of \$10,000 plus all fees incurred by the Agency including, but not limited to publication, legal, and risk monitoring.
Annual Administrative -	\$2,000 administrative fee plus \$500 per unrelated subtenant located in the project facility. This fee is due annually.
Termination –	Between \$1,000 and \$2,500
Refinance (excluding refunding bonds) –	$\frac{1}{4}$ of one percent of mortgage amount or \$5,000, whichever is greater.
Late PILOT Payment –	5% penalty, 1% interest compounded monthly, plus \$1,000 administrative fee.
PILOT extension -	a minimum of \$15,000
Processing Fee -	\$275 per hour with a minimum fee of \$275
Lease of Existing Buildings (partial or complete) -	Fee is based on contractual lease amount.

The Agency reserves the right to adjust these fees.

Updated: November 17, 2020

SCHEDULE B

CONSTRUCTION WAGE POLICY

EFFECTIVE January 1, 2005

The purpose of the Brookhaven IDA is to provide benefits that reduce costs and financial barriers to the creation and to the expansion of business and enhance the number of jobs in the Town.

The Agency has consistently sought to ensure that skilled and fair paying construction jobs be encouraged in projects funded by the issuance of IDA tax exempt bonds in large projects.

The following shall be the policy of the Town of Brookhaven IDA for application for financial assistance in the form of tax-exempt financing for projects with anticipated construction costs in excess of \$5,000,000.00 per site received after January 1, 2005. Non-profit corporations and affordable housing projects are exempt from the construction wage policy.

Any applicant required to adhere to this policy shall agree to:

- (1) Employ 90% of the workers for the project from within Nassau or Suffolk Counties. In the event that this condition cannot be met, the applicant shall submit to the Agency an explanation as to the reasons for its failure to comply and;
- (2) Be governed by the requirements of Section 220d of Article 8 of the Labor Law of the State of New York; and when requested by the Agency, provide to the Agency a plan for an apprenticeship program;

OR

- (3) Provide to the Agency a project labor agreement or alternative proposal to pay fair wages to workers at the construction site.

Furthermore, this policy may be waived, in the sole and final discretion of the Agency, in the event that the applicant demonstrates to the Agency special circumstances or economic hardship to justify a waiver to be in the best interests of the Town of Brookhaven.

Adopted: May 23, 2005

SCHEDULE C

RECAPTURE AND TERMINATION POLICY

EFFECTIVE JUNE 8, 2016

Pursuant to Sections 874(10) and (11) of Title 1 of Article 18-A of the New York State General Municipal Law (the “**Act**”), the Town of Brookhaven Industrial Development Agency (the “**Agency**”) is required to adopt policies (i) for the discontinuance or suspension of any financial assistance provided by the Agency to a project or the modification of any payment in lieu of tax agreement and (ii) for the return of all or part of the financial assistance provided by the Agency to a project. This Recapture and Termination Policy was adopted pursuant to a resolution enacted by the members of the Agency on June 8, 2016.

I. Termination or Suspension of Financial Assistance

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to terminate or suspend the Financial Assistance (defined below) provided to a project upon the occurrence of an Event of Default, as such term is defined and described in the Lease Agreement entered into by the Agency and a project applicant (the “**Applicant**”) or any other document entered into by such parties in connection with a project (the “**Project Documents**”). Such Events of Default may include, but shall not be limited to, the following:

- 1) Sale or closure of the Facility (as such term is defined in the Project Documents);
- 2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
- 3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
- 4) A material violation of the terms and conditions of the Project Agreements; and
- 5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The decision of whether to terminate or suspend Financial Assistance and the timing of such termination or suspension of Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and shall be subject to the notice and cure periods provided for in the Project Documents.

For the purposes of this policy, the term “**Financial Assistance**” shall mean all direct monetary benefits, tax exemptions and abatements and other financial assistance, if any, derived solely from the Agency’s participation in the transaction contemplated by the Project Agreements including, but not limited to:

- (i) any exemption from any applicable mortgage recording tax with respect to the Facility on mortgages granted by the Agency on the Facility at the request of the Applicant;

- (ii) sales tax exemption savings realized by or for the benefit of the Applicant, including and savings realized by any agent of the Applicant pursuant to the Project Agreements in connection with the Facility; and
- (iii) real property tax abatements granted under the Project Agreements.

II. Recapture of Financial Assistance

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to recapture all or part of the Financial Assistance provided to a project upon the occurrence of a Recapture Event, as such term is defined and described in the Project Documents. Such Recapture Events may include, but shall not be limited to the following:

- 1) Sale or closure of the Facility (as such term is defined in the Project Documents);
- 2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
- 3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
- 4) A material violation of the terms and conditions of the Project Agreements; and
- 5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The timing of the recapture of the Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and is subject to the notice and cure periods provided for in the Project Documents. The percentage of such Financial Assistance to be recaptured shall be determined by the provisions of the Project Documents.

All recaptured amounts of Financial Assistance shall be redistributed to the appropriate affected taxing jurisdiction, unless agreed to otherwise by any local taxing jurisdiction.

For the avoidance of doubt, the Agency may determine to terminate, suspend and/or recapture Financial Assistance in its sole discretion. Such actions may be exercised simultaneously or separately and are not mutually exclusive of one another.

III. Modification of Payment In Lieu of Tax Agreement

In the case of any Event of Default or Recapture Event, in lieu of terminating, suspending, or recapturing the Financial Assistance, the Agency may, in its sole discretion, adjust the payments in lieu of taxes due under the Project Agreements, so that the payments in lieu of taxes payable under the Project Agreements are adjusted upward retroactively and/or prospectively for each tax year until such time as the Applicant has complied with the provisions of the Project Agreements. The amount of such adjustments shall be determined by the provisions of the Project Documents.

SCHEDULE D

Agency Payment in Lieu of Taxes (PILOT) Policy

An annual fee of \$2,000 (plus \$500 per subtenant) will be due to the Agency in addition to the PILOT payment to cover ongoing costs incurred by the Agency on behalf of the project.

1. The Town of Brookhaven Industrial Development Agency (IDA) may grant or be utilized to obtain a partial or full real property tax abatement for a determined period. To be eligible for this abatement there would be a requirement of new construction, or renovation, and a transfer of title of the real property to the Town of Brookhaven IDA.
2. The Chief Executive Officer (CEO) or their designee shall consult with the Town Assessor to ascertain the amounts due pursuant to each PILOT Agreement. Thereafter, the PILOT payment for each project shall be billed to the current lessees. The lessees can pay the PILOT payment in full by January 31st of each year, or in two equal payments due January 31st and May 31st of each year of the PILOT Agreement. The CEO or their designee shall send all PILOT invoices to the lessees on a timely basis.
3. The Town of Brookhaven IDA shall establish a separate, interest-bearing bank account for receipt and deposit of all PILOT payments. The CEO or their designee shall be responsible for depositing and maintaining said funds with input from the Chief Financial Officer (CFO).
4. The CEO or their designee shall remit PILOT payments and penalties if any, to the respective taxing authorities in the proportionate amounts due to said authorities. These remittances shall be made within thirty (30) days of receipt of the payments to the Agency.
5. Payments in lieu of taxes which are delinquent under the agreement shall be subject to a late payment penalty of five percent (5%) of the amount due. For each month, or part thereof, that the payment in lieu of taxes is delinquent beyond the first month, interest shall on the total amount due plus a late payment penalty in the amount of one percent (1%) per month until the payment is made.
6. If a PILOT payment is not received by **January 31st** of any year or **May 31st** of the second half of the year the lessee shall be in default pursuant to the PILOT Agreement. The Agency may give the lessee notice of said default. If the payment is not received within thirty (30) days of when due, the CEO shall notify the Board, and thereafter take action as directed by the Board.
7. The CEO shall maintain records of the PILOT accounts at the Agency office.
8. Nothing herein shall be interpreted to require the Agency to collect or disburse PILOT payments for any projects which are not Agency projects.

9. Should the Applicant fail to reach employment levels as outlined in their application to the Agency, the Board reserves the right to reduce or suspend the PILOT Agreement, declare a default under the Lease or the Installment Sale Agreement, and/or convey the title back to the Applicant.
10. This policy has been adopted by the IDA Board upon recommendation of the Governance Committee and may only be amended in the same manner.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR CONSENT TO SUBLEASE

APPLICATION OF: Holtsville Industrial LLC ("Company")

FOR CONSENT TO SUBLEASE TO

Hotgen Health Inc ("Subtenant")

FACILITY/PROJECT: 4702-18-A

Please respond to all items either by filing in blanks, by attachment (by marking space "see attachment number 1", etc.) or by N.A., where not applicable. Application must be filed in two copies. A \$750.00 non-refundable application fee is required at the time of submission to the Agency.

Information provided herein will not be made public by the Agency prior to the passage of an official Resolution, but may be subject to disclosure under the New York State Freedom of Information Act.

Please write or call:
Town of Brookhaven Industrial Development Agency
c/o Town of Brookhaven Division of Economic Development

One Independence Hill
Farmingville, New York 11738

(631) 451-6563

I. COMPANY DATA

A. COMPANY:

NAME: Holtsville Industrial LLC

ADDRESS: 565 Broadhollow Road, Farmingdale, Ny
11735

CONTACT: Barbara Urban

POSITION: Bookkeeper

PHONE: [REDACTED]

FEDERAL EMPLOYER I.D. [REDACTED]

B. RELATED USERS OF THE FACILITY:

NAME	RELATIONSHIP
_____	_____
_____	_____
_____	_____

C. COMPANY COUNSEL:

FIRM NAME: Law Offices of Andrew Presberg

ADDRESS: 100 Corporate Plaza, Islandia, Ny 11749

INDIVIDUAL ATTORNEY: Andrew Presberg

PHONE: 631-232-4444

D. PRINCIPAL STOCKHOLDERS, MEMBERS OR PARTNERS, IF ANY, OF COMPANY AND RELATED USERS (5% OR MORE EQUITY):

NAME	PERCENT OWNED	COMPANY/ RELATED USER
<u>Tod Buckner</u>	<u>37.5%</u>	_____
<u>Irs Investors</u>	<u>37.5%</u>	_____
<u>Rmarz LLC</u>	<u>25%</u>	_____

E. HAS THE OWNER, OR ANY SUBSIDIARY OR AFFILIATE OF THE OWNER, OR ANY STOCKHOLDER, PARTNER, MEMBER, OFFICER, DIRECTOR OR OTHER ENTITY WITH WHICH ANY OF THESE INDIVIDUALS IS OR HAS BEEN ASSOCIATED WITH:

i. EVER FILED FOR BANKRUPTCY, BEEN ADJUDICATED BANKRUPT OR PLACED IN RECEIVERSHIP OR OTHERWISE BEEN OR PRESENTLY IS THE SUBJECT OF ANY BANKRUPTCY OR SIMILAR PROCEEDING? (IF YES, PLEASE EXPLAIN)

NO

ii. BEEN CONVICTED OF A FELONY, OR MISDEMEANOR, OR CRIMINAL OFFENSE (OTHER THAN A MOTOR VEHICLE VIOLATION)? (IF YES, PLEASE EXPLAIN)

NO

II. PROJECT/FACILITY DATA

A. LOCATION OF PROJECT:

ADDRESS: 1 Corporate Drive, Holtsville, NY

S.C. TAX MAP:

DISTRICT 0200 SECTION 835.000 BLOCK 01.00 LOT 005.000

B. PROJECT SITE:

1. ACREAGE:

6

2. BUILDING:

A) SIZE

48,416 sq ft

B) CURRENT OCCUPANTS, AREA OCCUPIED AND USES

CURRENT OCCUPANT	AREA OCCUPIED (Sq. Ft.)	USE
<u>Winfield Solutions</u>	<u>29115</u>	<u>office space / whse</u>
<u>Traffic Systems</u>	<u>16151</u>	<u>office space / whse</u>
_____	_____	_____

III. PROPOSED SUBTENANT

A. NAME AND ADDRESS

Hotgen Health Inc

90 State Street Suite 700 Office 40 Albany, NY 12207

B. AFFILIATES' NAMES AND ADDRESSES

C. CURRENT LOCATION

First US Location

D. NAME AND ADDRESS OF PRINCIPALS OF SUBTENANT AND AFFILIATES

Parent Co. Beijing Hotgen Biotech Co LTD

Headquarters in China

E. RELATIONSHIP OF SUBTENANT TO COMPANY

None

F. PROPOSED AREA TO BE OCCUPIED

3150 sq ft office space

G. PROPOSED USE BY SUBTENANT

Office

H. DOES PROPOSED USE AND OCCUPANCY COMPLY WITH ALL PLANNING, ZONING, BUILDING, HEALTH AND ENVIRONMENTAL LAWS, REGULATIONS AND REQUIREMENTS, AND ALL COVENANTS, AGREEMENTS AND DECLARATIONS OF RECORD?

Yes

I. PROPOSED SUBLEASE TERMS

TERM:

9/1/22 - 8/31/25

COMMENCEMENT DATE:

9/1/22 - or the date on which Tenant takes possession of the leased premises

GUARANTORS:

Wei Zeng

BASE RENT:

1st year ² 56,700.-

BASE RENT INCREASES:

3% annually

COMMON AREA RENT:

0

REAL ESTATE TAXES:

6.5%

IMPROVEMENTS TO PROPOSED DEMISED AREA TO BE MADE BY COMPANY

DESCRIPTION: N/A

COST:

SOURCE OF PAYMENT:

IMPROVEMENTS TO PROPOSED DEMISED AREA TO BE MADE BY SUBTENANT

DESCRIPTION: N/A

COST:

SOURCE OF PAYMENT:

FAIR MARKET RENT EVALUATION
IS RENT TO BE CHARGED FAIR MARKET?

Yes

HOW WAS FAIR MARKET RENT DETERMINED? (ATTACH SUPPORTING DOCUMENTATION)

Survey by real estate brokers in Area / Costar research

DOES OR WILL ANY OF THE "FINANCIAL ASSISTANCE" PROVIDED BY THE AGENCY, INCLUDING REAL ESTATE TAX EXEMPTION, SALES AND USE TAX EXEMPTION AND MORTGAGE RECORDING TAX EXEMPTION, BENEFIT THE SUBTENANT IN ANY MANNER? IF SO, EXPLAIN.

