Town of Brookhaven

Industrial Development Agency

Meeting Agenda

Wednesday, October 22, 2025 at 10:15 AM

1. Roll Call

2. Minutes

    a. September 17, 2025

3. CFO's Report

    a. Budget vs Actual Report – September 30, 2025
    Timely Payments
    b. Budget

4. Applications

    a. September Morning, LLC – Despatch of Southampton Moving & Storage, LLC – Subtenant Application
    b. Rail Realty, LLC – PILOT Extension Request Application
    c. Ronk Hub Phase 2A – Uptown Sweat, LLC – Subtenant Application
    d. Lotus / Caithness Long Island, LLC

5. Resolutions

    a. September Morning, LLC – Despatch of Southampton Moving & Storage, LLC
    Ronk Hub Phase 2A – Uptown Sweat, LLC - Subtenant
    b. C and K Development, LLC

6. CEO's Report

    a. WHTB Glass, LLC
    b. Horseblock 4, LLC Request

7. Executive Session

The next IDA meeting is scheduled for Wednesday, November 19, 2025.

Town of Brookhaven

Industrial Development Agency

Meeting Minutes

September 17, 2025

Members Present:	Frederick C. Braun, III Martin G. Callahan (via Zoom) Mitchell H. Pally Frank C. Trotta Ann-Marie Scheidt John Rose
Excused Member:	Felix J. Grucci, Jr.
Also Present:	Lisa M. G. Mulligan, Chief Executive Officer Lori J. LaPonte, Chief Financial Officer Amy Illardo, Director of Marketing Jocelyn Linse, Executive Assistant Annette Eaderesto, IDA Counsel Howard Gross, Weinberg, Gross & Pergament (via Zoom) Barry Carrigan, Nixon Peabody, LLP (via Zoom) Andrew Komaromi, Harris Beach Murtha James Coco, Coco Architectural Grilles Dan Baker, Greenberg Traurig (via Zoom)

Chairman Braun opened the IDA meeting at 10:03 A.M. on Wednesday, September 17, 2025, in the Agency's Office on the Second Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present. While Mr. Callahan viewed the meeting on Zoom, due to technical issues he was not able to participate and therefore did not vote on any matters.

Meeting Minutes of August 20, 2025

The motion to approve these Minutes as presented was made by Mr. Pally, seconded by Ms. Scheidt and unanimously approved.

CFO's Report

Ms. LaPonte presented the budget vs. actual report for the period ending August 31, 2025. Three closings occurred in August: 214 W. Main Owner, LLC; VTR BRTL Holtsville, LLC; and VTR BRTL Mount Sinai, LLC. The budget is ahead of revenue and below expenditures. Interest rates will be changing; some funds have been secured in certificates of deposits to lock in rates. Work on the 2026 budget is underway which is due to the State by November 1st.

All payroll taxes and related withholdings have been paid timely in accordance with Federal and State guidelines. All regulatory reports have been filed in a timely fashion.

The motion to accept the CFO's Report was made by Mr. Trotta and seconded by Ms. Scheidt. All voted in favor.

At 10:06 A.M., Mr. Rose made a motion to enter executive session to discuss proposed, pending or current litigation. The motion was seconded by Mr. Trotta and unanimously approved.

At 10:17 A.M, Mr. Rose made a motion to resume the regular agenda. The motion was seconded by Mr. Pally and all voted in favor. No action was taken in executive session.

240 Blue Point Realty, LLC / Coco Architectural Grilles & Metalcraft Co. – Application & Resolution

This applicant has outgrown their space in Farmingdale and is looking to expand to Holtsville. Mr. Coco provided the Board with details of his company's operation in custom metal manufacturing including laser cutting, punch press and welding in all finishes. Between the manufacturing part of the business and the office part there are currently twenty-two full-time equivalent employees, and they expect to add more positions as they grow.

The motion to accept the application was made by Mr. Trotta, seconded by Ms. Scheidt and approved with Mr. Braun abstaining.

A public hearing was held for this project yesterday with no comment received. The proposed PILOT and cost benefit analysis were included in the meeting packets.

The motion to approve the final authorizing resolution was made by Ms. Scheidt, seconded by Mr. Rose and approved with Mr. Braun abstaining.

Ronk Hub Phase 2A – Pink Fin Ronkonkoma Station – Subtenant Application & Resolution

Pink Fin Ronkonkoma Station has taken over for Poki Poke, a previously approved subtenant at the Ronk Hub Phase 2A facility.

The motion to accept the application and approve the resolution was made by Ms. Scheidt and seconded by Mr. Rose. All voted in favor.

Intercounty Associates II, LLC / 10 National Medford, LLC – Resolution

A public hearing was held for this PILOT extension with one comment received from the South Country School District which was shared with the Board.

The motion to approve the resolution was made by Mr. Rose, seconded by Mr. Pally, and unanimously approved.

CEO's Report

Vineyards at Coram / Ornstein Leyton Company Request

This project has requested an extension of their final authorizing resolution. Mr. Baker informed the Board that there have been issues receiving approval from the Suffolk County Department of Health.

Mr. Trotta made a motion to extend the final authorizing resolution acceptance to June 22, 2026. The motion was seconded by Ms. Scheidt and approved with Mr. Pally abstaining.

<u>KCE NY 31, LLC / Key Capture Energy</u>

This project has also requested an extension of their final authorizing resolution. The motion to approve this extension until December 31, 2025, was made by Ms. Scheidt and seconded by Mr. Pally. All voted in favor.

<u>Job Creation Numbers</u>

Letters were sent to seven projects that did not meet their promised job creation numbers. Five responses were received that provided reasonable explanations. Two did not respond so default letters were sent which then led one to respond, again, with a reasonable explanation. The last project, WHTB Glass, has not met their job numbers since the beginning of their agreement with the IDA. Representative from this project will be invited to the next IDA meeting to review this matter with the Board.

The motion to close the IDA meeting at 10:28 A.M. was made by Mr. Pally, seconded by Mr. Rose and unanimously approved.

The next IDA meeting is scheduled for Wednesday, October 22, 2025.

TOWN OF BROOKHAVEN IDA
2026 budget
draft 10/9/25

	2026 draft 10/9/25
PROJECTED REVENUES	
Administrative Fees (Closing fees)	$ 1,000,000
Application Fees	34,000
Annual Administration Fees	153,000
Interest Income	500,000
Other fees (mortgage modif, doc proc)	99,000
Total Projected Revenues	1,786,000
PROJECTED EXPENDITURES	
Office and Equipment Rental	60,000
Legal Services (including notices)	48,000
Accounting Services	27,000
Administrative Services/Clerical (salaries & ICP)	705,000
Other employee benefits (ERS., Med., FICA, etc.)	494,000
Membership/Advertising/Promotion/Marketing/ License/public	107,000
Insurance	58,000
Transportation/Travel/Conf / Training	26,000
Depreciation	37,000
interest expense lease	4,000
Special Projects/Executive Director Discretionary	5,000
Total Projected Expenditures	1,571,000
Projected Revenues Over Projected Expenditures	$ 215,000

G:\BROOKIDA\FORMS\POLICIES, APPS, ETC\IDA APPLICATION (CONSENT TO SUBLEASE).DOC

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR CONSENT TO SUBLEASE

APPLICATION OF: September Morning LLC ("Company")

FOR CONSENT TO SUBLEASE TO

Despatch of Southampton Moving & Storage, LLC ("Subtenant")

FACILITY/PROJECT: 53 Ramsey Road, Shirley, NY 11967

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: September Morning LLC

ADDRESS: 5 Plant Ave., Hauppauge,NY 11788

CONTACT: Ron Yakuel

POSITION: Manager

PHONE: [redacted]

FEDERAL EMPLOYER I.D.: [redacted]

B. RELATED USERS OF THE FACILITY:

NAME	RELATIONSHIP
None	

C. COMPANY COUNSEL:

FIRM NAME: Farrell Fritz

ADDRESS: 100 Motor Parkway, Hauppauge, NY 11788

INDIVIDUAL ATTORNEY: Peter Curry, Esq

PHONE: 516 227-0772

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

NAME	PERCENT OWNED	COMPANY/ RELATED USER
Nor Holdings LLC	99%	

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: 53 Ramsey Road, Shirley, NY 11967

S.C. TAX MAP:

DISTRICT _____ SECTION _____ BLOCK _____ LOT _______

B. PROJECT SITE:

1. ACREAGE:

6.14

2. BUILDING:

A) SIZE

78,400 square feet

B) CURRENT OCCUPANTS, AREA OCCUPIED AND USES

CURRENT OCCUPANT	AREA OCCUPIED (Sq. Ft.)	USE
None		

III. PROPOSED SUBTENANT

A. NAME AND ADDRESS

Despatch of Southampton Moving & Storage, LLC

Corporate Office: 370 County Road 39, Unit A, Southampton, NY 11968

B. AFFILIATES' NAMES AND ADDRESSES

Collins Brothers Moving Corp.

620 Fifth Avenue, Larchmont, NY 10538

C. CURRENT ~~LOCATION~~ WAREHOUSE to be replaced with

53 Ramsey Road, Shirley, NY 11968

229 Butter Lane, Bridgehampton, NY 11932

D. NAME AND ADDRESS OF PRINCIPALS OF SUBTENANT AND AFFILIATES

Frank E. Webers, Managing Member

18 Indian Cove Road, Mamaroneck, NY 10543

E. RELATIONSHIP OF SUBTENANT TO COMPANY

None other than Sublandlord --> Subtenant

F. PROPOSED AREA TO BE OCCUPIED

23,876' of 53 Ramsey Road, Shirley, NY 11967

G. PROPOSED USE BY SUBTENANT

Moving & Storage Company

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, to the best of Despatch's knowledge

I. PROPOSED SUBLEASE TERMS

TERM:

7 years, 3 months

COMMENCEMENT DATE:

November 1, 2025

GUARANTORS:

Frank E. Webers

BASE RENT:

$15.50/sq' or $30,839.83/month or $370,078.00/annual

BASE RENT INCREASES:

3%

COMMON AREA RENT:

$1.00/sq' (rental = 23,876')

REAL ESTATE TAXES:

30.45% of Pilot Program

IMPROVEMENTS TO PROPOSED DEMISED AREA TO BE MADE BY **COMPANY**

DESCRIPTION: Demised space; construct 400 square feet of office space plus 2 bathrooms

COST: $

SOURCE OF PAYMENT: Company funds

IMPROVEMENTS TO PROPOSED DEMISED AREA TO BE MADE BY **SUBTENANT** - Despatch of Southampton Moving & Storage, LLC

DESCRIPTION: Possible installation of warehouse racking

COST: Unknown

SOURCE OF PAYMENT: Company funds

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

Yes

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

N/A

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.

Tenant pays proportionate share of "reduced" real estate taxes per Pilot program (Net Lease)

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

J. HOW MANY FULL-TIME EQUIVALENT EMPLOYEES (FTES) ARE THERE NOW Despatch of Southampton Moving & Storage, LLC

7

HOW MANY ADDITIONAL FTEs ARE EXPECTED IN REGARDS TO THIS APPLICATION Despatch of Southampton Moving & Storage, LLC

Unknown - but we are leasing 53 Ramsey to grow our business will ultimately lead to adding employees

Salary and Fringe Benefits: Current

Category of Jobs to be Created	Average Salary	Average Fringe Benefits
Salary Wage Earners	$104,911.25 annual avg.	Health Plan & 401(k)
Commission Wage Earners	N/A	
Hourly Wage Earners	$53,976.00 annual avg.	Health Plan & 401(k)
1099 and Contract Workers	$250,000.00	N/A

What is the annualized salary range of jobs to created? $50,000 to $70,000

IV. MORTGAGEES

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

Unknown

COMPANY CERTIFICATION

Ron Yakuel
________________________________ [*Insert name of chief executive officer/manager/partner of proposed subtenant*] DEPOSES AND SAYS THAT HE IS THE Manager [*insert title*] OF September Morning 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 September Morning 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 Manager [*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
8th day of September 2025

____
NOTARY PUBLIC

ELIZABETH FLORES
NOTARY PUBLIC STATE OF NEW YORK
QUEENS COUNTY
LIC. #01FL6209448
COMM. EXPIRES 7/27/2026

SUBTENANT CERTIFICATION

Frank E. Webers [*Insert name of chief executive officer/manager/partner of proposed subtenant*] DEPOSES AND SAYS THAT HE IS THE Managing Member [*insert title*] OF Despatch of Southampton Moving & Storage LLC 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 ______________________ [*insert name of subtenant*] IS BECAUSE THE SAID PROPOSED SUBTENANT IS A ______________ [*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.

F E Webers

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

Sworn to before me this 3 day of September 2025

Caryn DeFilippo

NOTARY PUBLIC

CARYN DEFILIPPO
Notary Public, State of New York
No. 4813496
Qualified in Westchester County
Commission Expires November 30, 2026

FORM APPLICATION FOR FINANCIAL ASSISTANCE
TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
1 Independence Hill, 2nd Floor, Farmingville, New York 11738
631 406-4244

DATE: 10/6/25

APPLICATION OF: RAIL REALTY LLC
Name of Owner and/or User of Proposed Project

ADDRESS: 414 MAIN STREET, SUITE 202
PORT JEFFERSON, NY 11777

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, and should be made payable to the Town of Brookhaven Industrial Development Agency.

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.

INDEX

Part I: Owner & User Data

1. Owner Data:

A. Owner (Applicant for assistance): RAIL REALTY LLC

Address: 414 MAIN STREET, SUITE 202
PORT JEFFERSON, NY 11777

Federal Employer ID #[redacted] Website: thegittogroup.com

NAICS Code: 237210

Owner Officer Certifying Application: ANTHONY J. GITTO

Title of Officer: MANAGING MEMBER

Phone Numbe[redacted] E-ma[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")

REAL ESTATE HOLDING COMPANY

D. Owner Counsel:

Firm Name: FARRELL FRITZ, P.C.

Address: 400 RXR PLAZA
UNIONDALE, NY 11556

Individual Attorney: PETER L. CURRY, ESQ

Phone Number: 516-227-0772 E-mail: pcurry@farrellfritz.com

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

Name	Percent Owned
ANTHONY J. GITTO	25%
GREGORY STAR	25%
BEACON EQUITIES LP	50%

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.

SEE SCHEDULE I.1.G.

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:

SEE SCHEDULE I.1.G.

I. List parent corporation, sister corporations and subsidiaries:

SEE SCHEDULE I.1.G.

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:

THE SUBJECT PROPERTY IS THE BENEFICIARY OF AN EXISTING TRANSACTION,

DATED AS OF FEBRUARY 1, 2015, WITH THE AGENCY

K. List major bank references of the Owner:

DIME COMMUNITY BANK; WILLIAM J. NEWHAM III, EXECUTIVE VICE PRESIDENT; (631) 537-1001, EXT. 8276; WILLIAM.NEWHAM@DIME.COM

CONNECTONE BANK; ROBERT GRADY, MANAGING DIRECTOR/C&I LENDING; (516) 284-1441; ROBERT.GRADY@CNOB.COM

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: ____________

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: 23-25 TEXACO AVENUE, PORT JEFFERSON, NY 11777
2. Owned or Leased: OWNED
3. Describe your present location (acreage, square footage, number buildings, number of floors, etc.):
   APPROXIMATELY 106,516 SQUARE FOOT 3 STORY BUILDING CONTAINING 74 APARTMENT UNITS LOCATED ON 1.643 ACRES IN THE VILLAGE OF PORT JEFFERSON

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

   MULTI-FAMILY RESIDENTIAL RENTAL HOUSING

5. Are other facilities or related companies of the Applicant located within the State?

   Yes ■ No ☐

   A. If yes, list the Address: PLEASE SEE SCHEDULE I.1.G.

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: THE FACILITY WILL BE USED FOR ITS CURRENT PURPOSE

   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: THE REQUESTED FINANCIAL ASSISTANCE WILL PERMIT THE APPLICANT TO SET ASIDE 8 APARTMENTS AS WORKFORCE HOUSING AND 8 APARTMENTS AS AFFORDABLE HOUSING, AND UNDERTAKE PHYSICAL UPGRADES TO THE PREMISES

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

   ONE FTE EMPLOYEE WITH A SALARY OF $54,000 AND AN APARTMENT VALUED AT $33,600

   ONE FTE EMPLOYEE WITH A PRO-RATED SALARY AND BENEFITS OF $85,000 AND $14,500 ANNUALLY

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: 23-25 TEXACO AVENUE, PORT JEFFERSON, NY 11777

   B. Tax Map: District 206 Section 021.00 Block 04.00 Lot(s) 22.006

   C. Municipal Jurisdiction:

   i. Town: BROOKHAVEN
   ii. Village: PORT JEFFERSON
   iii. School District: COMSEWOGUE

   D. Acreage: 1.643

3. Project Components (check all appropriate categories):

A. Construction of a new building ☐ Yes ■ No
   i. Square footage: ____________

B. Renovations of an existing building ■ Yes ☐ No
   i. Square footage: 106,516 SQ. FT.

C. Demolition of an existing building ☐ Yes ■ No
   i. Square footage: ____________

D. Land to be cleared or disturbed ☐ Yes ■ No
   i. Square footage/acreage: ____________

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: YES

B. Present use of the proposed location: MARKET RATE MULTI-FAMILY RENTAL HOUSING

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

i. If yes, explain: THE FACILITY IS THE BENEFICIARY OF A TRANSACTION, DATED AS OF FEBRUARY 1, 2015, WITH THE AGENCY

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

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:

MULTI-FAMILY RENTAL HOUSING

B. Proposed product lines and market demands: MARKET RATE,

WORKFORCE (AT 120% AMI) AND AFFORDABLE

(AT 100% AMI) RENTAL HOUSING

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:

N/A

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

THE PROJECT IS TEN YEARS OLD. THE APPLICANT MAINTAINS THE PREMISES IN EXCELLENT CONDITION; HOWEVER, UNDERTAKING CERTAIN CAPITAL RENOVATIONS AND UPGRADES ARE NECESSARY TO KEEP THE FACILITY AS AN ATTRACTIVE ASSET TO THE PORT JEFFERSON COMMUNITY, WHILE ALSO KEEPING RENTS AT A SUSTAINABLE LEVEL FOR THE TENANTS.

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 IS ALREADY CONSTRUCTED AND OPERATIONAL

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? C-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:

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

F. Is a change of use application required? 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: N/A

ii. Construction/Renovation/Equipping: JANUARY, 2026

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: JANUARY, 2028

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:

Description	Amount
Land and/or building acquisition	$
Building(s) demolition/construction	$
Building renovation	$ 600,000.00
Site Work	$
Machinery and Equipment	$
Legal Fees	$
Architectural/Engineering Fees	$
Financial Charges	$
Other (Specify)	$
Total	$ 600,000.00

Please provide the percentage of materials and labor that will be sourced locally (Suffolk/Nassau Counties) 100%

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:	$ ______	______ 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:	$ 600,000.00	______ years
Total Project Costs	$ 600,000.00	

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):

   $ N/A

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

   $ N/A

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):

   $ N/A

   B. Estimated State and local Sales and Use Tax exemption (product of 8.75% and figure above):

   $ N/A

   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: 10 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 **: 2 9/25 PLEASE SEE PART II. 9
Date Average Annual Salary of Jobs to be Retained

FTEs to be Created in First Year: 0 (fill in year)

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

FTEs to be Created in Second Year: 0 (fill in year)

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

Number of Residents of LMA:
Full-Time: 2
Part-Time: ______

Cumulative Total FTEs ** After Year 2 2

Construction Jobs to be Created: 10

*** 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	$69,500.00 (Retained)	$24,050.00 (Retained)
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 ☐

   YES, OVER A LONGER PERIOD OF TIME. HOWEVER, THE PROJECT WOULD NOT INCLUDE WORKFORCE AND AFFORDABLE HOUSING

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?

   SEE ANSWER PART VII, 3

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 ________

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 ______

14. The applicant confirms and hereby acknowledges it has received the Agency's Application and Resolution Expiration Policy available at brookhavenida.org/application and agrees to comply with same.

   Initial ______

Part VIII – Submission of Materials

1. Financial statements for the last two fiscal years (unless included in the Applicant's annual report). Note, if the project company is a newly formed entity, then the applicant is required to submit financial statements for the parent company or sponsor entity.

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.

(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: ______________________

    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

ANTHONY J. GITTO (Name of representative of entities submitting application) deposes and says that he or she is the MEMBER (title) of RAIL REALTY 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 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 30
Day of SEPTEMBER, 20 25

(seal)

JACQUELINE MONETTE
NOTARY PUBLIC, STATE OF NEW YORK
REG NO 01MO6081358
QUALIFIED IN SUFFOLK COUNTY
COMMISSION EXPIRES OCTOBER 07, 20 26

**** 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 -	¾ of one percent up to \$25 million total project cost and an additional 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) –	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.

SCHEDULE I.1.G.