Lower rent due to real estate tax Abatement

ATTACH COPY OF EXECUTED SUBLEASE (MAY BE CONDITIONED UPON AGENCY APPROVAL).

J. HOW MANY FULL-TIME EQUIVALENT EMPLOYEES (FTES) ARE THERE NOW

1

HOW MANY ADDITIONAL FTES ARE EXPECTED IN REGARDS TO THIS APPLICATION Team to be hired over next 3yrs are!

6 ① Administration Staff ④ R+D Scientists
② Business Development mgs

Salary and Fringe Benefits: ③ Regulatory Affair Officers

Category of Jobs to be Created	Average Salary	Average Fringe Benefits
Salary Wage Earners	80K to 120K	Full benefits
Commission Wage Earners		
Hourly Wage Earners		
1099 and Contract Workers		

What is the annualized salary range of jobs to created? 80,000 to 120,000

IV. MORTGAGEES

HAVE THE HOLDERS OF ALL MORTGAGES OF RECORD CONSENTED TO THE PROPOSED SUBLEASE? (ATTACH EVIDENCE THEREOF).

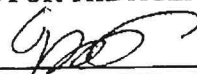
N/A no provision included in loan documents requiring approval

COMPANY CERTIFICATION

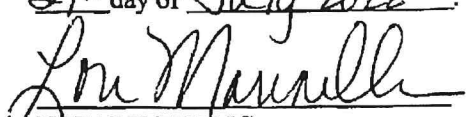
Tod Backvar [Insert name of chief executive officer/manager/partner of proposed subtenant] DEPOSES AND SAYS THAT HE IS THE member [insert title] OF Holtsville Industrial LLC [insert name of Company], THE COMPANY NAMED IN THE ATTACHED APPLICATION; THAT HE HAS READ THE FOREGOING APPLICATION AND KNOWS THE CONTENTS THEREOF; THAT THE SAME IS TRUE TO HIS KNOWLEDGE.

DEPONENT FURTHER SAYS THAT THE REASON THIS VERIFICATION IS BEING MADE BY THE DEPONENT AND NOT BY Holtsville Industrial LLC [insert name of Company] IS BECAUSE THE SAID COMPANY IS A Limited Liability Company [insert type of entity]. THE GROUNDS OF DEPONENT'S BELIEF RELATIVE TO ALL MATTERS IN THE SAID APPLICATION WHICH ARE NOT STATED UPON HIS OWN PERSONAL KNOWLEDGE, ARE INVESTIGATIONS WHICH DEPONENT HAS CAUSED TO BE MADE CONCERNING THE SUBJECT MATTER OF THIS APPLICATION AS WELL AS INFORMATION ACQUIRED BY DEPONENT IN THE COURSE OF HIS DUTIES AS AN OFFICER OF AND FROM BOOKS AND PAPERS OF SAID COMPANY.

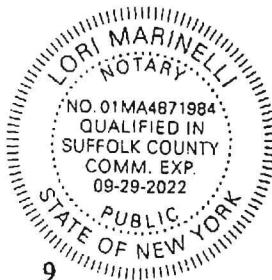
AS AN Member [insert position, e.g., officer, member, manager, partner] OF SAID COMPANY (HEREINAFTER REFERRED TO AS THE "APPLICANT"), DEPONENT ACKNOWLEDGES AND AGREES THAT APPLICANT SHALL BE AND IS RESPONSIBLE FOR ALL COSTS INCURRED BY THE TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY (HEREINAFTER REFERRED TO AS THE "AGENCY") IN CONNECTION WITH THIS APPLICATION AND ALL MATTERS RELATING TO THE PROPOSED SUBLEASE, INCLUDING THE AGENCY'S ATTORNEYS' FEES, REGARDLESS OF WHETHER OR NOT THE APPLICANT FAILS TO CONCLUDE OR CONSUMMATE NECESSARY NEGOTIATIONS OR FAILS TO ACT WITHIN A REASONABLE OR SPECIFIED PERIOD OF TIME TO TAKE REASONABLE, PROPER, OR REQUESTED ACTION OR WITHDRAWS, ABANDONS, CANCELS, OR NEGLECTS THE APPLICATION OR IF THE APPLICANT IS UNABLE TO CONSUMMATE THE SUBLEASE FOR ANY REASON. UPON PRESENTATION OF INVOICES, APPLICANT SHALL PAY TO THE AGENCY, ITS AGENTS OR ASSIGNS, ALL COSTS INCURRED WITH RESPECT TO THE APPLICATION, INCLUDING FEES TO COUNSEL FOR THE AGENCY AND FEES OF GENERAL COUNSEL FOR THE AGENCY.



Chief Executive Officer Member / Manager / Partner
of Company

Sworn to before me this
27th day of July 2022.



NOTARY PUBLIC




SUBTENANT CERTIFICATION

Wei Zang [Insert name of chief executive officer/manager/partner of proposed subtenant] DEPOSES AND SAYS THAT HE IS THE President [insert title] OF Holgen Health Inc, THE PROPOSED SUBTENANT [insert name of subtenant] NAMED IN THE ATTACHED APPLICATION; THAT HE HAS READ THE FOREGOING APPLICATION AND KNOWS THE CONTENTS THEREOF; THAT THE SAME IS TRUE TO HIS KNOWLEDGE.

DEPONENT FURTHER SAYS THAT THE REASON THIS VERIFICATION IS BEING MADE BY THE DEPONENT AND NOT BY Holgen Health Inc [insert name of subtenant] IS BECAUSE THE SAID PROPOSED SUBTENANT IS A Corporation [insert type of entity]. THE GROUNDS OF DEPONENT'S BELIEF RELATIVE TO ALL MATTERS IN THE SAID APPLICATION WHICH ARE NOT STATED UPON HIS OWN PERSONAL KNOWLEDGE, ARE INVESTIGATIONS WHICH DEPONENT HAS CAUSED TO BE MADE CONCERNING THE SUBJECT MATTER OF THIS APPLICATION AS WELL AS INFORMATION ACQUIRED BY DEPONENT IN THE COURSE OF HIS DUTIES AS AN OFFICER OF AND FROM BOOKS AND PAPERS OF SAID PROPOSED SUBTENANT.



Chief Executive Officer/Member/Manager/Partner
of Proposed Subtenant

Sworn to before me this
1st day of August, 2022


NOTARY PUBLIC

DREW D. CASS
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01CA6298761
Qualified in Suffolk County
Commission Expires 17 March 2026



THE HARTFORD
BUSINESS SERVICE CENTER
3600 WISEMAN BLVD
SAN ANTONIO TX 78251

July 22, 2022

HOLTSVILLE INDUSTRIAL LLC
565 BROADHOLLOW ROAD SUITE 1
FARMINGDALE NY 11735

Account Information:

Policy Holder Details :	Hotgen Health Inc
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Contact Us

Need Help?

Start a live chat online or call us at
(866) 467-8730.

We're here weekdays from 8:00 AM to
8:00 PM ET.

Enclosed please find a Certificate Of Insurance for the above referenced Policyholder. Please contact us if you have any questions or concerns.

Sincerely,
Your Hartford Service Team



HOTGE-1

OP ID: CH

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/22/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER National Computerized Agencies 2201 Route 112 Coram, NY 11727 Martin G. Callahan		631-737-0700	CONTACT NAME: Martin G. Callahan PHONE (A/C, No, Ext): 631-737-0700 FAX (A/C, No): 631-737-0868 E-MAIL ADDRESS:
INSURED Hotgen Health Inc 1 Corporate Drive Holtsville, NY 11742		INSURER(S) AFFORDING COVERAGE INSURER A: HARTFORD INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	
		NAIC # 29424	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	<input checked="" type="checkbox"/>		12SBAAT2A2A	08/01/2022	08/01/2023	EACH OCCURRENCE	\$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000
							MED EXP (Any one person)	\$ 10,000
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COMP/OP AGG	\$ 2,000,000
								\$
A	AUTOMOBILE LIABILITY	<input checked="" type="checkbox"/>		12SBAAT2A2A	08/01/2022	08/01/2023	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS						BODILY INJURY (Per person)	\$
	<input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						BODILY INJURY (Per accident)	\$
X	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR	<input checked="" type="checkbox"/>		12SBAAT2A2A	08/01/2022	08/01/2023	EACH OCCURRENCE	\$ 5,000,000
	<input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE						AGGREGATE	\$ 5,000,000
	<input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$ 10,000							\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	<input type="checkbox"/>	<input type="checkbox"/>				PER STATUTE	OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/>	<input type="checkbox"/>	N/A			E.L. EACH ACCIDENT	\$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

LOCATION: 1 CORPORATE DRIVER HOLTSVILLE, NY 11742. TOWN OF BROOKHAVEN IDA IS INCLUDED AS ADDITIONAL INSURED SUBJECT TO POLICY TERMS AND CONDITIONS. GENERAL LIABILITY INCLUDES 30 DAYS NOTICE OF CANCELLATION EXCEPT 10 DAYS FOR NON-PAYMENT OF PREMIUM.

CERTIFICATE HOLDER

CANCELLATION

HOLTSVILLE INDUSTRIAL LLC
565 BROADHOLLOW ROAD SUITE 1
FARMINGDALE, NY 11735

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Martin G Callahan III

SCHEDULE C

TENANT AGENCY COMPLIANCE AGREEMENT

FORM OF TENANT AGENCY COMPLIANCE AGREEMENT

THIS TENANT AGENCY COMPLIANCE AGREEMENT, dated as of 9/11, 2022, is between the TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, having its office at 1 Independence Hill, 2nd Floor, Farmingville, New York 11738 (the "Agency"), and Holten Health Inc, a [banking corporation] [business corporation] [general partnership] [limited liability company] [limited liability partnership] [limited partnership] duly organized and validly existing under the laws of the State of Ny having its principal office at 90 State Street Suite 700 Office 40 (the "Tenant").
Albany, NY 12207

R E C I T A L S

WHEREAS, the Agency was created by Chapter 358 of the Laws of 1970 of the State of New York, as amended, pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York (collectively, the "Act"); and

WHEREAS, the Agency has agreed to assist in the acquisition of an approximately 6.0 acre parcel of land located at 1 Corporate Drive, Holtsville, New York (the "Land"), the renovation, redevelopment and equipping of an approximately 48,416 square foot building located thereon (collectively, the "Equipment" and "Improvements"; and, together with the Land, the "Facility"), all for lease by the Agency to the Company and to be subleased by the Company to a future tenant or tenants not yet determined (the "Tenants"), for use as manufacturing, distribution, warehouse and miscellaneous office space, all for lease by the Agency to HOLTSVILLE INDUSTRIAL, LLC, a limited liability company duly organized and validly existing under the laws of the State of New York (the "Company"); and

WHEREAS, the Agency acquired a leasehold interest in the Land and the Improvements, all pursuant to the Company Lease Agreement, dated as of February 1, 2018 (the "Company Lease"), by and between the Agency and the Company; and

WHEREAS, the Agency leased the Facility to the Company pursuant to the Lease and Project Agreement, dated as of February 1, 2018 (the "Lease Agreement"), by and between the Agency and the Company; and

WHEREAS, the Company intends to sublease a portion of the Facility to be used as Office Space (the "Demised Premises") to the Tenant pursuant to a [Tenant Lease Agreement], dated as of 9/11, 2022 (the "Tenant Lease Agreement"), by and between the Company and the Tenant, which may be amended from time to time.

NOW, THEREFORE, the parties hereto hereby agree as follows:

ARTICLE I
REPRESENTATIONS AND COVENANTS OF TENANT

Section 2.1 Representations and Covenants of Tenant. The Tenant makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) The Tenant is a [banking corporation] [business corporation] [general partnership] [limited liability company] [limited liability partnership] [limited partnership] duly organized and validly existing under the laws of the State of NY [*and authorized to transact business in the State of New York*], and in good standing under the laws of the State of New York,[and the State of [NY]] and has full legal right, power and authority to execute, deliver and perform this Tenant Agency Compliance Agreement. This Tenant Agency Compliance Agreement has been duly authorized, executed and delivered by the Tenant.

(b) To the best of the Tenant's knowledge, neither the execution and delivery of this Tenant Agency Compliance Agreement nor the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions hereof will conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of any law or ordinance of the State or any political subdivision thereof, the Tenant's organizational documents, as amended, or any restriction or any agreement or instrument to which the Tenant is a party or by which it is bound.

(c) Any and all leasehold improvements undertaken by the Tenant with respect to the Demised Premises and the design, acquisition, construction, renovation, equipping and operation thereof by the Tenant will conform in all material respects with all applicable zoning, planning, building and environmental laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Facility. The Tenant shall defend, indemnify and hold harmless the Agency from any liability or expenses, including reasonable attorneys' fees, resulting from any failure by the Tenant to comply with the provisions of this subsection.

(d) The Tenant Agency Compliance Agreement constitutes a legal, valid and binding obligation of the Tenant enforceable against the Tenant in accordance with its terms.

(e) Under penalty of perjury, the Tenant certifies that it is in substantial compliance with all local, state, and federal tax, worker protection and environmental laws, rules and regulations.

ARTICLE II
INSURANCE

Section 2.1 Insurance Required. At all times throughout the Lease Term, the Tenant shall, at its sole cost and expense, maintain or cause to be maintained insurance against such risks, and for such amounts, as are customarily insured against by businesses of like size and type and shall pay, as the same become due and payable, all premiums with respect thereto. Such insurance shall include, without limitation, the following (but without duplication of insurance provided by the Company pursuant to the Lease Agreement covering the same risks and insured(s)):

(a) Insurance against loss or damage by fire, lightning and other casualties customarily insured against, with a uniform standard extended coverage endorsement, such insurance to be in

an amount not less than the full replacement value of the completed Improvements, exclusive of footings and foundations, as determined by a recognized appraiser or insurer selected by the Tenant, but in no event less than \$1,000,000. During the construction of the Facility, such policy shall be written in the so-called "Builder's Risk Completed Value Non-Reporting Form" and shall contain a provision granting the insured permission to complete and/or occupy.

(b) Workers' compensation insurance, disability benefits insurance and each other form of insurance that the Tenant is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the Tenant or any permitted sublessee who are located at or assigned to the Facility. This coverage shall be in effect from and after the date any such employees first occupy the Facility.

(c) Insurance protecting the Agency and the Tenant against loss or losses from liability imposed by law or assumed in any written contract (including the contractual liability assumed by the Tenant under Section 3.2 hereof) or arising from personal injury, including bodily injury or death, or damage to the property of others, caused by an accident or other occurrence, with a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage), and blanket excess liability coverage, in an amount not less than \$5,000,000 combined single limit or equivalent, protecting the Agency and the Tenant against any loss or liability or damage for personal injury, including bodily injury or death, or property damage. This coverage shall also be in effect during any construction or renovation period with respect to the Demised Premises.

(d) During any construction period with respect to the Demised Premises (and for at least one year thereafter in the case of Products and Completed Operations as set forth below), the Tenant shall cause the general contractor to carry liability insurance of the type and providing the minimum limits set forth below:

(i) Workers' compensation and employer's liability with limits in accordance with applicable law.

(ii) Comprehensive general liability providing coverage for:

- Premises and Operations
- Products and Completed Operations
- Owners Protective
- Contractors Protective
- Contractual Liability
- Personal Injury Liability
- Broad Form Property Damage
(including completed operations)
- Explosion Hazard
- Collapse Hazard
- Underground Property Damage Hazard

Such insurance shall have a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage).

- (iii) Business auto liability, including all owned, non-owned and hired autos, with a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage).
- (iv) Excess “umbrella” liability providing liability Insurance in excess of the coverages in (i), (ii) and (iii) above with a limit of not less than \$5,000,000.

Section 2.2 Additional Provisions Respecting Insurance.

(a) All insurance required by this Tenant Agency Compliance Agreement shall be procured and maintained in financially sound and generally recognized responsible insurance companies authorized to write such insurance in the State and selected by the entity required to procure the same. The company issuing the policies required by Section 2.1(a) hereof shall be rated “A” or better by A.M. Best Co., Inc. in Best’s Key Rating Guide. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the procuring entity is engaged. All policies of insurance required by Section 2.1 hereof shall provide for at least thirty (30) days prior written notice to the Agency of the restriction, cancellation or modification thereof. The policy evidencing the insurance required by Section 2.1(c) hereof shall name the Agency as an additional insured. All policies evidencing the insurance required by Section 2.1 (d)(ii) and (iv) shall name the Agency and the Tenant as additional insureds.

(b) The certificate of insurance required by Section 2.1(c) hereof shall be delivered to the Agency on or before the date hereof. A copy of the certificates of insurance required by Section 2.1(d)(ii) and (iv) hereof shall be delivered to the Agency on or before the commencement of any construction or renovation of the Demised Premises. The Tenant shall deliver to the Agency before the first Business Day of each calendar year thereafter a certificate dated not earlier than the immediately preceding month reciting that there is in full force and effect, with a term covering the current year of the Tenant’s insurance policy, insurance of the types and in the amounts required by Section 2.1 hereof and complying with the additional requirements of Section 2.2(a) hereof. Prior to the expiration of each such policy or policies, the Tenant shall furnish to the Agency and any other appropriate Person a new policy or policies of insurance or evidence that such policy or policies have been renewed or replaced or are no longer required by this Tenant Agency Compliance Agreement. The Tenant shall provide such further information with respect to the insurance coverage required by this Tenant Agency Compliance Agreement as the Agency may from time to time reasonably require.

Section 2.3 Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to the provisions of Section 2.1(c) and (d) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid. The Net Proceeds of the insurance carried pursuant to the provisions of Section 2.1(a) hereof shall be applied in accordance with the provisions of the Tenant Lease Agreement.

Section 2.4 Right of Agency to Pay Insurance Premiums. If the Tenant fails to maintain or cause to be maintained any insurance required to be maintained by Section 2.1 hereof, the Agency may pay or cause to be paid the premium for such insurance. No such payment shall be made by the Agency until at least ten (10) days shall have elapsed since notice shall have been given by the Agency to the Tenant. No such payment by the Agency shall affect or impair any rights of the Agency hereunder arising in consequence of such failure by the Tenant. The Tenant

shall, on demand, reimburse the Agency for any amount so paid pursuant to this Section, together with interest thereon from the date of payment of such amount by the Agency.

ARTICLE III SPECIAL COVENANTS

Section 3.1 No Warranty of Condition or Suitability by Agency. THE AGENCY HAS MADE AND MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, FITNESS, DESIGN, OPERATION OR WORKMANSHIP OF ANY PART OF THE FACILITY, ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE FACILITY, OR THE SUITABILITY OF THE DEMISED PREMISES FOR THE PURPOSES OR NEEDS OF THE TENANT OR THE EXTENT TO WHICH FUNDS AVAILABLE TO THE TENANT WILL BE SUFFICIENT TO PAY THE COST OF COMPLETION OF THE DEMISED PREMISES. THE TENANT ACKNOWLEDGES THAT THE AGENCY IS NOT THE MANUFACTURER OF THE EQUIPMENT NOR THE MANUFACTURER'S AGENT NOR A DEALER THEREIN. THE TENANT, ON BEHALF OF ITSELF IS SATISFIED THAT THE DEMISED PREMISES IS SUITABLE AND FIT FOR PURPOSES OF THE TENANT. THE AGENCY SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER TO THE TENANT OR ANY OTHER PERSON FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY THE PROPERTY OF THE FACILITY OR THE USE OR MAINTENANCE THEREOF OR THE FAILURE OF OPERATION THEREOF, OR THE REPAIR, SERVICE OR ADJUSTMENT THEREOF, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY SUCH MAINTENANCE, REPAIRS, SERVICE OR ADJUSTMENT, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED.

Section 3.2 Hold Harmless Provisions.

(a) The Tenant agrees that the Agency and its directors, members, officers, agents (except the Company) and employees shall not be liable for, and agrees to defend, indemnify, release and hold the Agency and its directors, members, officers, agents and employees harmless from and against, any and all (i) liability for loss or damage to Property or injury to or death of any and all Persons that may be occasioned by, directly or indirectly, any cause whatsoever pertaining to the Demised Premises or to common areas or other portions of the Facility to which the Tenant has regular access (such areas, together with the Demised Premises, are hereinafter referred to as the "Tenant Premises"), or arising by reason of or in connection with the occupation or the use thereof or the presence of any Person or Property on, in or about the Tenant Premises, and (ii) liability arising from or expense incurred in connection with the Agency's participation in the subleasing of the Demised Premises to the Tenant, including, without limiting the generality of the foregoing, all claims arising from the breach by the Tenant of any of its covenants contained herein, the exercise by the Tenant of any authority conferred upon it pursuant to this Tenant Agency Compliance Agreement and all causes of action and reasonable attorneys' fees (whether by reason of third party claims or by reason of the enforcement of any provision of this Tenant Agency Compliance Agreement (including without limitation this Section) or any other documents delivered by the Agency in connection with this Tenant Agency Compliance Agreement), and any other expenses incurred in defending any claims, suits or actions which may arise as a result of any of the foregoing, to the extent that any such losses, damages, liabilities or expenses of the

Agency are not incurred and do not result from the gross negligence or intentional or willful wrongdoing of the Agency or any of its directors, members, agents or employees. Except as otherwise provided herein, the foregoing indemnities shall apply notwithstanding the fault or negligence in part of the Agency, or any of its members, directors, officers, agents or employees, and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability. The foregoing indemnities are limited only to the extent of any prohibitions imposed by law, and upon the application of any such prohibition by the final judgment or decision of a competent court of law, the remaining provisions of these indemnities shall remain in full force and effect.

(b) Notwithstanding any other provisions of this Tenant Agency Compliance Agreement, the obligations of the Tenant pursuant to this Section shall remain in full force and effect after the termination of this Tenant Agency Compliance Agreement until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters herein described may be brought, and payment in full or the satisfaction of such claim, cause of action or prosecution relating to the matters herein described and the payment of all expenses and charges incurred by the Agency or its members, directors, officers, agents and employees relating to the enforcement of the provisions herein specified.

(c) In the event of any claim against the Agency or its members, directors, officers, agents or employees by any employee or contractor of the Tenant or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the obligations of the Tenant hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation, disability benefits or other employee benefit acts.

Section 3.3 Right to Inspect Demised Premises. The Agency and its duly authorized agents shall have the right at all reasonable times and upon reasonable prior written notice to inspect the Demised Premises.

Section 3.4 Qualification as Project.

(a) The Tenant will not take any action, or fail to take any action, which action or failure to act would cause the Facility not to constitute a “project” as such quoted term is defined in the Act. Without limiting the generality of the foregoing, the Tenant will in no event use the Demised Premises in such a way as to cause or permit the Facility to be used in violation of Section 862(2)(a) of the Act.

(b) The occupation of the Demised Premises has not and will not result in the removal of a facility or plant of the Tenant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Tenant located within the State.

Section 3.5 Compliance with Orders, Ordinances, Etc.

(a) The Tenant, throughout the Lease Term, agrees that it will promptly comply, and cause any sublessee of the Tenant or occupant of the Demised Premises which is occupying the Demised Premises by permission of the Tenant to comply, with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Facility or the Demised Premises, or to the acquisition,

construction and equipping of the Demised Premises, or to any use, manner of use or condition of the Facility or any part of the Demised Premises, of all federal, state, county, municipal and other governments, departments, commissions, boards, courts, authorities, officials and officers having jurisdiction of the Facility or any part thereof, and companies or associations insuring the premises.

(b) The Tenant shall keep or cause the Demised Premises to be kept free of Hazardous Substances. Without limiting the foregoing, the Tenant shall not cause or permit the Demised Premises to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Substances, except in compliance with all applicable federal, state and local laws or regulations, nor shall the Tenant cause or permit, as a result of any intentional or unintentional act or omission on the part of the Tenant or any of its contractors, subcontractors or tenants, a release of Hazardous Substances onto the Facility or onto any other property. The Tenant shall comply with, and ensure compliance by all of its contractors, subcontractors and subtenants with, all applicable federal, state and local environmental laws, ordinances, rules and regulations, whenever and by whomever triggered, and shall obtain and comply with, and ensure that all of its contractors, subcontractors and subtenants obtain and comply with, any and all approvals, registrations or permits required thereunder. The Tenant shall (i) conduct and complete all investigations, studies, sampling and testing and all remedial, removal and other actions necessary to clean up and remove all Hazardous Substances released, stored, generated or used by it on, from or affecting the Demised Premises (A) in accordance with all applicable federal, state and local laws, ordinances, rules, regulations and policies, (B) to the satisfaction of the Agency, and (C) in accordance with the orders and directives of all federal, state and local governmental authorities; and (ii) defend, indemnify and hold harmless the Agency, its employees, agents, officers, members and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to (A) the presence, disposal, release or threatened release of any Hazardous Substances which are on, from or affecting the soil, water, vegetation, buildings, personal property, persons, animals or otherwise, (B) any bodily injury, personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Substances, (C) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Substances, or (D) any violation of laws, orders, regulations, requirements or demands of government authorities, or of any policies or requirements of the Agency, which are based upon or in any way related to such Hazardous Substances, and in all cases which result from the intentional or unintentional act or omission of the Tenant or any of its contractors, subcontractors or subtenants, including, without limitation, reasonable attorney and consultant fees, investigation and laboratory fees, court costs and litigation expenses. The provisions of this Section shall be in addition to any and all other obligations and liabilities the Tenant may have to the Agency at common law and shall survive the transactions contemplated herein.

(c) Notwithstanding the provisions of subsections (a) and (b) above, the Tenant may in good faith contest the validity or the applicability of any requirement of the nature referred to in such subsections (a) and (b) by appropriate legal proceedings conducted in good faith and with due diligence. In such event, the Tenant may fail to comply with the requirement or requirements so contested during the period of such contest and any appeal therefrom, unless the Agency shall notify the Tenant that, by failure to comply with such requirement or requirements, the Facility or any part thereof may be subject to loss, penalty or forfeiture, in which event the Tenant shall promptly take such action with respect thereto or provide such security as shall be reasonably

satisfactory to the Agency. If at any time the then existing use or occupancy of the Demised Premises shall, pursuant to any zoning or other law, ordinance or regulation, be permitted only so long as such use or occupancy shall continue, the Tenant shall use reasonable efforts not to cause or permit such use or occupancy by the Tenant to be discontinued without the prior written consent of the Agency, which consent shall not be unreasonably withheld.

(d) Notwithstanding the provisions of this Section, if, because of a breach or violation of the provisions of subsection (a) or (b) above (without giving effect to subsection (c)), the Agency or any of its members, directors, officers, agents or employees shall be threatened with a fine, liability, expense or imprisonment, then, upon notice from the Agency, the Tenant shall immediately provide legal protection or pay an amount or post a bond in an amount necessary, in the opinion of the Agency and of its members, directors, officers, agents and employees, to the extent permitted by applicable law, to remove the threat of such fine, liability, expense or imprisonment.

(e) Notwithstanding any provisions of this Section, the Agency retains the right to defend itself in any action or actions which are based upon or in any way related to such Hazardous Substances. In any such defense of itself, the Agency shall select its own counsel, and any and all costs of such defense, including, without limitation, reasonable attorney and consultant fees, investigation and laboratory fees, court costs and litigation expenses, shall be paid by the Tenant.

Section 3.6 Agreement to Provide Information. Annually, the Tenant shall provide the Agency with a certified statement and documentation (i) enumerating the FTE jobs, by category, retained and/or created at the Facility as a result of the Agency's financial assistance and (ii) indicating the fringe benefits and salary averages or ranges for such categories of FTE jobs created and/or retained. The Tenant further agrees to provide and certify or cause to be provided and certified whenever requested by the Agency any other information concerning the Tenant, its respective finances, its respective operations, its respective employment and its affairs necessary to enable the Agency to make any report required by law, governmental regulation, including, without limitation, any reports required by the Act, the Public Authorities Accountability Act of 2005, or the Public Authorities Reform Act of 2009, each as amended from time to time, or any other reports required by the New York State Authority Budget Office or the Office of the State Comptroller, or any of the Agency Documents or Tenant Documents. Such information shall be provided within thirty (30) days following written request from the Agency.