The Gitto Group

Multi-Family Ownership Information

ENTITY NAME	OWNERSHIP	PROPERTY ADDRESS / DESCRIPTION
Rail Realty LLC	Anthony J. Gitto (25%) Beacon Equities LP (50%) General Partner: - AJG Beacon LLC o Anthony J. Gitto (100%) Gregory Star (25%)	"The Hills at Port Jefferson Village", 23-25 Texaco Avenue, Port Jefferson, NY 11777
Port Development LLC	Class A: One Country LLC (25%) Ownership: - Anthony J. Gitto (33.3%) - Robert M. Gitto (33.3%) - Joseph M. Gitto (33.3%) CDE of NY LLC (25%) Class B: One Country LP (50%) General Partner: - One Country LLC	"One North", 1 North Country Road, Port Jefferson, NY 11777
Brooks Partners LLC	AJG Brooks LLC (50%) Ownership: - Anthony J. Gitto (100%) JNP, LLC (50%)	"The Brookport", 52 Barnum Avenue, Port Jefferson, NY 11777
Barnum Equities LLC	AJG Barnum LLC (37.5%) Ownership: - Anthony J. Gitto (100%) Sawmill Associates LLC (37.5%) Main Street Equities, L.P. (25%) General Partner: - Gitto Management Corp. Ownership: o Anthony J. Gitto (100%)	"The Barnum House", 50 Barnum Avenue, Port Jefferson, NY 11777
Commercial Management Group, Inc.	Anthony J. Gitto (100%)	Property manager for Gitto Group multi-family buildings.

SCHEDULE I.1.G.
The Gitto Group
Multi-Family Ownership Information

Reliant Realty Group, LLC	Anthony J. Gitto (50%) Robert M. Gitto (50%)	Real estate brokerage firm for Gitto Group and other unrelated parties.

FARRELLFRITZ P.C.
ATTORNEYS

Peter L. Curry
Partner

Direct Dial: 516.227.0772
Direct Fax: 516.336.2208
pcurry@farrellfritz.com

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

Our File No.
42100/100

October 6, 2025

VIA FEDERAL EXPRESS – 631-406-4244
E-MAIL- lmulligan@brookhavenida.org

Ms. Lisa M.G. Mulligan
Chief Executive Officer
Town of Brookhaven Industrial Development Agency
One Independence Hill
Farmingville, NY 11738

Re: Rail Realty LLC

Dear Ms. Mulligan and Members of the Board:

I am writing in connection with the application of Rail Realty LLC ("Rail Realty") for economic assistance regarding the 74-unit multi-family rental facility located at 23-25 Texaco Avenue, Port Jefferson, New York (the "Facility").

This project received assistance from The Town of Brookhaven Industrial Development Agency (the "Agency") at the time of its initial construction. Rail Realty now seeks a new PILOT term in connection with capital improvements it is considering making to maintain the first-class quality of the Facility, while keeping the apartment rents at a level residents of the Town of Brookhaven can afford. Certain of these improvements will also benefit the new 40-unit multi-family project the principals of Rail Realty are proposing for the adjacent parcel located at 1506 and 1510-1512 Main Street, Port Jefferson, New York. This new premises is proceeding through the planning stage with the Village of Port Jefferson, and the developers will submit an Application for Financial Assistance to the Agency at the appropriate time.

Anthony J. Gitto, the managing member of Rail Realty, has been in the real estate development business for almost 50 years. He and members of his family, along with various investment partners, have developed several multi-family rental projects in the Port Jefferson area, and have received significant assistance from the Agency. The Gitto Group, the family's development arm, has also constructed, leased and managed several million square feet of retail and office properties. It has received Vision Long Island's Smart Growth Award in each of 2002, 2016, 2022 and 2025. The Long Island Business Development Council named it the Developer of the Year in 2016.

Mr. Gitto also owns a property management company to manage commercial and residential properties and, together with his son Robert Gitto, a Port Jefferson-based real estate brokerage. The family is well-known in the Village of Port Jefferson and the surrounding area for the quality of its projects.

To obtain the Agency's assistance, Rail Realty proposes to rent 8 of the units at the Facility to residents who earn no more than 100% of the Long Island adjusted median income (the "AMI"), and an additional 8 units to residents earning no more than 120% of the AMI. We realize that this proposal varies from the affordability standard the Agency seeks for multi-family rental projects applying for its assistance. However, the Gitto Group has experienced difficulty in obtaining tenants for units designated for residents earning 80% of AMI or less. The developer works with The Long Island Housing Partnership to obtain applications for units in its most recent project, and to screen the applicants. It took a considerable period of time to rent up the subject units, and there is no current waiting list to rent units once they become available. Rail Realty believes that there will be a greater market of potential tenants at 100% AMI who will still benefit from rents at less than the market rate.

We respectfully request that the foregoing matter be added to the agenda of the Agency's upcoming board meeting.

Please do not hesitate to contact me with any questions.

Very truly yours,

Peter L. Curry

Peter L. Curry

cc: Mr. Robert Gitto
Joseph Gitto, Esq.
Laura Fallick, Esq.

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR CONSENT TO SUBLEASE

APPLICATION OF: Hawkins Ave Development RHP2, LLC ("Company")

FOR CONSENT TO SUBLEASE TO

Uptown Sweat, LLC ("Subtenant")

FACILITY/PROJECT: Hawkins Ave Development RHP2, LLC 2021 Facility - Ronk Hub Phase 2A

DATE: August 28, 2025

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 one (1) original and one (1) electronic form.

A $750.00 non-refundable application fee made payable to the Town of Brookhaven Industrial Development Agency 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
One Independence Hill
Farmingville, New York 11738

(631) 406-4244

I. Company Data

A. Company: Hawkins Ave Development RH2, LLC

Contact: Robert J. Coughlan

Title/Position: Managing Member

Address: 9 Hawkins Avenue, Suite 3500/5th Floor, Ronkonkoma, NY 11779

Phone: [redacted]

Federal Employer I.D.: [redacted]

B. Related User of the Facility:

Name	Relationship
N/A	N/A

C. Company Counsel

Firm Name: Farrell Fritz, P.C.

Individual Attorney: Peter L. Curry, Esq.

Address: 400 RXR Plaza, Uniondale, NY 11556

Phone: (516) 227-0772

II. Project/Facility Data

A. Location of Project: North Side of Railroad Avenue and East Side of Hawkins Avenue

Address: Railroad Avenue and Hawkins Avenue, Ronkonkoma, NY 11779

S.C. Tax Map:

District 0200 Section 799.00 Block 04.00 Lot 044.000, 047.001, 048.000, 049.000, 051.001, 052.000, 053.000 & 054.000

0200 800.00 2 01.00 027.001

B. Current Occupants, Area Occupied, and Uses

Current Occupant	Area Occupied (Sq. Ft.)	Use	Current # of FTEs
Vacant	N/A	N/A	N/A

III. <u>Proposed Subtenant</u>

A. Name of Subtenant: Uptown Sweat, LLC

B. Address: 9 Hawkins Avenue, Suite 3101, Ronkonkoma, New York 11779

C. Contact:

Name: Tiffany Upton

Phone: [redacted]

D. Affiliates Names and Addresses:

E. Current Location: 4 Pasture Ct

F. Subtenant Counsel:

Firm Name: Ruskin Moscou Faltischek P.C.

Individual Attorney: Anthony Baronci, Esq.

Address: 1425 RXR Plaza, Uniondale, NY 11556

Phone: (516) 663-6554

G. Will the completion of the project or the subleasing to the Subtenant 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 X

i. If no, explain how current facilities will be utilized

Current facilities will continue to operate regularly.

ii. If yes, please indicate whether the subleasing of the Facility to the Subtenant is reasonably necessary for the Subtenant to maintain its competitive position in its industry or remain in the State and explain in full:

N/A

H. Principal stockholders, members, or partners, if any, of Subtenant:

Name and Address	Percent Owned
Tiffany Upton 4 Pasture Ct Bethpage NY 11714	50%
James Upton 4 Pasture Ct Bethpage NY 11714	50%

I. Has the Subtenant, or any subsidiary or affiliate of the Subtenant, 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?

YES _____ NO X

1. If yes, please explain

____

____

ii. Been convicted of a felony, or misdemeanor, or criminal offense (other than a motor vehicle violation)?

YES _____ NO X

1. If yes, please explain

____

____

J. Relationship of Subtenant to Company (e.g., affiliate, arm's-length tenant, etc.)

Arm's-length tenant

K. Proposed area of the facility to be occupied by the Subtenant (Sq. Ft.) 2,523 sq. ft.

L. Describe the specific operations of the Subtenant or other users to be conducted at the project site:

Hotworx studio, including the operation of virtually instructed, infrared sauna workouts and other ancillary purposes, such as the retail sale of fitness related products, vending machines selling fitness related vitamins and beverages, and such items sold in Tenant's existing locations or majority of other stores operating under the Trade Name.

M. Does the proposed use and occupancy of the Subtenant conform with all applicable zoning, planning, building and Environmental Laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Facility?

YES X **NO** _______

i. If no, please explain

IV. Proposed Sublease Agreement Terms

A. **Attach a copy of Executed Sublease Agreement (may be conditioned upon Agency approval)**

Term: 10 years

Commencement Date: July 10, 2025

Guarantors: Tiffany Upton

Base Rent: $92,089.50 per annum

Base Rent Increases and Intervals: 3% increase per annum

Common Area Rent: approximately $8.77 per square foot

B. Improvements to Proposed Demised Area to be Made by **Company**

Description: See attachment 1.

Cost: _______

Source of Payment: Equity and construction loan.

C. Improvements to Proposed Demised Area to be Made by **Subtenant**

Description: building an entire sauna/fitness studio, to include two bathrooms, one will have a shower; along with a work out area + storage area.

Cost: Approximately $400,000

Source of Payment: Company allowance and Subtenant equity.

D. Fair Market Rent Evaluation

Is rent to be charged Fair Market? YES X NO _____

How was Fair Market rent determined? (Attach supporting documentation)

Company retained Long Island based commercial real estate broker.

E. Does or will any of the "Financial Assistance" provided by the Agency, including Real Estate Tax Exemption, Sales and Use Tax Exemption, benefit the Subtenant in any manner?

YES X NO _____

If yes, explain

The Subtenant will benefit because the tax payment Subtenant is responsible for is lower than if there was no Financial Assistance and the Company's work letter will benefit from the sales tax exemption.

F. How many Full-Time Equivalent Employees (FTEs) are there presently at the subtenant's current location: none

How may additional FTEs are to be expected at the Facility regarding this application: 35

G. Salary and Fringe Benefits by Subtenant

Jobs To be Created:

	Average Salary	Average Fringe Benefits
Salary Wage Earners		
Commission Wage Earners		
Hourly Wage Earners	$18/hr	
1099/Contract Workers		

What is the annualized salary range of jobs to be created?

$__________ to $__________

What is the number of construction jobs created as a result of this Subtenant Application? 25 (FTEs)

V. Mortgagees

Have the Holders of all mortgages or record consented to the proposed sublease?

YES ____ NO X

If yes, attach evidence thereof.

COMPANY CERTIFICATION

James L. Coughlan [*Insert name of Chief Executive Officer/Manager/Partner of proposed* Company] deposes and says that s / he is the Managing Member [*insert title*] of Hawkins Ave Development RHP2, LLC [*insert name of Company*], the company named in the attached application; that s/he has read the foregoing application and knows the contents thereof; that the same is true to her/his knowledge.