Section 3.7 Employment Opportunities; Notice of Jobs. The Tenant covenants and agrees that, in consideration of the participation of the Agency in the transactions contemplated herein, it will, except as otherwise provided by collective bargaining contracts or agreements to which it is a party, cause any new employment opportunities created in connection with the Demised Premises to be listed with the New York State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300), as superseded by the Workforce Innovation and Opportunity Act (PL. 113-128), in which the Facility is located (collectively, the "Referral Agencies"). The Tenant also agrees that it will, except as otherwise provided by collective bargaining contracts or agreements to which it is a party, first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the Referral Agencies.

Section 3.8 Subleasing.

(a) In accordance with Section 862(1) of the Act, the Demised Premises shall not be occupied by a sublessee whose tenancy would result in the removal of a facility or plant of the proposed sublessee from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of such sublessee located within the State; provided, however, that neither restriction shall apply if the Agency shall determine:

- (i) that such occupation of the Demised Premises is reasonably necessary to discourage the proposed sublessee from removing such other plant or facility to a location outside the State, or
- (ii) that such occupation of the Demised Premises is reasonably necessary to preserve the competitive position of the proposed sublessee in its respective industry.

(b) The Tenant may not assign the Tenant Lease Agreement or sub-sublease the Demised Premises without the prior written consent of the Agency. Any assignment or sub-sublease shall conform with the restrictions and requirements set forth in Section 9.3 of the Lease Agreement.

Section 3.9 Approval of Tenant Lease Agreement. The Agency hereby approves the subleasing of the Facility by the Company to the Tenant pursuant to the terms of the Tenant Lease Agreement.

Section 3.10 Definitions. All capitalized terms used in this Tenant Agency Compliance Agreement and not otherwise defined herein shall have the meanings assigned thereto in the Schedule of Definitions attached to the Lease Agreement as Schedule A.

Section 3.11 Execution of Counterparts. This Tenant Agency Compliance Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.


(Remainder of Page Intentionally Left Blank – Signature Page Follows)

IN WITNESS WHEREOF, the Agency and the Tenant have caused this Tenant Agency Compliance Agreement to be executed in their respective names by their duly authorized representatives, all as of _____, 20__.

**TOWN OF BROOKHAVEN INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Name:
Title:

[NAME OF ENTITY] *Hotgen Health Inc.*

By: 
Name: *Wei Zeng*
Title: *President*

**FORM APPLICATION FOR FINANCIAL ASSISTANCE
TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
1 Independence Hill, 2nd Floor, Farmingville, New York 11738**

DATE: 8/3/2022

APPLICATION OF: WellLife Network Inc.* on behalf of a to be formed entity (Medford Gardens, LLC)

Name of Owner and/or User of Proposed Project

ADDRESS: Block 1 Lot 3 & 4 Horseblock Road

Medford, NY 11703

Type of Application: Tax-Exempt Bond Taxable Bond
 Straight Lease Refunding Bond

Please respond to all items either by filling in blanks, by attachment (by marking space “see attachment number 1”, etc.) or by N.A., where not applicable. Application must be filed in two copies. A non-refundable application fee is required at the time of submission of this application to the Agency. The non-refundable application fee is \$3,000 for applications under \$5 million and \$4,000 for applications of \$5 million or more.

Transaction Counsel to the Agency may require a retainer which will be applied to fees incurred and actual out-of-pocket disbursements made during the inducement and negotiation processes and will be reflected on their final statement at closing.

Information provided herein will not be made public by the Agency prior to the passage of an official Inducement Resolution, but may be subject to disclosure under the New York State Freedom of Information Law.

Prior to submitting a completed final application, please arrange to meet with the Agency’s staff to review your draft application. Incomplete applications will not be considered. The Board reserves the right to require that the applicant pay for the preparation of a Cost Benefit Analysis, and the right to approve the company completing the analysis.

PLEASE NOTE: It is the policy of the Brookhaven IDA to encourage the use of local labor and the payment of the area standard wage during construction on the project.

IDA benefits may not be conferred upon the Company until the Lease and Project Agreement have been executed.

*See list of affiliates of WellLife Network annexed as Exhibit A

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SCHEDULE A	Agency's Fee Schedule
SCHEDULE B	Construction Wage Policy
SCHEDULE C	Recapture and Termination Policy

Part I: Owner & User Data

1. Owner Data:

A. Owner (Applicant for assistance): WellLife Network Inc. on behalf of a to be formed entity (Medford Gardens, LLC)

Address: 142-02 20th Avenue, 3rd Floor
Flushing, New York 11351

Federal Employer ID # [REDACTED] Website: www.welllifenetwork.org

NAICS Code: 624190

Owner Officer Certifying Application: Sherry Tucker

Title of Officer: CEO

Phone Number: [REDACTED] [REDACTED]

B. Business Type:

Sole Proprietorship Partnership Limited Liability Company

Privately Held Public Corporation Listed on _____

State of Incorporation/Formation: New York

C. Nature of Business:

(e.g., “manufacturer of _____ for _____ industry”; “distributor of _____”; or “real estate holding company”)

Owners of Residential Buildings and Dwellings

D. Owner Counsel:

Firm Name: Levy, Stopol & Camelo, LLP and Ruskin Moscou Faltischek P.C.

Address: 1425 RXR Plaza, East Tower, 15th Floor
Uniondale, NY 11556-1425

Individual Attorney: Dianna Camelo, Esq. and John D. Chillemi, Esq. of Counsel

Phone Number: 516-802-7007 and 516-663-6619

E-mail: dcamelo@levystopol.com and jchillemi@rmfpc.com

E. Principal Stockholders, Members or Partners, if any, of the Owner:

Name	Percent Owned
None	
_____	_____
_____	_____
_____	_____

F. Has the Owner, or any subsidiary or affiliate of the Owner, or any stockholder, partner, member, officer, director or other entity with which any of these individuals is or has been associated with:

- i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (if yes, please explain)

No

- ii. been convicted of a felony, or misdemeanor, or criminal offense (other than a motor vehicle violation)? (if yes, please explain)

No

G. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the Owner, list all other organizations which are related to the Owner by virtue of such persons having more than a 50% interest in such organizations.

H. Is the Owner related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

I. List parent corporation, sister corporations and subsidiaries:

J. Has the Owner (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

No.

K. List major bank references of the Owner:

TD Bank, Patty DiLello 631-921-4996

Merchants Capital, Michael Milazzo 347-773-2179

2. User Data

*** (for co-applicants for assistance or where a landlord/tenant relationship will exist between the owner and the user) ***

A. User (together with the Owner, the "Applicant"): **Not Applicable.**

Address: _____

Federal Employer ID #: _____ Website: _____

NAICS Code: _____

User Officer Certifying Application: _____

Title of Officer: _____

Phone Number: _____ E-mail: _____

B. Business Type:

Sole Proprietorship Partnership Privately Held

Public Corporation Listed on _____

State of Incorporation/Formation: _____

C. Nature of Business:

(e.g., "manufacturer of _____ for _____ industry"; "distributor of _____"; or "real estate holding company")

D. Are the User and the Owner Related Entities? Yes No

i. If yes, the remainder of the questions in this Part I, Section 2 (with the exception of "F" below) need not be answered if answered for the Owner.

ii. If no, please complete all questions below.

E. User's Counsel:

Firm Name: _____

Address: _____

Individual Attorney: _____

Phone Number: _____

E-mail: _____

F. Principal Stockholders or Partners, if any:

Name

Percent Owned

G. Has the User, or any subsidiary or affiliate of the User, or any stockholder, partner, officer, director or other entity with which any of these individuals is or has been associated with:

i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (if yes, please explain)

ii. been convicted of a felony or criminal offense (other than a motor vehicle violation)? (if yes, please explain)

H. If any of the above persons (see "F", above) or a group of them, owns more than 50% interest in the User, list all other organizations which are related to the User by virtue of such persons having more than a 50% interest in such organizations.

I. Is the User related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

J. List parent corporation, sister corporations and subsidiaries:

K. Has the User (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

L. List major bank references of the User:

Part II – Operation at Current Location

**** (if the Owner and the User are unrelated entities, answer separately for each) ****

1. Current Location Address: Block 1 Lot 3 & 4 Horseblock Road, Medford, NY 11703

2. Owned or Leased: Owned

3. Describe your present location (acreage, square footage, number buildings, number of floors, etc.):

6.827 acres of vacant land.

4. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services:

Currently vacant land; there is no current operation on site.

5. Are other facilities or related companies of the Applicant located within the State?
Yes No

A. If yes, list the Address: _____

6. Will the completion of the project result in the removal of any facility or facilities of the Applicant from one area of the state to another OR in the abandonment of any facility or facilities of the Applicant located within the State? Yes No

A. If no, explain how current facilities will be utilized: currently vacant land
will be replaced with the new construction of a three story, 67-unit, apartment building.

- B. If yes, please indicate whether the project is reasonably necessary for the Applicant to maintain its competitive position in its industry or remain in the State and explain in full:

7. Has the Applicant actively considered sites in another state? Yes No

A. If yes, please list states considered and explain: _____

8. Is the requested financial assistance reasonably necessary to prevent the Applicant from moving out of New York State? Yes No

A. Please explain: _____

9. Number of full-time equivalent employees (FTE's) at current location and average salary (indicate hourly or yearly salary):

Not Applicable

Part III – Project Data

1. Project Type:

A. What type of transaction are you seeking? (Check one)

Straight Lease Taxable Bonds Tax-Exempt Bonds
Equipment Lease Only

B. Type of benefit(s) the Applicant is seeking: (Check all that apply)

Sales Tax Exemption Mortgage Recording Tax Exemption
PILOT Agreement:

2. Location of project:

A. Street Address: Block 1 Lot 3 & 4 Horseblock Road, Medford, NY 11703

B. Tax Map: District 0200 Section 700.00 Block 01.00 Lot(s) 003.002 & 004.001

C. Municipal Jurisdiction:

i. Town: Brookhaven
ii. Village: Medford
iii. School District: Patchogue-Medford School District

D. Acreage: 6.827

3. Project Components (check all appropriate categories):

A. Construction of a new building Yes No

i. Square footage: Approximately 68,726

B. Renovations of an existing building Yes No

i. Square footage: _____

C. Demolition of an existing building Yes No

i. Square footage: _____

D. Land to be cleared or disturbed Yes No

i. Square footage/acreage: 6.827 acres

E. Construction of addition to an existing building Yes No

i. Square footage of addition: _____

ii. Total square footage upon completion: _____

F. Acquisition of an existing building Yes No

i. Square footage of existing building: _____

- G. Installation of machinery and/or equipment Yes No
i. List principal items or categories of equipment to be acquired: _____

Appliances; Elevators; HVAC

4. Current Use at Proposed Location:

- A. Does the Applicant currently hold fee title to the proposed location?

i. If no, please list the present owner of the site: Thousand Island Purchase, LLC

- B. Present use of the proposed location: Vacant Land
-

- C. Is the proposed location currently subject to an IDA transaction (whether through this Agency or another?) Yes No

i. If yes, explain: _____

- D. Is there a purchase contract for the site? (if yes, explain): Yes No

Purchase and Sale Agreement with private owner

- E. Is there an existing or proposed lease for the site? (if yes, explain): Yes No
-

5. Proposed Use:

- A. Describe the specific operations of the Applicant or other users to be conducted at the project site: _____

New construction of a three (3) story, 67-unit, supportive and affordable apartment building.

- B. Proposed product lines and market demands: Not Applicable
-
-

C. If any space is to be leased to third parties, indicate the tenant(s), total square footage of the project to be leased to each tenant, and the proposed use by each tenant:

Not Applicable.

D. Need/purpose for project (e.g., why is it necessary, effect on Applicant's business):

To provide 67 units of affordable and supportive housing to seniors.

E. Will any portion of the project be used for the making of retail sales to customers who personally visit the project location? Yes No

i. If yes, what percentage of the project location will be utilized in connection with the sale of retail goods and/or services to customers who personally visit the project location? _____

F. To what extent will the project utilize resource conservation, energy efficiency, green technologies and alternative / renewable energy measures?

The project will be designed to the Enterprise Green Community standards.

6. Project Work:

A. Has construction work on this project begun? If yes, complete the following:

i. Site Clearance:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	% COMPLETE	_____
ii. Foundation:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	% COMPLETE	_____
iii. Footings:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	% COMPLETE	_____
iv. Steel:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	% COMPLETE	_____
v. Masonry:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	% COMPLETE	_____
vi. Other:	No construction work has started on the project.			

B. What is the current zoning? R-2

C. Will the project meet zoning requirements at the proposed location?

Yes No

D. If a change of zoning is required, please provide the details/status of the change of zone request: A change of zone from A Residence 1 to PRC Residence District (Planned Retirement Community) was submitted to the Town of Brookhaven and was approved on June 9, 2022.

E. Have site plans been submitted to the appropriate planning department? Yes No
- a site plan was submitted to the Planning Board in the Spring of 2022. The revised site plan will be resubmitted in July 2022.

7. Project Completion Schedule:

A. What is the proposed commencement date for the acquisition and the construction/renovation/equipping of the project?

i. Acquisition: August 2022

ii. Construction/Renovation/Equipping: June 2023

B. Provide an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur: 19-month construction period.

Part IV – Project Costs and Financing

1. Project Costs:

A. Give an accurate estimate of cost necessary for the acquisition, construction, renovation, improvement and/or equipping of the project location:

<u>Description</u>	<u>Amount</u>
Land and/or building acquisition	\$ 2,900,000 _____
Building(s) demolition/construction	\$ 21,372,750 _____
Building renovation	\$ _____
Site Work	\$ 400,000 _____
Machinery and Equipment	\$ _____
Legal Fees	\$ 300,000 _____
Architectural/Engineering Fees	\$ 900,000 _____
Financial Charges	\$ 1,678,625 _____
Other (Specify)	\$ 6,736,723 - Dev Fee, Soft Costs, Ins/tax, reserves _____
Total	\$ 34,288,098 _____

Please note, IDA fees are based on the total project costs listed above. At the completion of your project, you are required to provide both a certificate of completion along with a cost affidavit certifying the final project costs. The IDA fees may be adjusted as a result of the certified cost affidavit. Money will not be refunded if the final project cost is less than the amount listed above.