Deponent further says that the reason this verification is being made by the deponent and not by Hawkins Ave Development RHP2, 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 her/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 Managing 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 August 2025

Linda M. LoBiondo
NOTARY PUBLIC

LINDA M LOBIONDO
NOTARY PUBLIC-STATE OF NEW YORK
No. 01LO6187648
Qualified in Suffolk County
My Commission Expires 05-27-2028

SUBTENANT CERTIFICATION

Tiffany Upton [*Insert name of Chief Executive Officer/Manager/Partner of proposed Subtenant*] deposes and says that s/he is the President [*insert title*] of Uptown Sweat LLC [*insert name of Subtenant*], the proposed subtenant named in the attached application; that s/he has read the foregoing application and knows the contents thereof; that the same is true to her/his knowledge.

Deponent further says that the reason this verification is being made by the deponent and not by Uptown Sweat [*insert name of Subtenant*] is because the said proposed subtenant is a LLC [*insert type of entity*]. The grounds of deponent's belief relative to all matters in the said application which are not stated upon her/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.

Tiffany Upton

Chief Executive Officer/Member/Manager/Partner of Subtenant

Sworn to before me this
28 day of Aug - 2025

NOTARY PUBLIC

Douglas C. Jackson
Notary Public, State of New York
Reg. No. 01JA0006761
Qualified in Nassau County
Commission Expires 04/28/27

October 8, 2025

Town of Brookhaven Industrial Development Agency
c/o Lisa Mulligan, Executive Director and CEO
One Independence Hill
Farmingville, NY 11738

Re: Town of Brookhaven Industrial Development Agency
Caithness Long Island Energy Center Project
Request for Consent to Change of Control.

Dear Ms. Mulligan:

On behalf of LI Generation Holdings, LLC ("LI Gen"), I am writing to respectfully request consent of the Town of Brookhaven Industrial Development Agency (the "Brookhaven IDA") to a change of control of Caithness Long Island, LLC (the "Company") under Section 8.4 of the existing Lease Agreement, dated as of February 1, 2007, between the Company and the Brookhaven IDA (as amended, the "Lease Agreement") regarding the Caithness Long Island Energy Center, a 365 MW combined cycle gas turbine ("CCGT") located in Yaphank, New York (the "Project").

Pursuant to a purchase and sale agreement dated September 9, 2025, LI Gen is acquiring the Company (direct owner of the Project) from Caithness Energy, LLC, which constitutes a change of control under the Lease Agreement. The transaction will also include acquisition of related entities owning adjacent (but not covered by the Lease Agreement) upon which a battery energy storage system ("BESS") may be developed. Upon closing, Lotus intends to rebrand the Project as the Brookhaven Energy Center ("Brookhaven Energy"), honoring its longstanding role in supporting the Brookhaven community.

LI Gen is indirectly controlled by Lotus Infrastructure, LLC ("Lotus"), a leading private equity investment firm specializing in energy and energy infrastructure, with over 20 years of sector experience and more than $8 billion in enterprise value transactions. Lotus and its affiliates have owned and/or managed over 50 projects and a total of 9.4 GW of acquired, owned, and operated generation assets across North America, including 7.6 GW of thermal capacity, of which includes 4.5 GW of CCGT power plant experience.

Lotus' New York footprint demonstrates our commitment to the state's energy reliability and innovation. Assets that Lotus currently and historically owned and/or operated in New York include the following:

- Beaver Falls & Beaver Falls BESS: 108 MW CCGT power plant, with an ongoing BESS development.

- Syracuse & Syracuse BESS: 103 MW CCGT power plant, with an ongoing BESS development.
- Marcus Hook: 835 MW plant in Pennsylvania of which 685 MW of capacity was imported into Long Island under a long-term agreement with Long Island Power Authority.
- Hudson Transmission: 600 MW underground and subsea transmission line connecting the PJM power grid to Midtown Manhattan.
- Neptune Transmission: 660 MW underground and subsea transmission line connecting the PJM power grid to Long Island.

Through these investments, Lotus and its affiliates have consistently supported New York power grid reliability and have involved successful collaboration with local stakeholders, including the New York Power Authority, Long Island Power Authority, Town of Croghan, and Lewis County. We have also led regulatory and zoning changes to enable battery energy storage as a permitted use, further supporting New York's clean energy goals.

The Project is an important economic contributor to the Brookhaven community. In addition to annual payroll, maintenance contractor and materials/equipment expenditures, the Company has contributed over $145.7 million in payments in lieu of taxes ("PILOT") to local tax jurisdictions since construction of the Project pursuant to the Second Amended and Restated PILOT Agreement between the Company and the Brookhaven IDA (the "PILOT Agreement"). For continuity and certainty, LI Gen desires to step into the PILOT Agreement and continue making PILOT payments, which will total $38.7 million, for the remainder of the straight-lease term.

Looking ahead, Lotus is committed to further investing in the Brookhaven Energy Center. Our team brings deep expertise in development, operations, and stakeholder engagement, ensuring continued value for the community.

We value the longstanding relationship between Brookhaven Energy and the Brookhaven IDA and look forward to building on this partnership. Enclosed please find our formal application for consent to the change of control under the Lease Agreement.

Thank you for your consideration.

Sincerely,

Jeffrey Delgado
Managing Director
LI Generation Holdings, LLC

FORM APPLICATION FOR FINANCIAL ASSISTANCE
TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
1 Independence Hill, 2nd Floor, Farmingville, New York 11738
631 406-4244

DATE: 10/8/2025

APPLICATION OF: LI Generation Holdings, LLC
Name of Owner and/or User of Proposed Project

ADDRESS: 5 Greenwich Office Park, FL 2
Greenwich, CT 06831

Type of Application: ☐ Tax-Exempt Bond N/A ☐ Taxable Bond N/A

☐ Straight Lease N/A ☐ Refunding Bond N/A

*** Seeking Change of Control consent for existing PILOT agreement**

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, and should be made payable to the Town of Brookhaven Industrial Development Agency.

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.

INDEX

Part I: Owner & User Data

1. Owner Data:

A. Owner (Applicant for assistance): LI Generation Holdings, LLC

Address: 5 Greenwich Office Park, FL2
Greenwich, CT 06831

Federal Employer ID #: N/A - disregarded entity   Website: https://www.lotusinfrastructure.com/ (Owner does not have its own)

NAICS Code: 221112

Owner Officer Certifying Application: Jeffrey Delgado

Title of Officer: Managing Director

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: Delaware

C. Nature of Business:
(e.g., "manufacturer of _____ for ____ industry"; "distributor of _____"; or "real estate holding company")

Owner and operator of power generation facilities

D. Owner Counsel:

Firm Name: Barclay Damon LLP

Address: 125 East Jefferson Street
Syracuse, NY 13202

Individual Attorney: Matthew Moses

Phone Number: 3154252726   E-mail: mmoses@barclaydamon.com

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

Name	Percent Owned
LI Generation Holdings, LLC is 100% owned by a closed end private equity fund	
which is indirectly controlled by Lotus Infrastructure, LLC	

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)

None

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

None

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.

(1) LIFe IV 45Q Holdings, LLC; (2) LIFe IV TE Holdings, LLC

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:

Lotus Infrastructure Partners, LP

I. List parent corporation, sister corporations and subsidiaries:

N/A - see G

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:

Bank of America - Steve Contino

stephen.j.contino@bofa.com

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: __________

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: Horseblock Road, Yaphank, New York 11980
2. Owned or Leased: Owned
3. Describe your present location (acreage, square footage, number buildings, number of floors, etc.):

   21.438 acres

   ____

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

   Natural gas-fired combined cycle power generation facility

5. Are other facilities or related companies of the Applicant located within the State?

   Yes ■ No ☐

   A. If yes, list the Address: Onondaga County and Lewis County

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:

   Applicant will assume and continue existing operations of the natural gas-fired combined cycle power generation facility

   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: N/A

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

   A. Please explain: N/A

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

   18 - average total target cash compensation of $145,240.64 per year

   Note, employees are employed by a separate third-party O&M provider and certain demographic and/or benefit information is not available to Applicant

Part III – Project Data

1. Project Type:

   A. What type of transaction are you seeking? (Check one) N/A - Seeking Change of Control Consent

   Straight Lease ☐ Taxable Bonds ☐ Tax-Exempt Bonds ☐

   Equipment Lease Only ☐ ***Seeking Change of Control consent for existing PILOT agreement**

   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: Horseblock Road, Yaphank, New York 11980

   B. Tax Map: District 200 Section 777 Block 1 Lot(s) 026

District	Section	Block	Lot(s)
200	777	1	28.8
200	777	2	2.8

   C. Municipal Jurisdiction:

   i. Town: Brookhaven

   ii. Village: ______

   iii. School District: South Country Central School District

   D. Acreage: 21.438

3. Project Components (check all appropriate categories):

A. Construction of a new building ☐ Yes ■ No
   i. Square footage: ______

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: ______

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. <u>Current Use at Proposed Location</u>:

A. Does the Applicant currently hold fee title to the proposed location? No - Owner has entered into an agreement to acquire Caithness Long Island, LLC, which owns the existing combined cycle facility, from Caithness Energy, L.L.C

i. If no, please list the present owner of the site: Caithness Long Island, LLC

B. Present use of the proposed location:

Operation of the existing combined cycle power generation facility owned by Caithness Long Island, LLC

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

i. If yes, explain: Existing PILOT between Caithness Long Island, LLC and Town of Brookhaven IDA

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

See 4(A)

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

5. <u>Proposed Use</u>:

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

Applicant/Owner is acquiring Caithness Long Island, LLC, which owns the existing facility, from Caithness Energy, L.L.C.

B. Proposed product lines and market demands:

Existing facility sells energy and capacity to 1) Long Island Power Authority under a PPA, and 2) wholesale transactions into NYISO

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:

N/A

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

N/A - seeking change of control consent for existing PILOT agreement

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?