2. Method of Financing:

	Amount	Term
A. Tax-exempt bond financing:	\$ _____	_____ years
B. Taxable bond financing:	\$ _____	_____ years
C. Conventional Mortgage:	\$ 2,300,000 _____	30 _____ years
D. SBA (504) or other governmental financing:	\$ _____	_____ years
E. Public Sources (include sum of all State and federal grants and tax credits):	\$ 31,346,806 _____	
F. Other loans:	\$ _____	_____ years
G. Owner/User equity contribution:	\$ 641,292 _____	_____ years
Total Project Costs	\$ 34,288,098 _____	

i. What percentage of the project costs will be financed from public sector sources?

90% _____

3. Project Financing:

A. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? Yes No

i. If yes, provide detail on a separate sheet.

B. Are costs of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of bond proceeds? Give details:

Not Applicable

C. Will any of the funds borrowed through the Agency be used to repay or refinance an existing mortgage or outstanding loan? Give details:

No

D. Has the Applicant made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom:

Not Applicable

Part V – Project Benefits

1. **Mortgage Recording Tax Benefit:**

A. Mortgage Amount for exemption (include sum total of construction/permanent/bridge financing):

\$ 22,600,000.00

B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and .75%):

\$ 169,500.00

2. **Sales and Use Tax Benefit:**

A. Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax (such amount to benefit from the Agency’s exemption):

\$ 13,063,650.00

B. Estimated State and local Sales and Use Tax exemption (product of 8.625% and figure above):

\$ 1,126,739.81

C. If your project has a landlord/tenant (owner/user) arrangement, please provide a breakdown of the number in “B” above: - **Not applicable.**

i. Owner: \$ _____

ii. User: \$ _____

3. **Real Property Tax Benefit:**

A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency’s PILOT benefit: Not Applicable

B. Agency PILOT Benefit:

i. Term of PILOT requested: 30 years, co-terminus with Financing

ii. Upon acceptance of this application, the Agency staff will create a PILOT schedule and attach such information to Exhibit A hereto. Applicant hereby requests such PILOT benefit as described on Exhibit A.

**** This application will not be deemed complete and final until Exhibit A hereto has been completed. ****

Part VI – Employment Data

1. List the Applicant’s and each user's present employment and estimates of (i) employment at the proposed project location, not just new employment, at the end of year one and year two following project completion and (ii) the number of residents of the Labor Market Area* (“LMA”) that would fill the full-time and part-time jobs at the end of the second year following completion:

Present number of FTEs **: 0 6/21/2022 N/A
 Date Average Annual Salary of Jobs to be Retained
 FTEs to be Created in First Year: 2025 (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
FTE	7												7

FTEs to be Created in Second Year: 2026 (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
FTE	7												7

Number of Residents of LMA:

Full-Time: 7

Part-Time: _____

Cumulative Total FTEs ** After Year 2 7

Construction Jobs to be Created: approx. 120

*** The Labor Market Area includes the County/City/Town/Village in which the project is located as well as Nassau and Suffolk Counties.**

**** To calculate FTEs (Full-Time Equivalent Employees) please use the following example: if an organization considers 40 hours per week as full-time and there are four employees who work 10 hours each per week, the cumulative hours for those employees equal 1 FTE.**

2. Salary and Fringe Benefits:

Category of Jobs to be Created	Average Salary	Average Fringe Benefits
Salary Wage Earners	40,000	12,000
Commission Wage Earners		
Hourly Wage Earners		
1099 and Contract Workers		

What is the annualized salary range of jobs to created? 36,000 to 48,000

Note: The Agency reserves the right to visit the facility to confirm that job creation numbers are being met.

Part VII – Representations, Certifications and Indemnification

1. Is the Applicant in any litigation which would have a material adverse effect on the Applicant's financial condition? (if yes, furnish details on a separate sheet)

Yes No

2. Has the Applicant or any of the management of the Applicant, the anticipated users or any of their affiliates, or any other concern with which such management has been connected, been cited for a violation of federal, state or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution or other operating practices? (If yes, furnish details on a separate sheet)

Yes No

3. Is there a likelihood that the Applicant would proceed with this project without the Agency's assistance? (If no, please explain why; if yes, please explain why the Agency should grant the benefits requested)

Yes No

As part of the competitive 9% LIHTC process, the State and other funders anticipate a PILOT for the entire regulatory period.

4. If the Applicant is unable to obtain financial assistance from the Agency for the project, what would be the impact on the Applicant and on the municipality?

The proposed 67-unit affordable and supportive housing project will not be financially feasible if the requested PILOT is not provided. The public financing awarded will be rescinded.

5. The Applicant understands and agrees that in accordance with Section 858-b(2) of the General Municipal Law, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the project will be listed with the New York State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300) in which the project is located (collectively, the "Referral Agencies"). The Applicant also agrees, that it will, except as otherwise provided by collective bargaining contracts or agreements to which they are parties, where practicable, first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the Referral Agencies.

Initial SA

6. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the Project as well as may lead to other possible enforcement actions.

Initial SA

7. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

Initial SA

8. The Applicant represents and warrants that to the Applicant's knowledge neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become a person or entity with who United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List or under any statute, executive order including the September 24, 2001, Executive Order Block Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, or other governmental action and is not and will not assign or otherwise transfer this Agreement to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

Initial SA

9. The Applicant confirms and hereby acknowledges it has received the Agency's fee schedule attached hereto as Schedule A and agrees to pay such fees, together with any expenses incurred by the Agency, including those of Transaction Counsel, with respect to the Facility. The Applicant agrees 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 project. The IDA fees are based on the total project costs listed in this application. At the completion of the project, you are required to provide both a certificate of completion along with a cost affidavit certifying the final project costs. The IDA fees may be increased as a result of the certified cost affidavit. Monies will not be refunded if the final costs are below the amount listed in the application.

Initial SA

10. The Applicant confirms and hereby acknowledges it has received the Agency's Construction Wage Policy attached hereto as Schedule B and agrees to comply with the same.

Initial SA

11. The Applicant hereby agrees to comply with Section 875 of the General Municipal Law. The Company further agrees that the financial assistance granted to the project by the Agency is subject to recapture pursuant to Section 875 of the Act and the Agency's Recapture and Termination Policy, attached hereto as Schedule C.

Initial SA

12. The Applicant confirms and hereby acknowledges it has received the Agency's PILOT Policy attached hereto as Schedule D and agrees to comply with the same.

Initial SA

13. The Company hereby authorizes the Agency, without further notice or consent, to use the Company's name, logo and photographs related to the Facility in its advertising, marketing and communications materials. Such materials may include web pages, print ads, direct mail and various types of brochures or marketing sheets, and various media formats other than those listed (including without limitation video or audio presentations through any media form). In these materials, the Agency also has the right to publicize its involvement in the Project.

Initial SA

Part VIII – Submission of Materials

1. Financial statements for the last two fiscal years (unless included in the Applicant's annual report).
2. Applicant's annual reports (or 10-K's if publicly held) for the two most recent fiscal years.
3. Quarterly reports (form 10-Q's) and current reports (form 8-K's) since the most recent annual report, if any.
4. In addition, please attach the financial information described in items A, B, and C of any expected guarantor of the proposed bond issue.
5. Completed Environmental Assessment Form. - **attached**
6. Most recent quarterly filing of NYS Department of Labor Form 45, as well as the most recent fourth quarter filing. Please remove the employee Social Security numbers and note the full-time equivalency for part-time employees.

(Remainder of Page Intentionally Left Blank)

Part IX – Special Representations

1. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if financial assistance is provided for the proposed project. The Applicant hereby indicates its compliance with Section 862(1) by signing the applicable statement below. **(Please sign only one of the following statements a. or b. below).**

a. The completion of the entire project will not result in the removal of an industrial or manufacturing plant of the project occupant from one are of the stat to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state.

Representative of the Applicant: _____ Jerry Tucker _____

b. The completion of this entire project will result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state because the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

Representative of the Applicant: _____ Jerry Tucker _____

2. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

Representative of the Applicant: _____ Jerry Tucker _____

3. In accordance with Section 862(1) of the New York General Municipal Law the Applicant understands and agrees that projects which result in the removal of an industrial or manufacturing plant of the project occupant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the project occupant within the State is ineligible for financial assistance from the Agency, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the project in its respective industry or to discourage the project occupant from removing such other plant or facility to a location outside the State.

Representative of the Applicant: _____ Jerry Tucker _____

4. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving financial assistance for the proposed project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

Representative of the Applicant: _____ Jerry Tucker _____

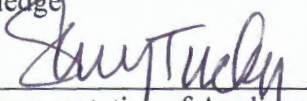
Part X – Certification

Sherry Tucker _____ (name of representative of entities submitting application) deposes and says that he or she is the CEO _____ (title) of WellLife Network Inc. _____, the entities named in the attached application; that he or she has read the foregoing application and knows the contents thereof; and that the same is true to his or her knowledge.

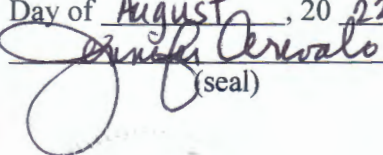
Deponent further says that s/he is duly authorized to make this certification on behalf of the entities named in the attached Application (the “Applicant”) and to bind the Applicant. The grounds of deponent’s belief relative to all matters in said Application which are not stated upon his/her personal knowledge are investigations which deponent has caused to be made concerning the subject matter this Application, as well as in formation acquired by deponent in the course of his/her duties in connection with said Applicant and from the books and papers of the Applicant.

As representative of the Applicant, deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the Town of Brookhaven Industrial Development Agency (hereinafter referred to as the “Agency”) in connection with this Application, the attendant negotiations and all matters relating to the provision of financial assistance to which this Application relates, whether or not ever carried to successful conclusion. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels or neglects the application or if the Applicant is unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees to bond or transaction counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion of the transaction contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the Agency in accordance with its fee schedule in effect on the date of the foregoing application, and all other appropriate fees, which amounts are payable at closing.

The Applicant hereby subscribes and affirms under the penalties of perjury that the information provided in this Application is true, accurate and complete to the best of his or her knowledge.



Representative of Applicant

Sworn to me before this 3rd
Day of August, 20 22


(seal)

JENNIFER AREVALO
Notary Public - State of New York
No. 01AR6291843
Qualified in Nassau County
My Commission Expires November 30, 2025

**** Note: If the entities named in this Application are unrelated and one individual cannot bind both entities, Parts VII, IX and X of this Application must be completed by an individual representative for each entity.****

EXHIBIT A

WellLife Network Inc.
142-02 20th Avenue, 3rd Floor
Flushing, NY 11351
Related Entity Information

1	RELATED ENTITY NAME RELATED ENTITY EIN RELATED ENTITY'S PRIMARY BUSINESS ACTIVITY RELATIONSHIP WITH RELATED ENTITY BOARD MEMBERS IN COMMON WITH PARTICIPANT:	WELLIFE CLEAN CORP. 11-3002344 PROVIDE JANITORAL AND GROUNDSKEEPING SERVICES WHOLLY OWNED SUBSIDIARY OF WELLIFE NETWORK INC. SHERRY TUCKER LORI ALAMEDA
2	RELATED ENTITY NAME RELATED ENTITY EIN RELATED ENTITY'S PRIMARY BUSINESS ACTIVITY RELATIONSHIP WITH RELATED ENTITY BOARD MEMBERS IN COMMON WITH PARTICIPANT:	PSCH- NEW JERSEY, INC 13-4011049 RESIDENTIAL SERVICES FOR ADULTS WITH DEVELOPMENTAL DISABILITIES WHOLLY OWNED SUBSIDIARY WELLIFE NETWORK INC. SHERRY TUCKER LORI ALAMEDA
3	RELATED ENTITY NAME RELATED ENTITY EIN RELATED ENTITY'S PRIMARY BUSINESS ACTIVITY RELATIONSHIP WITH RELATED ENTITY BOARD MEMBERS IN COMMON WITH PARTICIPANT:	ASTROCARE, INC 11-3635418 COUMMUNITY CLINICS WHOLLY OWNED SUBSIDIARY WELLIFE NETWORK INC. SHERRY TUCKER LORI ALAMEDA WILLIE SCOTT
4	RELATED ENTITY NAME RELATED ENTITY EIN RELATED ENTITY'S PRIMARY BUSINESS ACTIVITY RELATIONSHIP WITH RELATED ENTITY BOARD MEMBERS IN COMMON WITH PARTICIPANT:	PARTNERS FOR ORGANIZATIONAL EXCELLENCE, INC. 27-4285327 CONSULTING WHOLLY OWNED SUBSIDIARY WELLIFE NETWORK INC. SHERRY TUCKER LORI ALAMEDA
5	RELATED ENTITY NAME RELATED ENTITY EIN RELATED ENTITY'S PRIMARY BUSINESS ACTIVITY RELATIONSHIP WITH RELATED ENTITY BOARD MEMBERS IN COMMON WITH PARTICIPANT:	PSCH 78TH ST. OZONE PARK HOUSING DEVELOPMENT FUND CORP. 04-3618973 COUMMUNITY RESIDENCE WHOLLY OWNED SUBSIDIARY WELLIFE NETWORK INC. SHERRY TUCKER LORI ALAMEDA
6	RELATED ENTITY NAME RELATED ENTITY EIN RELATED ENTITY'S PRIMARY BUSINESS ACTIVITY RELATIONSHIP WITH RELATED ENTITY BOARD MEMBERS IN COMMON WITH PARTICIPANT:	PENINSULA COUNSELING CENTER, INC. 11-228-9028 MENTAL HEALTH COUNSELING FACILITY SPONSORSHIP STEPHEN BERNSTEIN
7	RELATED ENTITY NAME RELATED ENTITY EIN RELATED ENTITY'S PRIMARY BUSINESS ACTIVITY RELATIONSHIP WITH RELATED ENTITY BOARD MEMBERS IN COMMON WITH PARTICIPANT:	EAST 165TH STREET HOUSING DEVELOPMENT FUND CORPORATION 47-4620560 AFFORDABLE HOUSING RESIDENCE SOLO MEMBER SHERRY TUCKER LORI ALAMEDA
8	RELATED ENTITY NAME RELATED ENTITY EIN RELATED ENTITY'S PRIMARY BUSINESS ACTIVITY RELATIONSHIP WITH RELATED ENTITY BOARD MEMBERS IN COMMON WITH PARTICIPANT:	PSCH CYPRESS AVENUE HOUSING DEVELOPMENT FUND CORP 75-3003991 AFFORDABLE HOUSING RESIDENCE SOLO MEMBER SHERRY TUCKER LORI ALAMEDA CRYSTAL JOHN
9	RELATED ENTITY NAME RELATED ENTITY EIN RELATED ENTITY'S PRIMARY BUSINESS ACTIVITY RELATIONSHIP WITH RELATED ENTITY BOARD MEMBERS IN COMMON WITH PARTICIPANT:	EAST 165TH STREET , L.P. 38-3973601 AFFORDABLE HOUSING RESIDENCE SOLE MEMBER OF HDFC WHO IS SOLE SHAREHOLDER IN GP WHO IS .01% PARTNER IN LP NONE
10	RELATED ENTITY NAME RELATED ENTITY EIN RELATED ENTITY'S PRIMARY BUSINESS ACTIVITY RELATIONSHIP WITH RELATED ENTITY BOARD MEMBERS IN COMMON WITH PARTICIPANT:	EAST 165TH STREET , G.P. 47-4302927 AFFORDABLE HOUSING RESIDENCE SOLE MEMBER OF HDFC WHO IS SOLE SHAREHOLDER IN GP NONE
11	RELATED ENTITY NAME RELATED ENTITY EIN RELATED ENTITY'S PRIMARY BUSINESS ACTIVITY RELATIONSHIP WITH RELATED ENTITY BOARD MEMBERS IN COMMON WITH PARTICIPANT:	MEDFORD GARDENS HOUSING DEVELOPMENT FUND CORP. 88-3109042 AFFORDABLE HOUSING RESIDENCE SOLE MEMBER OF HDFC SHERRY TUCKER LORI ALAMEDA KAREN GORMAN

Town of Brookhaven Industrial Development
Schedule of Fees

Application -	\$3,000 for projects with total costs under \$5 million \$4,000 for projects with total costs \$5 million and over (non-refundable)
Closing/Expansion Sale/Transfer/Increase of Mortgage Amount/ Issuance of Refunding Bonds -	$\frac{3}{4}$ of one percent up to \$25 million total project cost and an additional $\frac{1}{4}$ of one percent on any project costs in excess of \$25 million. Projects will incur a minimum charge of \$10,000 plus all fees incurred by the Agency including, but not limited to publication, legal, and risk monitoring.
Annual Administrative -	\$2,000 administrative fee plus \$500 per unrelated subtenant located in the project facility. This fee is due annually.
Termination –	Between \$1,000 and \$2,500
Refinance (excluding refunding bonds) –	$\frac{1}{4}$ of one percent of mortgage amount or \$5,000, whichever is greater.
Late PILOT Payment –	5% penalty, 1% interest compounded monthly, plus \$1,000 administrative fee.
PILOT extension -	a minimum of \$15,000
Processing Fee -	\$275 per hour with a minimum fee of \$275
Lease of Existing Buildings (partial or complete) -	Fee is based on contractual lease amount.

The Agency reserves the right to adjust these fees.

Updated: November 17, 2020

SCHEDULE B

CONSTRUCTION WAGE POLICY

EFFECTIVE January 1, 2005

The purpose of the Brookhaven IDA is to provide benefits that reduce costs and financial barriers to the creation and to the expansion of business and enhance the number of jobs in the Town.

The Agency has consistently sought to ensure that skilled and fair paying construction jobs be encouraged in projects funded by the issuance of IDA tax exempt bonds in large projects.

The following shall be the policy of the Town of Brookhaven IDA for application for financial assistance in the form of tax-exempt financing for projects with anticipated construction costs in excess of \$5,000,000.00 per site received after January 1, 2005. Non-profit corporations and affordable housing projects are exempt from the construction wage policy.

Any applicant required to adhere to this policy shall agree to:

- (1) Employ 90% of the workers for the project from within Nassau or Suffolk Counties. In the event that this condition cannot be met, the applicant shall submit to the Agency an explanation as to the reasons for its failure to comply and;
- (2) Be governed by the requirements of Section 220d of Article 8 of the Labor Law of the State of New York; and when requested by the Agency, provide to the Agency a plan for an apprenticeship program;

OR

- (3) Provide to the Agency a project labor agreement or alternative proposal to pay fair wages to workers at the construction site.

Furthermore, this policy may be waived, in the sole and final discretion of the Agency, in the event that the applicant demonstrates to the Agency special circumstances or economic hardship to justify a waiver to be in the best interests of the Town of Brookhaven.

Adopted: May 23, 2005

SCHEDULE C

RECAPTURE AND TERMINATION POLICY

EFFECTIVE JUNE 8, 2016

Pursuant to Sections 874(10) and (11) of Title 1 of Article 18-A of the New York State General Municipal Law (the “Act”), the Town of Brookhaven Industrial Development Agency (the “Agency”) is required to adopt policies (i) for the discontinuance or suspension of any financial assistance provided by the Agency to a project or the modification of any payment in lieu of tax agreement and (ii) for the return of all or part of the financial assistance provided by the Agency to a project. This Recapture and Termination Policy was adopted pursuant to a resolution enacted by the members of the Agency on June 8, 2016.

I. Termination or Suspension of Financial Assistance

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to terminate or suspend the Financial Assistance (defined below) provided to a project upon the occurrence of an Event of Default, as such term is defined and described in the Lease Agreement entered into by the Agency and a project applicant (the “Applicant”) or any other document entered into by such parties in connection with a project (the “Project Documents”). Such Events of Default may include, but shall not be limited to, the following:

- 1) Sale or closure of the Facility (as such term is defined in the Project Documents);
- 2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
- 3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
- 4) A material violation of the terms and conditions of the Project Agreements; and
- 5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The decision of whether to terminate or suspend Financial Assistance and the timing of such termination or suspension of Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and shall be subject to the notice and cure periods provided for in the Project Documents.

For the purposes of this policy, the term “Financial Assistance” shall mean all direct monetary benefits, tax exemptions and abatements and other financial assistance, if any, derived solely from the Agency’s participation in the transaction contemplated by the Project Agreements including, but not limited to:

- (i) any exemption from any applicable mortgage recording tax with respect to the Facility on mortgages granted by the Agency on the Facility at the request of the Applicant;

- (ii) sales tax exemption savings realized by or for the benefit of the Applicant, including and savings realized by any agent of the Applicant pursuant to the Project Agreements in connection with the Facility; and
- (iii) real property tax abatements granted under the Project Agreements.

II. Recapture of Financial Assistance

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to recapture all or part of the Financial Assistance provided to a project upon the occurrence of a Recapture Event, as such term is defined and described in the Project Documents. Such Recapture Events may include, but shall not be limited to the following:

- 1) Sale or closure of the Facility (as such term is defined in the Project Documents);
- 2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
- 3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
- 4) A material violation of the terms and conditions of the Project Agreements; and
- 5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The timing of the recapture of the Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and is subject to the notice and cure periods provided for in the Project Documents. The percentage of such Financial Assistance to be recaptured shall be determined by the provisions of the Project Documents.

All recaptured amounts of Financial Assistance shall be redistributed to the appropriate affected taxing jurisdiction, unless agreed to otherwise by any local taxing jurisdiction.

For the avoidance of doubt, the Agency may determine to terminate, suspend and/or recapture Financial Assistance in its sole discretion. Such actions may be exercised simultaneously or separately and are not mutually exclusive of one another.

III. Modification of Payment In Lieu of Tax Agreement

In the case of any Event of Default or Recapture Event, in lieu of terminating, suspending or recapturing the Financial Assistance, the Agency may, in its sole discretion, adjust the payments in lieu of taxes due under the Project Agreements, so that the payments in lieu of taxes payable under the Project Agreements are adjusted upward retroactively and/or prospectively for each tax year until such time as the Applicant has complied with the provisions of the Project Agreements. The amount of such adjustments shall be determined by the provisions of the Project Documents.

SCHEDULE D

Agency Payment in Lieu of Taxes (PILOT) Policy

An annual fee of \$1,000 will be due to the Agency in addition to the PILOT payment to cover ongoing costs incurred by the Agency on behalf of the project.

1. The Town of Brookhaven Industrial Development Agency (IDA) may grant or be utilized to obtain a partial or full real property tax abatement for a determined period. To be eligible for this abatement there would be a requirement of new construction, or renovation, and a transfer of title of the real property to the Town of Brookhaven IDA.
2. The Chief Executive Officer (CEO) or their designee shall consult with the Town Assessor to ascertain the amounts due pursuant to each PILOT Agreement. Thereafter, the PILOT payment for each project shall be billed to the current lessees. The lessees can pay the PILOT payment in full by January 31st of each year, or in two equal payments due January 31st and May 31st of each year of the PILOT Agreement. The CEO or their designee shall send all PILOT invoices to the lessees on a timely basis.
3. The Town of Brookhaven IDA shall establish a separate, interest bearing bank account for receipt and deposit of all PILOT payments. The CEO or their designee shall be responsible for depositing and maintaining said funds with input from the Chief Financial Officer (CFO).
4. The CEO or their designee shall remit PILOT payments and penalties if any, to the respective taxing authorities in the proportionate amounts due to said authorities. These remittances shall be made within thirty (30) days of receipt of the payments to the Agency.
5. Payments in lieu of taxes which are delinquent under the agreement shall be subject to a late payment penalty of five percent (5%) of the amount due. For each month, or part thereof, that the payment in lieu of taxes is delinquent beyond the first month, interest shall on the total amount due plus a late payment penalty in the amount of one percent (1%) per month until the payment is made.
6. If a PILOT payment is not received by **January 31st** of any year or **May 31st** of the second half of the year the lessee shall be in default pursuant to the PILOT Agreement. The Agency may give the lessee notice of said default. If the payment is not received within thirty (30) days of when due, the CEO shall notify the Board, and thereafter take action as directed by the Board.
7. The CEO shall maintain records of the PILOT accounts at the Agency office.
8. Nothing herein shall be interpreted to require the Agency to collect or disburse PILOT payments for any projects which are not Agency projects.

9. Should the Applicant fail to reach employment levels as outlined in their application to the Agency, the Board reserves the right to reduce or suspend the PILOT Agreement, declare a default under the Lease or the Installment Sale Agreement, and/or convey the title back to the Applicant.
10. This policy has been adopted by the IDA Board upon recommendation of the Governance Committee and may only be amended in the same manner.

**FORM APPLICATION FOR FINANCIAL ASSISTANCE
TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
1 Independence Hill, 2nd Floor, Farmingville, New York 11738**

DATE: August 12, 2022

APPLICATION OF: Medford Logistics LLC
Name of Owner and/or User of Proposed Project

ADDRESS: One Meadowlands Plaza, Suite 803
East Rutherford, New Jersey 07073

Type of Application: Tax-Exempt Bond Taxable Bond
 Straight Lease Refunding Bond

Please respond to all items either by filling in blanks, by attachment (by marking space "see attachment number 1", etc.) or by N.A., where not applicable. Application must be filed in two copies. A non-refundable application fee is required at the time of submission of this application to the Agency. The non-refundable application fee is \$3,000 for applications under \$5 million and \$4,000 for applications of \$5 million or more.

Transaction Counsel to the Agency may require a retainer which will be applied to fees incurred and actual out-of-pocket disbursements made during the inducement and negotiation processes and will be reflected on their final statement at closing.

Information provided herein will not be made public by the Agency prior to the passage of an official Inducement Resolution, but may be subject to disclosure under the New York State Freedom of Information Law.

Prior to submitting a completed final application, please arrange to meet with the Agency's staff to review your draft application. Incomplete applications will not be considered. The Board reserves the right to require that the applicant pay for the preparation of a Cost Benefit Analysis, and the right to approve the company completing the analysis.

PLEASE NOTE: It is the policy of the Brookhaven IDA to encourage the use of local labor and the payment of the area standard wage during construction on the project.

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PART I	OWNER AND USER DATA
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PART III	PROJECT DATA
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PART VI	EMPLOYMENT DATA
PART VII	REPRESENTATIONS, CERTIFICATIONS AND INDEMNIFICATION
PART VIII	SUBMISSION OF MATERIALS
EXHIBIT A	Proposed PILOT Schedule
SCHEDULE A	Agency's Fee Schedule
SCHEDULE B	Construction Wage Policy
SCHEDULE C	Recapture and Termination Policy

Part I: Owner & User Data

1. **Owner Data:**

A. Owner (Applicant for assistance): Medford Logistics LLC

Address: One Meadowlands Plaza, Suite 803
East Rutherford NJ 07073

Federal Employer ID #: [REDACTED] Website: www.lincolnequities.com

NAICS Code: 236116

Owner Officer Certifying Application: Robert Schenkel

Title of Officer: Authorized Signatory

Phone Number: [REDACTED] E-mail: [REDACTED]

B. Business Type:

Sole Proprietorship Partnership Limited Liability Company

Privately Held Public Corporation Listed on _____

State of Incorporation/Formation: New Jersey

C. Nature of Business:

(e.g., "manufacturer of _____ for _____ industry"; "distributor of _____"; or "real estate holding company")

Real estate holding company

D. Owner Counsel:

Firm Name: Weber Law Group LLP

Address: 290 Broadhollow Road, Suite 200E

Melville, New York 11747

Individual Attorney: Garrett L. Gray, Esq.