N/A - seeking change of control consent for existing PILOT agreement

6. Project Work:

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

i.	Site Clearance:	Yes ☐	No ☐	% COMPLETE N/A
ii.	Foundation:	Yes ☐	No ☐	% COMPLETE N/A
iii.	Footings:	Yes ☐	No ☐	% COMPLETE N/A
iv.	Steel:	Yes ☐	No ☐	% COMPLETE N/A
v.	Masonry:	Yes ☐	No ☐	% COMPLETE N/A
vi.	Other:	N/A - seeking change of control consent for existing PILOT agreement		

B. What is the current zoning? N/A - seeking change of control consent for existing PILOT agreement

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

Yes ☐ No ☐

D. If a change of zoning is required, please provide the details/status of the change of zone request: N/A

E. Have site plans been submitted to the appropriate planning department? Yes ☐ No ☐ N/A

F. Is a change of use application required? 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: Owner expects to consummate the transaction in Q4 2025/Q1 2026

ii. Construction/Renovation/Equipping: N/A

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: N/A

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:

Description	Amount
Land and/or building acquisition	$ See Confidential Supplement
Building(s) demolition/construction	$ N/A - operating project
Building renovation	$ N/A - operating project
Site Work	$ N/A - operating project
Machinery and Equipment	$ N/A - operating project
Legal Fees	$ N/A - operating project
Architectural/Engineering Fees	$ N/A - operating project
Financial Charges	$ N/A - operating project
Other (Specify)	$ N/A - operating project
Total	$ See Confidential Supplement

Please provide the percentage of materials and labor that will be sourced locally (Suffolk/Nassau Counties) N/A

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:	$ N/A	________ years
B. Taxable bond financing:	$ N/A	________ years
C. Conventional Mortgage:	$ N/A	________ years
D. SBA (504) or other governmental financing:	$ N/A	________ years
E. Public Sources (include sum of all State and federal grants and tax credits):	$ N/A	
F. Other loans:	$ See Confidential Supplement	________ years
G. Owner/User equity contribution:	$ See Confidential Supplement	________ years
Total Project Costs	$ See Confidential Supplement	

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

N/A

3. Project Financing: N/A

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:

N/A

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

N/A

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):

   $N/A

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

   $N/A

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):

   $N/A

   B. Estimated State and local Sales and Use Tax exemption (product of 8.75% and figure above):

   $N/A

   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: The remaining term of the existing PILOT agreement for the Facility, which constitutes four (4) payment 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:

*** Employees are employed by a separate third-party O&M provider and certain demographic and/or benefit information is not available to Applicant**

Present number of FTEs **: 18 ________ Date; $145,240.64 per year for target cash compensation — Average Annual Salary of Jobs to be Retained

FTEs to be Created in First Year: N/A (fill in year)

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

FTEs to be Created in Second Year: N/A (fill in year)

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

Number of Residents of LMA: *** This information has not been made available to Applicant/Owner - employees are employed by a separate third-party O&M provider and certain demographic and/or benefit information is not available to Applicant**

Full-Time: _______

Part-Time: _______

Cumulative Total FTEs ** After Year 2 18

Construction Jobs to be Created: N/A

*** 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	$145,240.64	Unavailable*
Commission Wage Earners	N/A	N/A
Hourly Wage Earners	N/A	N/A
1099 and Contract Workers	N/A	N/A

What is the annualized salary range of jobs to created? N/A to N/A

***This information is not known by Applicant. We expect that Average Fringe Benefits are in-line with the industry norm of approximately 30%, or $43,572**

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 Applicant is seeking change of control consent for the existing PILOT agreement. The Applicant would proceed to acquire

   the Facility if IDA consent is not granted. However, IDA consent would preserve economic expectations of the Facility and the tax jurisdictions and avoid the consequences identified in Response VII.4. below.

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 Applicant is seeking change of control consent for the existing PILOT agreement. If consent is not granted, the PILOT agreement would be subject to termination by the IDA and the Facility would be classified as taxable on the property tax roll of the

   If the Facility is classified as taxable, the Applicant may decide to challenge the assessed value of the Facility, exposing both the Facility and the tax jurisdictions to the uncertainty, time, and cost associated with such potential re-assessment

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 JD

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 JD

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 JD

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 JD

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 JD

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 JD

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 JD

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 JD

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 JD

14. The applicant confirms and hereby acknowledges it has received the Agency's Application and Resolution Expiration Policy available at brookhavenida.org/application and agrees to comply with same.

Initial JD

Part VIII – Submission of Materials

1. Financial statements for the last two fiscal years (unless included in the Applicant's annual report). Note, if the project company is a newly formed entity, then the applicant is required to submit financial statements for the parent company or sponsor entity. See * below

2. Applicant's annual reports (or 10-K's if publicly held) for the two most recent fiscal years. See * below

3. Quarterly reports (form 10-Q's) and current reports (form 8-K's) since the most recent annual report, if any. See * below

4. In addition, please attach the financial information described in items A, B, and C of any expected guarantor of the proposed bond issue. See * below

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. N/A

(Remainder of Page Intentionally Left Blank)

* See Confidential Supplement

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: ______________________

    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

Jeffrey Delgado (Name of representative of entities submitting application) deposes and says that he or she is the Managing Director (title) of LI Generation Holdings 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 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 8th
Day of October, 20 25
Carol P. Woodman
(seal)

CAROL P. WOODMAN
Notary Public, Connecticut
My Commission Expires Feb. 28, 2026

CAROL P. WOODMAN NOTARY PUBLIC CONNECTICUT

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.

N/A - seeking change of control consent for existing PILOT agreement

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 -	¾ of one percent up to \$25 million total project cost and an additional 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) –	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.

Short Environmental Assessment Form
Part 1 - Project Information

Instructions for Completing

Part 1 – Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

Part 1 – Project and Sponsor Information

Name of Action or Project:
LI Generation Holdings, LLC is seeking change of control consent for existing PILOT between Caithness Long Island, LLC and Brookhaven IDA

Project Location (describe, and attach a location map):
Existing natural gas-fired combined cycle facility owned by Caithness Long Island, LLC in the Town of Brookhaven.

Brief Description of Proposed Action:
LI Generation Holdings, LLC entered into an agreement to acquire Caithness Long Island, LLC from Caithness Energy, L.L.C. Caithness Long Island, LLC currently has a PILOT Agreement and related agreements with the Town of Brookhaven Industrial Development Agency, which require consent from the Town of Brookhaven Industrial Development Agency to a change in control of Caithness Long Island, LLC. As such, LI Generation Holdings, LLC is submitting an application to the Town of Brookhaven Industrial Development Agency to request the change of control consent and is submitting this Environmental Assessment Form as required under Part VIII of the Form Application.

Name of Applicant or Sponsor: LI Generation Holdings, LLC (Jeffrey Delgado as representative)	Telephone: 2034227719 E-Mail: jdelgado@lotuspartners.com

Address:
5 Greenwich Office Park, FL 2

City/PO:	State:	Zip Code:
Greenwich	CT	06831

	NO	YES
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.	☑	☐
2. Does the proposed action require a permit, approval or funding from any other government Agency? If Yes, list agency(s) name and permit or approval: Federal Energy Regulatory Commission, Federal Power Act Section 203 Approval, and Section 70 Approval from the NYSPSC	☐	☑

3. a. Total acreage of the site of the proposed action? N/A acres
b. Total acreage to be physically disturbed? N/A acres
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? N/A acres

4. Check all land uses that occur on, are adjoining or near the proposed action:
☐ Urban ☐ Rural (non-agriculture) ☐ Industrial ☐ Commercial ☐ Residential (suburban)
☐ Forest ☐ Agriculture ☐ Aquatic ☑ Other(Specify): N/A
☐ Parkland

	NO	YES	N/A
5. Is the proposed action,			
a. A permitted use under the zoning regulations?	☐	☐	☑
b. Consistent with the adopted comprehensive plan?	☐	☐	☑

	NO	YES
6. Is the proposed action consistent with the predominant character of the existing built or natural landscape? N/A	☐	☐
7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area? If Yes, identify: N/A	☐	☐
8. a. Will the proposed action result in a substantial increase in traffic above present levels? N/A	☐	☐
b. Are public transportation services available at or near the site of the proposed action? N/A	☐	☐
c. Are any pedestrian accommodations or bicycle routes available on or near the site of the proposed action? N/A	☐	☐
9. Does the proposed action meet or exceed the state energy code requirements? If the proposed action will exceed requirements, describe design features and technologies: N/A	☐	☐
10. Will the proposed action connect to an existing public/private water supply? If No, describe method for providing potable water: N/A	☐	☐
11. Will the proposed action connect to existing wastewater utilities? If No, describe method for providing wastewater treatment: N/A	☐	☐
12. a. Does the project site contain, or is it substantially contiguous to, a building, archaeological site, or district which is listed on the National or State Register of Historic Places, or that has been determined by the Commissioner of the NYS Office of Parks, Recreation and Historic Preservation to be eligible for listing on the State Register of Historic Places? N/A	☐	☐
b. Is the project site, or any portion of it, located in or adjacent to an area designated as sensitive for archaeological sites on the NY State Historic Preservation Office (SHPO) archaeological site inventory? N/A	☐	☐
13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency? N/A	☐	☐
b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody? N/A	☐	☐
If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: N/A		

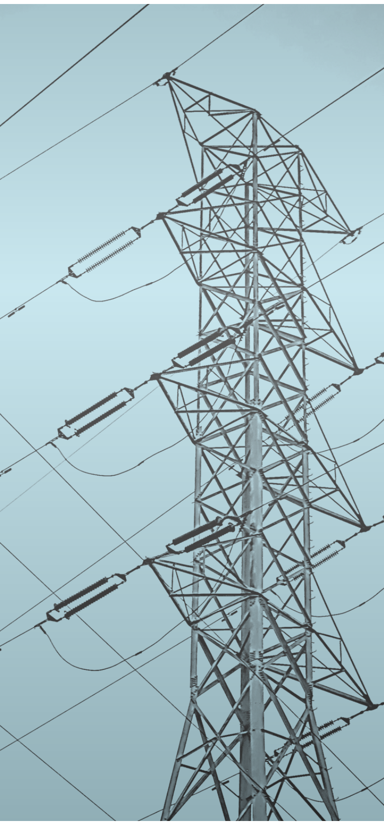
	NO	YES
14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply: ☐ Shoreline ☐ Forest ☐ Agricultural/grasslands ☐ Early mid-successional N/A ☐ Wetland ☐ Urban ☐ Suburban		
15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered? N/A	☐	☐
16. Is the project site located in the 100-year flood plan? N/A	☐	☐
17. Will the proposed action create storm water discharge, either from point or non-point sources? N/A	☐	☐
a. Will storm water discharges flow to adjacent properties? N/A	☐	☐
b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)? If Yes, briefly describe: N/A	☐	☐
18. Does the proposed action include construction or other activities that would result in the impoundment of water or other liquids (e.g., retention pond, waste lagoon, dam)? If Yes, explain the purpose and size of the impoundment: N/A	☐	☐
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe: N/A	☐	☐
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe: N/A	☐	☐

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE

Applicant/sponsor/name: LI Generation Holdings, LLC (Jeffrey Delgado as representative) Date: 10/8/2025

Signature: [signature] Title: Managing Director

PRINT FORM



Lotus Overview Presentation

Lotus Infrastructure Partners

October 8, 2025

Disclaimer

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Lotus Long Island Energy Center Team

LOTUS INFRASTRUCTURE PARTNERS

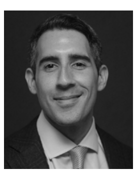
Extensive experience in developing, operating, acquiring and financing energy infrastructure assets

Senior Leadership

Himanshu Saxena
Chairman &
Chief Executive Officer

Jeffrey Delgado
Managing Director
Asset Management

Investment Team & Asset Management Team







David Siegel	*Tim Gusick*	*Cheng Chang*	*Kevin Collins*	*Wendy Gu*	*Ross Barramen*	*Kunal Chauhan*
Principal	SVP	SVP	Vice President	Vice President	Associate	Senior Analyst
Investments	Project Optimization	Risk Management	Asset Management	Asset Management	Investments	Asset Management

An Established Platform

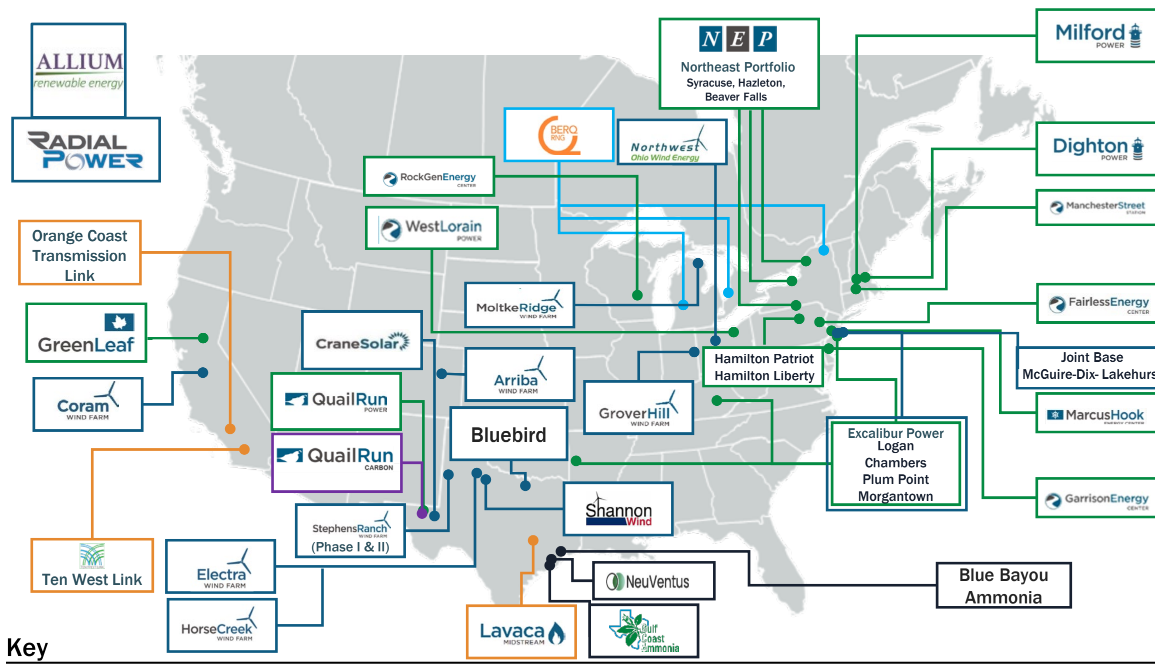
LOTUS INFRASTRUCTURE PARTNERS

Established firm with balanced skillset

At a glance

~$8B Assets under management[1]	**20+** Years sector experience
4.0+ GW Combined cycle capacity currently or previously under management	**50+** Projects developed, constructed, and operated
1.5 GW Successfully developed greenfield projects	**~9.4 GW** Acquired, owned, and operated projects across North America
~7.6 GW Total thermal capacity currently or previously under management	**20** Thermal projects currently or previously under management

Diversified experience in energy infrastructure[2]



Key

Thermal	Renewables/Storage	Transmission / Midstream
Hydrogen/Ammonia	Carbon Capture	Renewable Fuels

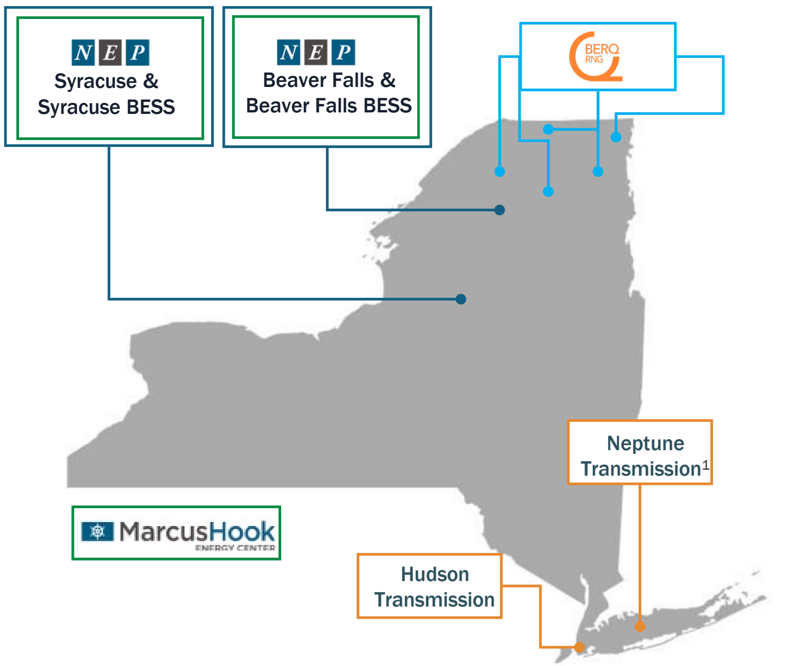
1 Aggregate enterprise value (based on current FMV) of all projects and assets invested in by Fund II, Fund III and Fund IV, in addition to unfunded commitments and other net assets.
2 The map does not include Fund I Investments

Lotus New York Experience

LOTUS INFRASTRUCTURE PARTNERS

Lotus has significant and diversified experience across the state

Lotus New York footprint



Key

Thermal	Renewables/Storage
Transmission / Midstream	Renewable Fuels

Lotus New York Involvement

Syracuse & Syracuse BESS
- 103 MW CCGT critical to NYISO reliability & BESS development initiative

Beaver Falls & Beaver Falls BESS
- 108 MW CCGT critical to NYISO reliability & BESS development initiative
- Working with NYPA on substation upgrades including the replacement of the project's transformer
- Successfully collaborated with the Town of Croghan and Lewis county to adopt the NYSERDA Model Law to allow battery energy storage as a permitted use

Marcus Hook
- Exported 685 MW capacity from Pennsylvania to Long Island through long term agreement with LIPA

Hudson Transmission
- 600 MW underground and sub sea transmission line connecting the PJM Power Grid to Midtown Manhattan

Neptune Transmission
- 660 MW underground and sub sea transmission line connecting the PJM Power Grid to Long Island

BerQ RNG (Renewable Natural Gas)
- Lotus RNG platform, working with New York farmers on feedstock
- Provides 1:1 natural gas replacements with negative carbon intensity scores

1 Investment precedes Fund I, II, III, and IV

Town of Brookhaven Industrial Development Agency
MRB Cost Benefit Calculator

Cost-Benefit Analysis Tool powered by MRB Group

Date	October 3, 2025
Project Title	C and K Development, LLC
Project Location	Corner of Terryville Rd and Old Town Road Port Jefferson Station

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

Construction Project Costs

$21,050,000

Temporary (Construction)

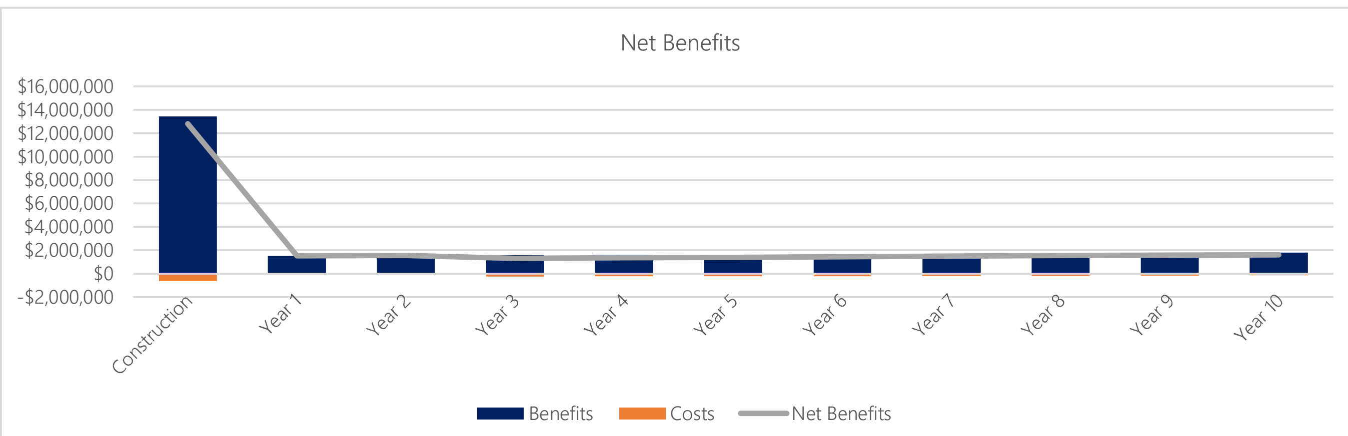
	Direct	Indirect	Total
Jobs	122	60	182
Earnings	$8,105,642	$4,581,407	$12,687,049
Local Spend	$21,050,000	$15,269,841	$36,319,841

Ongoing (Operations)

Aggregate over life of the PILOT

	Direct	Indirect	Total
Jobs	14	9	23
Earnings	$15,680,692	$12,529,043	$28,209,734

Figure 1



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

Figure 2

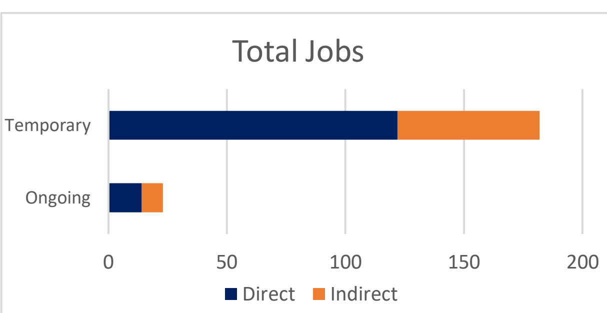
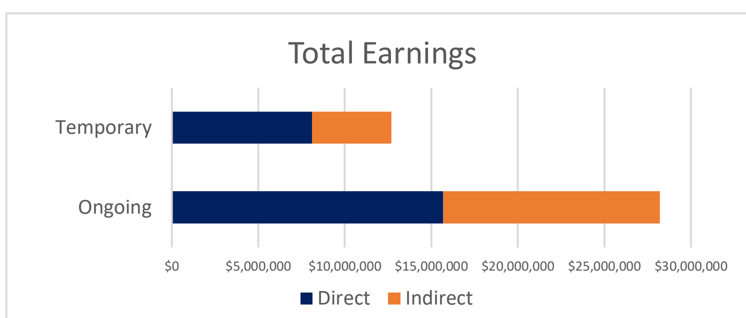


Figure 3



Ongoing earnings are all earnings over the life of the PILOT.