Phone Number: 631-549-2000

E-mail: ggray@weberlawgroup.com

E. Principal Stockholders, Members or Partners; if any, of the Owner:

Name	Percent Owned
JSM at Medford LLC	50.00%
Joel Bergstein	19.375%
David Weinstein	11.25%

F. Has the Owner, or any subsidiary or affiliate of the Owner, or any stockholder, partner, member, officer, director or other entity with which any of these individuals is or has been associated with:

- i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (if yes, please explain)

No

- ii. been convicted of a felony, or misdemeanor, or criminal offense (other than a motor vehicle violation)? (if yes, please explain)

No

G. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the Owner, list all other organizations which are related to the Owner by virtue of such persons having more than a 50% interest in such organizations.

N/A

H. Is the Owner related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

No

I. List parent corporation, sister corporations and subsidiaries:

None

J. Has the Owner (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

No

K. List major bank references of the Owner:

Capital One Bank - Chris Schank 732-321-4680

Citizens Bank - Nancy Iacobucci 973-798-6250

2. User Data

*** (for co-applicants for assistance or where a landlord/tenant relationship will exist between the owner and the user) ***

A. User (together with the Owner, the "Applicant"): _____

Address: _____

Federal Employer ID #: _____ Website: _____

NAICS Code: _____

User Officer Certifying Application: _____

Title of Officer: _____

Phone Number: _____ E-mail: _____

B. Business Type:

Sole Proprietorship Partnership Privately Held

Public Corporation Listed on _____

State of Incorporation/Formation: _____

C. Nature of Business:

(e.g., "manufacturer of _____ for _____ industry"; "distributor of _____"; or "real estate holding company")

D. Are the User and the Owner Related Entities? Yes No

i. If yes, the remainder of the questions in this Part I, Section 2 (with the exception of "F" below) need not be answered if answered for the Owner.

ii. If no, please complete all questions below.

E. User's Counsel:

Firm Name: _____

Address: _____

Individual Attorney: _____

Phone Number: _____

E-mail: _____

F. Principal Stockholders or Partners, if any:

Name	Percent Owned
_____	_____
_____	_____
_____	_____

G. Has the User, or any subsidiary or affiliate of the User, or any stockholder, partner, officer, director or other entity with which any of these individuals is or has been associated with:

i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (if yes, please explain)

ii. been convicted of a felony or criminal offense (other than a motor vehicle violation)? (if yes, please explain)

H. If any of the above persons (see "F", above) or a group of them, owns more than 50% interest in the User, list all other organizations which are related to the User by virtue of such persons having more than a 50% interest in such organizations.

I. Is the User related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

J. List parent corporation, sister corporations and subsidiaries:

K. Has the User (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

L. List major bank references of the User:

Part II – Operation at Current Location

*** (if the Owner and the User are unrelated entities, answer separately for each) ***

1. Current Location Address: 440 Express Drive South, Medford, NY

2. Owned or Leased: Contract vendee

3. Describe your present location (acreage, square footage, number buildings, number of floors, etc.):

30.08 acres of vacant land.

4. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services:

Industrial Warehouseing

5. Are other facilities or related companies of the Applicant located within the State?

Yes No

A. If yes, list the Address: _____

6. Will the completion of the project result in the removal of any facility or facilities of the Applicant from one area of the state to another OR in the abandonment of any facility or facilities of the Applicant located within the State? Yes No

A. If no, explain how current facilities will be utilized: _____

Industrial warehouse to be leased to 1-4 tenants.

B. If yes, please indicate whether the project is reasonably necessary for the Applicant to maintain its competitive position in its industry or remain in the State and explain in full:

7. Has the Applicant actively considered sites in another state? Yes No

A. If yes, please list states considered and explain: Applicant currently develops

industrial properties in other states.

8. Is the requested financial assistance reasonably necessary to prevent the Applicant from moving out of New York State? Yes No

A. Please explain: Absent the requested financial assistance, Applicant would neither acquire nor develop this parcel in

the Town of Brookhaven.

9. Number of full-time employees at current location and average salary (indicate hourly or yearly salary):

N/A

Part III – Project Data

1. Project Type:

A. What type of transaction are you seeking? (Check one)

Straight Lease Taxable Bonds Tax-Exempt Bonds
Equipment Lease Only

B. Type of benefit(s) the Applicant is seeking: (Check all that apply)

Sales Tax Exemption Mortgage Recording Tax Exemption
PILOT Agreement:

2. Location of project:

A. Street Address: 440 Express Drive South, Medford, NY

B. Tax Map: District 0200 Section 736.00 Block 01.00 Lot(s) 002.002

C. Municipal Jurisdiction:

i. Town: Brookhaven
ii. Village: Medford
iii. School District: Medford

D. Acreage: 30.08

3. Project Components (check all appropriate categories):

A. Construction of a new building Yes No
i. Square footage: 390,000 sf

B. Renovations of an existing building Yes No
i. Square footage: _____

C. Demolition of an existing building Yes No
i. Square footage: _____

D. Land to be cleared or disturbed Yes No
i. Square footage/acreage: 30.08 acres

E. Construction of addition to an existing building Yes No
i. Square footage of addition: _____
ii. Total square footage upon completion: _____

F. Acquisition of an existing building Yes No
i. Square footage of existing building: _____

- G. Installation of machinery and/or equipment Yes No
i. List principal items or categories of equipment to be acquired: _____

HVAC equipment

4. Current Use at Proposed Location:

- A. Does the Applicant currently hold fee title to the proposed location?

i. If no, please list the present owner of the site: Suffolk Regional Off-Track Betting Corporation

- B. Present use of the proposed location: Vacant Land

- C. Is the proposed location currently subject to an IDA transaction (whether through this Agency or another?) Yes No

i. If yes, explain: _____

- D. Is there a purchase contract for the site? (if yes, explain): Yes No

Applicant is the contract vendee to an executed purchase and sale agreement

- E. Is there an existing or proposed lease for the site? (if yes, explain): Yes No

5. Proposed Use:

- A. Describe the specific operations of the Applicant or other users to be conducted at the project site: Applicant will clear the land and construct a 390,000 sf Industrial warehouse.

- B. Proposed product lines and market demands: Unknown at this time.

C. If any space is to be leased to third parties, indicate the tenant(s), total square footage of the project to be leased to each tenant, and the proposed use by each tenant:

The completed building will be leased to 1-4 tenants. The identity of these tenants is unknown at this time.

D. Need/purpose for project (e.g., why is it necessary, effect on Applicant's business):

Applicant's studies have determined that there is a rising demand for industrial warehouse uses on Long Island, particularly those sites close to major highways.

E. Will any portion of the project be used for the making of retail sales to customers who personally visit the project location? Yes No

i. If yes, what percentage of the project location will be utilized in connection with the sale of retail goods and/or services to customers who personally visit the project location? _____

F. To what extent will the project utilize resource conservation, energy efficiency, green technologies and alternative / renewable energy measures?

The use of increased insulation values for the building envelope, white roof membrane, high efficiency ratings of the mechanical equipment, low flow water consumption, and natural daylighting.

LED interior lighting/occupancy sensors, high-speed loading dock doors and seals. Load-banked parking, bioretention basins, high energy efficient STP equipment, electric vehicle charging stations and metal dark blues exterior, LED lighting

6. Project Work:

A. Has construction work on this project begun? If yes, complete the following:

- i. Site Clearance: Yes No % COMPLETE 100%
- ii. Foundation: Yes No % COMPLETE _____
- iii. Footings: Yes No % COMPLETE _____
- iv. Steel: Yes No % COMPLETE _____
- v. Masonry: Yes No % COMPLETE _____
- vi. Other: _____

B. What is the current zoning? L1

C. Will the project meet zoning requirements at the proposed location?

Yes No

D. If a change of zoning is required, please provide the details/status of the change of zone request: Change of zone application seeking change of zone from CR/A1 to L1 granted on August 11, 2022

E. Have site plans been submitted to the appropriate planning department? Yes No

7. Project Completion Schedule:

A. What is the proposed commencement date for the acquisition and the construction/renovation/equipping of the project?

i. Acquisition: 1Q of 2023

ii. Construction/Renovation/Equipping: 1Q of 2024

B. Provide an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur: 12 months from groundbreaking to completion.

Part IV – Project Costs and Financing

1. **Project Costs:**

A. Give an accurate estimate of cost necessary for the acquisition, construction, renovation, improvement and/or equipping of the project location:

<u>Description</u>	<u>Amount</u>
Land and/or building acquisition	\$ 41,000,000
Building(s) demolition/construction	\$ 35,100,000
Building renovation	\$ 3,500,000
Site Work	\$ 23,400,000
Machinery and Equipment	\$ 1,500,000
Legal Fees	\$ 500,000
Architectural/Engineering Fees	\$ 1,500,000
Financial Charges	\$ 9,000,000
Other (Specify)	\$ 6,000,000 (contingency)
Total	\$ 121,500,000

Please note, IDA fees are based on the total project costs listed above. At the completion of your project, you are required to provide both a certificate of completion along with a cost affidavit certifying the final project costs. The IDA fees may be adjusted as a result of the certified cost affidavit. Money will not be refunded if the final project cost is less than the amount listed above.

2. **Method of Financing:**

	<u>Amount</u>	<u>Term</u>
A. Tax-exempt bond financing:	\$ _____	_____ years
B. Taxable bond financing:	\$ _____	_____ years
C. Conventional Mortgage:	\$ 78,975,000	3 _____ years
D. SBA (504) or other governmental financing:	\$ _____	_____ years
E. Public Sources (include sum of all State and federal grants and tax credits):	\$ _____	
F. Other loans:	\$ _____	_____ years
G. Owner/User equity contribution:	\$ 42,525,000	_____ years
Total Project Costs	\$ 121,500,000	

i. What percentage of the project costs will be financed from public sector sources?

0% _____

3. Project Financing:

A. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? Yes No

i. If yes, provide detail on a separate sheet.

B. Are costs of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of bond proceeds? Give details:

No.

C. Will any of the funds borrowed through the Agency be used to repay or refinance an existing mortgage or outstanding loan? Give details:

No.

D. Has the Applicant made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom:

N/A

Part V -- Project Benefits

1. Mortgage Recording Tax Benefit:

A. Mortgage Amount for exemption (include sum total of construction/permanent/bridge financing):

\$ 78,975,000

B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and .75%):

\$ 592,312

2. Sales and Use Tax Benefit:

A. Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax (such amount to benefit from the Agency's exemption):

\$ 26,122,500

B. Estimated State and local Sales and Use Tax exemption (product of 8.625% and figure above):

\$ 2,253,066

C. If your project has a landlord/tenant (owner/user) arrangement, please provide a breakdown of the number in "B" above:

i. Owner: \$ N/A

ii. User: \$ N/A

3. Real Property Tax Benefit:

A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit: N/A

B. Agency PILOT Benefit:

i. Term of PILOT requested: 15 years

ii. Upon acceptance of this application, the Agency staff will create a PILOT schedule and attach such information to Exhibit A hereto. Applicant hereby requests such PILOT benefit as described on Exhibit A.

**** This application will not be deemed complete and final until Exhibit A hereto has been completed. ****

Part VI – Employment Data

1. List the Applicant's and each users present employment, and estimates of (i) employment at the proposed project location at the end of year one and year two following project completion and (ii) the number of residents of the Labor Market Area* ("LMA") that would fill the full-time and part-time jobs at the end of year second year following completion:

Present number of employees: 0 June __, 2022. N/A
 Date Average Annual Salary of Jobs to be Retained
 First Year: 2024 (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Full-time													35-50
Part-time													

Second Year: 2025 (fill in year)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Full-time													35-50
Part-time													

Number of Residents of LMA:

Full-Time: 90%
 Part-Time: _____

Cumulative Total Employees After Year 2 70-100

* The Labor Market Area includes the County/City/Town/Village in which the project is located as well as Nassau and Suffolk Counties.

** Agency staff converts Part-Time jobs into FTEs for state reporting purposes by dividing the number of Part-Time jobs by two (2).

2. Salary and Fringe Benefits:

Category of Jobs to be Created	Average Salary	Average Fringe Benefits
Salary Wage Earners	\$40K-\$60K	\$10K
Commission Wage Earners		
Hourly Wage Earners		
1099 and Contract Workers		

What is the annualized salary range of jobs to created? _____ to _____

Note: The Agency reserves the right to visit the facility to confirm that job creation numbers are being met.

Part VII – Representations, Certifications and Indemnification

1. Is the Applicant in any litigation which would have a material adverse effect on the Applicant's financial condition? (if yes, furnish details on a separate sheet)

Yes No

2. Has the Applicant or any of the management of the Applicant, the anticipated users or any of their affiliates, or any other concern with which such management has been connected, been cited for a violation of federal, state or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution or other operating practices? (If yes, furnish details on a separate sheet)

Yes No

3. Is there a likelihood that the Applicant would proceed with this project without the Agency's assistance? (If no, please explain why; if yes, please explain why the Agency should grant the benefits requested)

Yes No

Absent receipt of the benefits sought, Applicant will look to other states to acquire

and develop industrial properties.

4. If the Applicant is unable to obtain financial assistance from the Agency for the project, what would be the impact on the Applicant and on the municipality?

Applicant would develop in other states, while the Town of Brookhaven

would be deprived of additional tax revenue and jobs for its residents.

5. The Applicant understands and agrees that in accordance with Section 858-b(2) of the General Municipal Law, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the project will be listed with the New York State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300) in which the project is located (collectively, the "Referral Agencies"). The Applicant also agrees, that it will, except as otherwise provided by collective bargaining contracts or agreements to which they are parties, where practicable, first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the Referral Agencies.

Initial 

6. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the Project as well as may lead to other possible enforcement actions.

Initial 

7. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

Initial 

8. The Applicant represents and warrants that to the Applicant's knowledge neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become a person or entity with who United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List or under any statute, executive order including the September 24, 2001, Executive Order Block Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, or other governmental action and is not and will not assign or otherwise transfer this Agreement to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

Initial 

9. The Applicant confirms and hereby acknowledges it has received the Agency's fee schedule attached hereto as Schedule A and agrees to pay such fees, together with any expenses incurred by the Agency, including those of Transaction Counsel, with respect to the Facility. The Applicant agrees 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 project. The IDA fees are based on the total project costs listed in this application. At the completion of the project, you are required to provide both a certificate of completion along with a cost affidavit certifying the final project costs. The IDA fees may be increased as a result of the certified cost affidavit. Monies will not be refunded if the final costs are below the amount listed in the application.