Fiscal Impacts

Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	$2,328,119	$1,991,740
Sales Tax Exemption	$539,437	$539,437
Local Sales Tax Exemption	*$292,837*	*$292,837*
State Sales Tax Exemption	*$246,600*	*$246,600*
Mortgage Recording Tax Exemption	$116,250	$116,250
Local Mortgage Recording Tax Exemption	*$38,750*	*$38,750*
State Mortgage Recording Tax Exemption	*$77,500*	*$77,500*
Total Costs	**$2,983,806**	**$2,647,427**

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	$43,605,027	$38,331,307
To Private Individuals	$40,896,784	$36,182,492
Temporary Payroll	*$12,687,049*	*$12,687,049*
Ongoing Payroll	*$28,209,734*	*$23,495,442*
Other Payments to Private Individuals	*$0*	*$0*
To the Public	$2,708,244	$2,148,815
Increase in Property Tax Revenue	*$2,293,118*	*$1,785,445*
Temporary Jobs - Sales Tax Revenue	*$105,461*	*$105,461*
Ongoing Jobs - Sales Tax Revenue	*$309,665*	*$257,910*
Other Local Municipal Revenue	*$0*	*$0*
State Benefits	$2,189,935	$1,934,208
To the Public	$2,189,935	$1,934,208
Temporary Income Tax Revenue	*$570,917*	*$570,917*
Ongoing Income Tax Revenue	*$1,269,438*	*$1,057,295*
Temporary Jobs - Sales Tax Revenue	*$88,809*	*$88,809*
Ongoing Jobs - Sales Tax Revenue	*$260,770*	*$217,187*
Total Benefits to State & Region	$45,794,962	$40,265,515

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	$38,331,307	$2,323,327	16:1
State	$1,934,208	$324,100	6:1
Grand Total	$40,265,515	$2,647,427	15:1

*Discounted at the public sector discount rate of: 2%

Additional Comments from IDA

This project includes 45 units of PRC (over 55) residential with anncilary recreation with units set aside as affordable and workforce as per the IDA's Uniform Tax Exemption Policy (UTEP). As per the Bookhaven IDA Uniform Project Evaluation Criteria Policy, the criteria met for this project include, but are not limited to, capital investment by the applicant and an increase in the number of affordable housing units in the Town. This project will result in 1.5 full time equivalent employees.

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

Does this project provide onsite childcare facilities? No

CERTILMAN BALIN
ATTORNEYS

100 MOTOR PARKWAY, SUITE 560
HAUPPAUGE, NY 11788
PHONE: 631.979.3000 FAX: 631.979.7070
www.certilmanbalin.com

J. TIMOTHY SHEA, JR.
PARTNER
DIRECT DIAL 516.296.7885
tshea@certilmanbalin.com

July 7, 2025

Via: Hand Delivery
Town of Brookhaven Industrial Development Agency
Attn: Ms. Lisa MG Mulligan, Chief Executive Officer
One Independence Hill
Farmingville, New York 11738

Re: Cordwood Estates/Kelly Development Corp. - Application for Financial Assistance
Old Town Road, Port Jefferson Station, New York
SCTM No.: 0200-311.00-02.00-001.000 and 002.001
Our File No.: 13286.0011

Dear Ms. Mulligan:

As you may know, this firm is counsel to Cordwood Estates/Kelly Development Corp. (the "Applicant") in connection with its Application for Financial Assistance (the "Application") to the Town of Brookhaven Industrial Development Agency (the "IDA") for their proposed over 55 residential development project, located at Old Town Road, Port Jefferson Station, New York.

In furtherance of same, please find enclosed an original fully executed copy of the Application, LEAF and SEQRA Negative Declaration together with a check in the amount of $4,000.00, representing the fees due to the IDA for same. Please note that Applicant is a new single-purpose entity, and as a result, has no annual or quarterly reports, nor NYS Form 45 for the IDA's review. In that the financials include personal financial information, we kindly request that the principals be permitted to provide individual financial statements for "in camera" inspection.

The project proposes a 45 unit PRC (over 55) residential community with ancillary recreation and site improvements on a 5+ acre parcel located at the northeast corner of Terryville Road in Port Jefferson Station. The project includes 8 affordable units pursuant to the Town of Brookhaven site plan approval. The property abuts an existing commercial center which is designated to have a new Port Jefferson Station Post Office as a tenant. The other tenants of the existing shopping center include Dollar Tree, Family Dollar retail stores and local retail and personal service shops. There will be cross access between the proposed over 55 residential site and commercial site next door to make the project walkable to services.

The project was rezoned on the Town Board's own motion from J Business 2 to PRC and provides much needed senior housing with recreational activities and proximity to shopping and other services filing a need for such housing.

Additionally, and as indicated in the annexed application, the project will provide 180 construction jobs that will mainly go to local contractors and employees.

Please do not hesitate to contact me immediately if you have any questions or comments regarding this Application. Thank you kindly in advance for your prompt attention to this matter.

Very truly yours,

J. Timothy Shea, Jr.

JTS\err

C and K Development DRAFT PILOT

YEAR	PILOT
1	$32,223
2	$32,868
3	$48,563
4	$64,872
5	$81,815
6	$99,406
7	$117,674
8	$136,630
9	$156,297
10	$176,697
11	$197,849
12	$219,778
13	$242,504
14	$266,051
15	$328,586
16	$354,610
17	$381,544

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

PREPARED FOR:

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

Reasonableness Assessment for Financial Assistance

C AND K DEVELOPMENT, LLC

OCTOBER 2025

PREPARED BY:

camoin associates

CONTENTS

EXECUTIVE SUMMARY

Project Description

The Town of Brookhaven Industrial Development Agency (Agency) received an application from C and K Development, LLC (Applicant) for financial assistance to construct 45 restricted (55+) apartments. This development will include an affordable housing component consisting of 9 units.

The Project represents a $43.29 million investment and is anticipated by the Applicant to generate 1.5 full-time permanent jobs within two years. To support this project, the Applicant requests financial assistance through a Payment In Lieu of Taxes (PILOT) agreement.

Purpose of this Analysis

An objective, third-party review of a project's assumptions and estimated operating and financial performance 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 three questions:

- Are the operating assumptions, such as rent, vacancy, and expenses, within regional norms?
- 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?

Findings: This analysis concludes that the answer to each of these questions is as follows:

- ***Certain assumptions are within norms, such as market rent and vacancy rate. However, operating expenses are more efficient than benchmarks.***
- ***The equity dividend rate benchmark is met in year 12 with the 17-year PILOT scenario but not the No PILOT scenario or the 15 year PILOT scenario, indicating that longer period of assistance is necessary for this project to meet industry benchmarks.***
- ***Under all scenarios, cash flow is positive, but cumulative cash flow does not recoup the initial equity investment over the time period studied.***

1. OPERATING ASSUMPTIONS

The Applicant's operating assumptions are compared to CoStar estimates for rent in 2024 in Suffolk County and key metrics for affordable housing income limits as provided by the U.S. Department of Housing and Urban Development. 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.

Apartment Unit Type, Rent, and Household Income

Type of Apartment (1)		Number of Units in Project (1)	Average Rent per Month (1)	Rent per Year	Household Income Required (2)	Average Rent for Suffolk County (3)	Affordable Income Limits (4)	Benchmarks
Market	2BR	36	$3,475	$41,700	$139,000	$3,348	N/A	Meets Benchmark
Affordable	2BR	9	$2,800	$33,600	$112,000	N/A	$92,350	NA

(1) Source: Applicant

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

(3) 2024 Average monthly rent for newly built apartments (Post 2020) for Suffolk County, NY Source: CoStar

(4) Uncapped FY 2023 Low Income Limit Table By Family Size, Town of Brookhaven

2. PILOT ANALYSIS

The Applicant requested a 17 year PILOT and Camoin Associates created a 15 year PILOT schedule in alignment with the Agency's Uniform Tax Exemption Policy (UTEP). The following tables show the two PILOT schedules.

PILOT Schedule - 15 Year

		Plus: Improvements				
Year	Property Without Project (1)	Projected Improvement Tax (2)	Proposed Exemption (1)	Total PILOT (1)	Estimated PILOT Savings (2)	Project w/out PILOT (2)
Construction Year 1	$32,223	$0	100%	$32,223	$ -	$32,223
Construction Year 2	$32,868	$0	100%	$32,868	$ -	$32,868
PILOT/Tax Year 3	$33,525	$300,750	95%	$48,563	$285,713	$334,275
PILOT/Tax Year 4	$34,196	$306,765	90%	$64,872	$276,089	$340,961
PILOT/Tax Year 5	$34,879	$312,900	85%	$81,815	$265,965	$347,780
PILOT/Tax Year 6	$35,577	$319,158	80%	$99,409	$255,327	$354,735
PILOT/Tax Year 7	$36,289	$325,542	75%	$117,674	$244,156	$361,830
PILOT/Tax Year 8	$37,014	$332,052	70%	$136,630	$232,437	$369,067
PILOT/Tax Year 9	$37,755	$338,693	60%	$173,232	$203,216	$376,448
PILOT/Tax Year 10	$38,510	$345,467	50%	$211,243	$172,734	$383,977
PILOT/Tax Year 11	$39,280	$352,377	40%	$250,706	$140,951	$391,657
PILOT/Tax Year 12	$40,066	$359,424	30%	$291,663	$107,827	$399,490
PILOT/Tax Year 13	$40,867	$366,613	20%	$334,157	$73,323	$407,480
PILOT/Tax Year 14	$41,684	$373,945	10%	$378,235	$37,394	$415,629
PILOT/Tax Year 15	$42,518	$381,424	5%	$404,871	$19,071	$423,942
Total	**$557,250**			**$2,658,159**	**$2,314,202**	**$4,972,361**

(1) Source: Town of Brookhaven, Assumes tax rate for Fiscal Year 2024/2025 of 429.643 and a current assessed value of $7,500, increasing at 2% rate.

(2) Source: Town of Brookhaven, Assumes a 2% annual increase in the tax rate and a taxable value of $70,000 upon completion.