Initial

10. The Applicant confirms and hereby acknowledges it has received the Agency's Construction Wage Policy attached hereto as Schedule B and agrees to comply with the same.

Initial

11. The Applicant hereby agrees to comply with Section 875 of the General Municipal Law. The Company further agrees that the financial assistance granted to the project by the Agency is subject to recapture pursuant to Section 875 of the Act and the Agency's Recapture and Termination Policy, attached hereto as Schedule C.

Initial

12. The Applicant confirms and hereby acknowledges it has received the Agency's PILOT Policy attached hereto as Schedule D and agrees to comply with the same.

Initial

13. The Company hereby authorizes the Agency, without further notice or consent, to use the Company's name, logo and photographs related to the Facility in its advertising, marketing and communications materials. Such materials may include web pages, print ads, direct mail and various types of brochures or marketing sheets, and various media formats other than those listed (including without limitation video or audio presentations through any media form). In these materials, the Agency also has the right to publicize its involvement in the Project.

Initial

Part VIII – Submission of Materials

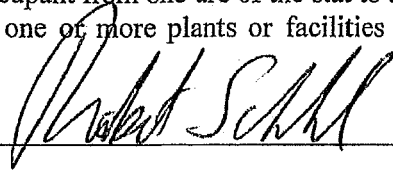
1. Financial statements for the last two fiscal years (unless included in the Applicant's annual report).
2. Applicant's annual reports (or 10-K's if publicly held) for the two most recent fiscal years.
3. Quarterly reports (form 10-Q's) and current reports (form 8-K's) since the most recent annual report, if any.
4. In addition, please attach the financial information described in items A, B, and C of any expected guarantor of the proposed bond issue.
5. Completed Environmental Assessment Form.
6. Most recent quarterly filing of NYS Department of Labor Form 45, as well as the most recent fourth quarter filing. Please remove the employee Social Security numbers and note the full-time equivalency for part-time employees.

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Part IX – Special Representations

1. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if financial assistance is provided for the proposed project. The Applicant hereby indicates its compliance with Section 862(1) by signing the applicable statement below. (Please sign only one of the following statements a. or b. below).

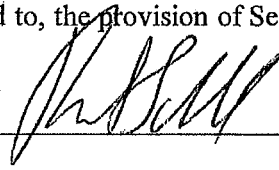
a. The completion of the entire project will not result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state.

Representative of the Applicant: 

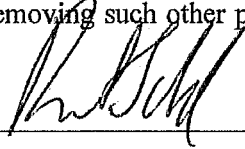
b. The completion of this entire project will result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state because the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

Representative of the Applicant: _____

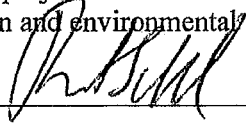
2. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

Representative of the Applicant: 

3. In accordance with Section 862(1) of the New York General Municipal Law the Applicant understands and agrees that projects which result in the removal of an industrial or manufacturing plant of the project occupant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the project occupant within the State is ineligible for financial assistance from the Agency, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the project in its respective industry or to discourage the project occupant from removing such other plant or facility to a location outside the State.

Representative of the Applicant: 

4. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving financial assistance for the proposed project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

Representative of the Applicant: 

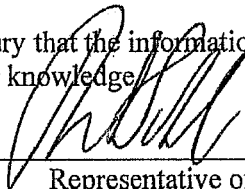
Part X – Certification

Robert Schenkel (name of representative of entities submitting application) deposes and says that he or she is the Authorized Signatory (title) of Medford Logistics LLC, the entities named in the attached application; that he or she has read the foregoing application and knows the contents thereof; and that the same is true to his or her knowledge.

Deponent further says that s/he is duly authorized to make this certification on behalf of the entities named in the attached Application (the “Applicant”) and to bind the Applicant. The grounds of deponent’s belief relative to all matters in said Application which are not stated upon his/her personal knowledge are investigations which deponent has caused to be made concerning the subject matter this Application, as well as information acquired by deponent in the course of his/her duties in connection with said Applicant and from the books and papers of the Applicant.

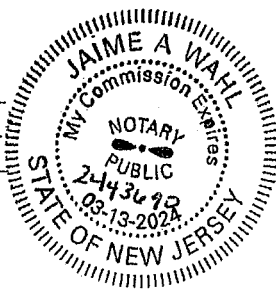
As representative of the Applicant, deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the Town of Brookhaven Industrial Development Agency (hereinafter referred to as the “Agency”) in connection with this Application, the attendant negotiations and all matters relating to the provision of financial assistance to which this Application relates, whether or not ever carried to successful conclusion. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels or neglects the application or if the Applicant is unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees to bond or transaction counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion of the transaction contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the Agency in accordance with its fee schedule in effect on the date of the foregoing application, and all other appropriate fees, which amounts are payable at closing.

The Applicant hereby subscribes and affirms under the penalties of perjury that the information provided in this Application is true, accurate and complete to the best of his or her knowledge.



Representative of Applicant

Sworn to me before this 30
Day of June, 20 22
Jaime A. Wahl
(seal)



**** Note: If the entities named in this Application are unrelated and one individual cannot bind both entities, Parts VII, IX and X of this Application must be completed by an individual representative for each entity ****

EXHIBIT A

Proposed PILOT Schedule

Upon acceptance of the Application and completion of the Cost Benefit Analysis, the Agency will attach the proposed PILOT Schedule to this Exhibit.

Town of Brookhaven Industrial Development
Schedule of Fees

Application -	\$3,000 for projects with total costs under \$5 million \$4,000 for projects with total costs \$5 million and over (non-refundable)
Closing/Expansion Sale/Transfer/Increase of Mortgage Amount/ Issuance of Refunding Bonds -	$\frac{3}{4}$ of one percent up to \$25 million total project cost and an additional $\frac{1}{4}$ of one percent on any project costs in excess of \$25 million. Projects will incur a minimum charge of \$10,000 plus all fees incurred by the Agency including, but not limited to publication, legal, and risk monitoring.
Annual Administrative -	\$2,000 administrative fee plus \$500 per unrelated subtenant located in the project facility. This fee is due annually.
Termination –	Between \$1,000 and \$2,500
Refinance (excluding refunding bonds) –	$\frac{1}{4}$ of one percent of mortgage amount or \$5,000, whichever is greater.
Late PILOT Payment –	5% penalty, 1% interest compounded monthly, plus \$1,000 administrative fee.
PILOT extension -	a minimum of \$15,000
Processing Fee -	\$275 per hour with a minimum fee of \$275
Lease of Existing Buildings (partial or complete) -	Fee is based on contractual lease amount.

The Agency reserves the right to adjust these fees.

Updated: November 17, 2020

SCHEDULE B

CONSTRUCTION WAGE POLICY

EFFECTIVE January 1, 2005

The purpose of the Brookhaven IDA is to provide benefits that reduce costs and financial barriers to the creation and to the expansion of business and enhance the number of jobs in the Town.

The Agency has consistently sought to ensure that skilled and fair paying construction jobs be encouraged in projects funded by the issuance of IDA tax exempt bonds in large projects.

The following shall be the policy of the Town of Brookhaven IDA for application for financial assistance in the form of tax-exempt financing for projects with anticipated construction costs in excess of \$5,000,000.00 per site received after January 1, 2005. Non-profit corporations and affordable housing projects are exempt from the construction wage policy.

Any applicant required to adhere to this policy shall agree to:

- (1) Employ 90% of the workers for the project from within Nassau or Suffolk Counties. In the event that this condition cannot be met, the applicant shall submit to the Agency an explanation as to the reasons for its failure to comply and;
- (2) Be governed by the requirements of Section 220d of Article 8 of the Labor Law of the State of New York; and when requested by the Agency, provide to the Agency a plan for an apprenticeship program;

OR

- (3) Provide to the Agency a project labor agreement or alternative proposal to pay fair wages to workers at the construction site.

Furthermore, this policy may be waived, in the sole and final discretion of the Agency, in the event that the applicant demonstrates to the Agency special circumstances or economic hardship to justify a waiver to be in the best interests of the Town of Brookhaven.

Adopted: May 23, 2005

SCHEDULE C

RECAPTURE AND TERMINATION POLICY

EFFECTIVE JUNE 8, 2016

Pursuant to Sections 874(10) and (11) of Title 1 of Article 18-A of the New York State General Municipal Law (the “Act”), the Town of Brookhaven Industrial Development Agency (the “Agency”) is required to adopt policies (i) for the discontinuance or suspension of any financial assistance provided by the Agency to a project or the modification of any payment in lieu of tax agreement and (ii) for the return of all or part of the financial assistance provided by the Agency to a project. This Recapture and Termination Policy was adopted pursuant to a resolution enacted by the members of the Agency on June 8, 2016.

I. Termination or Suspension of Financial Assistance

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to terminate or suspend the Financial Assistance (defined below) provided to a project upon the occurrence of an Event of Default, as such term is defined and described in the Lease Agreement entered into by the Agency and a project applicant (the “Applicant”) or any other document entered into by such parties in connection with a project (the “Project Documents”). Such Events of Default may include, but shall not be limited to, the following:

- 1) Sale or closure of the Facility (as such term is defined in the Project Documents);
- 2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
- 3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
- 4) A material violation of the terms and conditions of the Project Agreements; and
- 5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The decision of whether to terminate or suspend Financial Assistance and the timing of such termination or suspension of Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and shall be subject to the notice and cure periods provided for in the Project Documents.

For the purposes of this policy, the term “Financial Assistance” shall mean all direct monetary benefits, tax exemptions and abatements and other financial assistance, if any, derived solely from the Agency’s participation in the transaction contemplated by the Project Agreements including, but not limited to:

- (i) any exemption from any applicable mortgage recording tax with respect to the Facility on mortgages granted by the Agency on the Facility at the request of the Applicant;

- (ii) sales tax exemption savings realized by or for the benefit of the Applicant, including and savings realized by any agent of the Applicant pursuant to the Project Agreements in connection with the Facility; and
- (iii) real property tax abatements granted under the Project Agreements.

II. Recapture of Financial Assistance

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to recapture all or part of the Financial Assistance provided to a project upon the occurrence of a Recapture Event, as such term is defined and described in the Project Documents. Such Recapture Events may include, but shall not be limited to the following:

- 1) Sale or closure of the Facility (as such term is defined in the Project Documents);
- 2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
- 3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
- 4) A material violation of the terms and conditions of the Project Agreements; and
- 5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The timing of the recapture of the Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and is subject to the notice and cure periods provided for in the Project Documents. The percentage of such Financial Assistance to be recaptured shall be determined by the provisions of the Project Documents.

All recaptured amounts of Financial Assistance shall be redistributed to the appropriate affected taxing jurisdiction, unless agreed to otherwise by any local taxing jurisdiction.

For the avoidance of doubt, the Agency may determine to terminate, suspend and/or recapture Financial Assistance in its sole discretion. Such actions may be exercised simultaneously or separately and are not mutually exclusive of one another.

III. Modification of Payment In Lieu of Tax Agreement

In the case of any Event of Default or Recapture Event, in lieu of terminating, suspending or recapturing the Financial Assistance, the Agency may, in its sole discretion, adjust the payments in lieu of taxes due under the Project Agreements, so that the payments in lieu of taxes payable under the Project Agreements are adjusted upward retroactively and/or prospectively for each tax year until such time as the Applicant has complied with the provisions of the Project Agreements. The amount of such adjustments shall be determined by the provisions of the Project Documents.

SCHEDULE D

Agency Payment in Lieu of Taxes (PILOT) Policy

An annual fee of \$1,000 will be due to the Agency in addition to the PILOT payment to cover ongoing costs incurred by the Agency on behalf of the project.

1. The Town of Brookhaven Industrial Development Agency (IDA) may grant or be utilized to obtain a partial or full real property tax abatement for a determined period. To be eligible for this abatement there would be a requirement of new construction, or renovation, and a transfer of title of the real property to the Town of Brookhaven IDA.
2. The Chief Executive Officer (CEO) or their designee shall consult with the Town Assessor to ascertain the amounts due pursuant to each PILOT Agreement. Thereafter, the PILOT payment for each project shall be billed to the current lessees. The lessees can pay the PILOT payment in full by January 31st of each year, or in two equal payments due January 31st and May 31st of each year of the PILOT Agreement. The CEO or their designee shall send all PILOT invoices to the lessees on a timely basis.
3. The Town of Brookhaven IDA shall establish a separate, interest bearing bank account for receipt and deposit of all PILOT payments. The CEO or their designee shall be responsible for depositing and maintaining said funds with input from the Chief Financial Officer (CFO).
4. The CEO or their designee shall remit PILOT payments and penalties if any, to the respective taxing authorities in the proportionate amounts due to said authorities. These remittances shall be made within thirty (30) days of receipt of the payments to the Agency.
5. Payments in lieu of taxes which are delinquent under the agreement shall be subject to a late payment penalty of five percent (5%) of the amount due. For each month, or part thereof, that the payment in lieu of taxes is delinquent beyond the first month, interest shall on the total amount due plus a late payment penalty in the amount of one percent (1%) per month until the payment is made.
6. If a PILOT payment is not received by **January 31st** of any year or **May 31st** of the second half of the year the lessee shall be in default pursuant to the PILOT Agreement. The Agency may give the lessee notice of said default. If the payment is not received within thirty (30) days of when due, the CEO shall notify the Board, and thereafter take action as directed by the Board.
7. The CEO shall maintain records of the PILOT accounts at the Agency office.
8. Nothing herein shall be interpreted to require the Agency to collect or disburse PILOT payments for any projects which are not Agency projects.

9. Should the Applicant fail to reach employment levels as outlined in their application to the Agency, the Board reserves the right to reduce or suspend the PILOT Agreement, declare a default under the Lease or the Installment Sale Agreement, and/or convey the title back to the Applicant.
10. This policy has been adopted by the IDA Board upon recommendation of the Governance Committee and may only be amended in the same manner.