PILOT Schedule - 17 Year

Year	Property Without Project (1)	Plus: Improvements Projected Improvement Tax (2)	Proposed Exemption (1)	Total PILOT (1)	Estimated PILOT Savings (2)	Project w/out PILOT (2)
Construction Year 1	$32,223	$0	100%	$32,223	$ -	$32,223
Construction Year 2	$32,868	$0	100%	$32,868	$ -	$32,868
PILOT/Tax Year 3	$33,525	$300,750	95%	$48,563	$285,713	$334,275
PILOT/Tax Year 4	$34,196	$306,765	90%	$64,872	$276,089	$340,961
PILOT/Tax Year 5	$34,879	$312,900	85%	$81,815	$265,965	$347,780
PILOT/Tax Year 6	$35,577	$319,158	80%	$99,409	$255,327	$354,735
PILOT/Tax Year 7	$36,289	$325,542	75%	$117,674	$244,156	$361,830
PILOT/Tax Year 8	$37,014	$332,052	70%	$136,630	$232,437	$369,067
PILOT/Tax Year 9	$37,755	$338,693	65%	$156,297	$220,151	$376,448
PILOT/Tax Year 10	$38,510	$345,467	60%	$176,697	$207,280	$383,977
PILOT/Tax Year 11	$39,280	$352,377	55%	$197,849	$193,807	$391,657
PILOT/Tax Year 12	$40,066	$359,424	50%	$219,778	$179,712	$399,490
PILOT/Tax Year 13	$40,867	$366,613	45%	$242,504	$164,976	$407,480
PILOT/Tax Year 14	$41,684	$373,945	40%	$266,051	$149,578	$415,629
PILOT/Tax Year 15	$42,518	$381,424	25%	$328,586	$95,356	$423,942
PILOT/Tax Year 16	$43,368	$389,052	20%	$354,610	$77,810	$432,421
PILOT/Tax Year 17	$44,236	$396,833	15%	$381,544	$59,525	$441,069
Total	**$644,854**			**$2,937,969**	**$2,907,882**	**$5,845,851**

(1) Source: Town of Brookhaven, Assumes tax rate for Fiscal Year 2024/2025 of 429.643 and a current assessed value of $7,500, increasing at 2% rate.

(2) Source: Town of Brookhaven, Assumes a 2% annual increase in the tax rate and a taxable value of $70,000 upon completion.

15 Year PILOT: The 15-year PILOT agreement will abate 46.5% of the Applicant's taxes, resulting in $2.3 million in foregone tax revenue (benefit to the Project) to the municipality over the next 15 years. The benefit to the municipality is $2.1 million, which the municipality stands to gain from the project over a no-project scenario.

17 Year PILOT: The 17-year PILOT agreement will abate 49.7% of the Applicant's taxes, resulting in $2.9 million in foregone tax revenue (benefit to the Project) to the municipality over the next 17 years. The benefit to the municipality is $2.3 million, which the municipality stands to gain from the project over a no-project scenario.

Real Property Tax Comparison

Comparison of Taxes on Full Value of Project and with PILOT	15 Year PILOT	17 Year PILOT
Taxes without PILOT	$4,972,361	$5,845,851
Less: PILOT/Tax Payments	($2,658,159)	($2,937,969)
Foregone Revenue (Benefits to Project)	$2,314,202	$2,907,882
Abatement Percent	46.5%	49.7%
Net New Taxes Compared with No Project		
PILOT/Tax Payments	$2,658,159	$2,937,969
Less: Estimated Taxes without Project	($557,250)	($644,854)
Estimated New Tax Revenue (Benefits to Municipalities)	$2,100,909	$2,293,115

3. OPERATING PERFORMANCE

The project's seventh year of operation (not including two years of construction) is measured, which is the mid-year of the pro forma period studied. The Applicant assumes that gross revenue and expenses will escalate at 2% per year and that there will be a 6% vacancy rate once stabilized, within the range for Suffolk County, NY. Operating expenses are lower than the benchmarks for all scenarios. Without a PILOT, real property taxes absorb 18% of project income, while debt service absorbs 50%, resulting in a positive cash flow of $259,688. With a 15-year PILOT, property taxes absorb 8% of gross operating income and have a positive cash flow of $462,904. With a 17-year PILOT, property taxes absorb 7% of gross operating income and have a positive cash flow of $479,839.

Operations Snapshot

	15 Year PILOT (Year 7)		**17 Year PILOT (Year 7)**		**17 Year No PILOT (Year 7)**			
	Project Performance (1)	Share of Gross Operating Income	Project Performance (1)	Share of Gross Operating Income	Project Performance (1)	Share of Gross Operating Income	Benchmark Performance (2)	Evaluation
Calculation of Net Operating Income Residential								
Gross Operating Income	$2,144,664	100%	$2,144,664	100%	$2,144,664	100%	n/a	n/a
Vacancy Rate and Concessions (3)	6%	n/a	6%	n/a	6%	n/a	7.5%	More efficient
Effective Gross Income (EGI), All Uses (4)	$2,037,431	95%	$2,037,431	95%	$2,037,431	95%	95%	Within range
Less: Operating Expenses and Reserve	($321,294)	15%	($321,294)	15%	($321,294)	15%	54%	More efficient
Less: Real Property Taxes	($173,232)	8%	($156,297)	7%	($376,448)	18%	n/a	n/a
Net Operating Income	$1,542,904	72%	$1,559,839	73%	$1,339,688	62%	44%	More efficient
Less: Debt Service	($1,080,000)	50%	($1,080,000)	50%	($1,080,000)	50%	n/a	n/a
Cashflow after Operating Costs, Taxes, Debt	$462,904	22%	$479,839	22%	$259,688	12%	n/a	n/a

(1) Source: Applicant

(2) Source: RealtyRates Q2 2025 for Northeast Region

(3) Average vacancy rate for 2024 Q4 in Suffolk County, NY is 7.5%, Source: CoStar

(4) Net of vacancy and concessions

4. FINANCING PLAN

- The Sources and Uses of Funds show the total project costs and debt and equity capital structure.
- The Senior (Long Term) Debt Terms are positive, with bank financing making up 75% of the source of funds, within the industry benchmarks of 55-90%. The annual interest rate for long-term debt is within range, and the maturity term is within acceptable limits.

Sources and Uses of Funds

Sources of Funds	Amount (1)	Share
Bank Financing	$32,468,650	75%
Equity and Working Capital	$10,821,550	25%
Total Sources	$43,290,200	100%
Uses of Funds		
Acquisition and Transaction Costs	$10,776,000	25%
Construction Costs	$32,514,200	75%
Total Uses	$43,290,200	100%

(1) Source: *Applicant*

Terms of the Senior (Long Term) Debt

	Terms (1)	Benchmark (2)	Evaluation
Amount Borrowed	$32,468,650	n/a	n/a
Loan to Total Project Cost	75%	55% - 90%	Within Range
Annual Interest Rate	6.00%	4.94% - 9.22%	Within Range
Maturity in Years	30	15-40	Within Range

(1) Source: *Applicant*

(2) Source: *RealtyRates Q3 2025*

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.

Three metrics are used to evaluate outcomes:

- **The Equity Dividend Rate** is net cash flow 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 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 $10,821,550. **The average equity dividend rate does not meet this benchmark under any of the scenarios, but it does reach it under the proposed 17 year PILOT.**
- **Cash Flow** shows the applicant's net cash flow over time. There are currently no cash flow benchmarks available. **Cumulative Cash Flow is positive for both scenarios but insufficient to recoup the initial investment of $10,821,550.**
- Debt Service Coverage estimates how well the Project's net income, after taxes, supports debt repayment. **In year 1, Debt Service Coverage exceeded the benchmark in both scenarios.**

Comparison of Return on Investment

	15 Year PILOT	17 Year PILOT	17 Year No PILOT	Benchmarks (1)
Equity Dividend Rates				
Average	4.08%	4.49%	2.69%	4.71% to 13.57%
Minimum	3.65%	3.65%	1.01%	
Maximum	4.30%	5.07%	4.52%	
Year Benchmarks Met	NA	12	NA	
Cash Flow				
Average	$441,384	$485,348	$291,489	n/a
Minimum	$395,317	$395,317	$109,605	
Maximum	$465,857	$549,183	$489,658	
Cumulative	$5,737,995	$7,280,214	$4,372,332	
Year Investment Recouped	NA	NA	NA	
Debt Service Coverage				
Average	1.41	1.45	1.27	1.00 to 1.86
Minimum	1.37	1.37	1.10	
Maximum	1.43	1.51	1.45	
Years Benchmarks Met	1	1	1	

***(1) Source:** RealtyRates for Q2 2025*

ATTACHMENT 1: PRO FORMAS

C and K Development

Annual Cashflows (Pro Forma) - 15 YEAR PILOT

	Construction Year 1-2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Operating Cash Flow														
Residential Income														
Gross Operating Income	$ -	$ 1,904,400	$ 1,942,488	$ 1,981,338	$ 2,020,965	$ 2,061,384	$ 2,102,611	$ 2,144,664	$ 2,187,557	$ 2,231,308	$ 2,275,934	$ 2,321,453	$ 2,367,882	$ 2,415,240
Less: Vacancy Allowance (enter as a negative number)	$ -	$ 95,220	$ 97,124	$ 99,067	$ 101,048	$ 103,069	$ 105,131	$ 107,233	$ 109,378	$ 111,565	$ 113,797	$ 116,073	$ 118,394	$ 120,762
Net Rental Income, Residential	$ -	$ 1,809,180	$ 1,845,364	$ 1,882,271	$ 1,919,916	$ 1,958,315	$ 1,997,481	$ 2,037,431	$ 2,078,179	$ 2,119,743	$ 2,162,138	$ 2,205,380	$ 2,249,488	$ 2,294,478
Effective Gross Income (EGI)	**$ -**	**$ 1,809,180**	**$ 1,845,364**	**$ 1,882,271**	**$ 1,919,916**	**$ 1,958,315**	**$ 1,997,481**	**$ 2,037,431**	**$ 2,078,179**	**$ 2,119,743**	**$ 2,162,138**	**$ 2,205,380**	**$ 2,249,488**	**$ 2,294,478**
Operating Expenses (enter positive numbers)														
Salaries and Wages	$ -	$ 85,000	$ 86,700	$ 88,434	$ 90,203	$ 92,007	$ 93,847	$ 95,724	$ 97,638	$ 99,591	$ 101,583	$ 103,615	$ 105,687	$ 107,801
Maintenance	$ -	$ 86,300	$ 88,026	$ 89,787	$ 91,582	$ 93,414	$ 95,282	$ 97,188	$ 99,132	$ 101,114	$ 103,136	$ 105,199	$ 107,303	$ 109,449
Deposit to replacement reserve	$ -	$ 54,000	$ 55,080	$ 56,182	$ 57,305	$ 58,451	$ 59,620	$ 60,813	$ 62,029	$ 63,270	$ 64,535	$ 65,826	$ 67,142	$ 68,485
Insurance	$ -	$ 60,000	$ 61,200	$ 62,424	$ 63,672	$ 64,946	$ 66,245	$ 67,570	$ 68,921	$ 70,300	$ 71,706	$ 73,140	$ 74,602	$ 76,095
Other	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenses	**$ -**	**$ 285,300**	**$ 291,006**	**$ 296,826**	**$ 302,763**	**$ 308,818**	**$ 314,994**	**$ 321,294**	**$ 327,720**	**$ 334,274**	**$ 340,960**	**$ 347,779**	**$ 354,735**	**$ 361,829**
Pre-Tax Operating Income (Revenue less Operating Expenses)	**$ -**	**$ 1,523,880**	**$ 1,554,358**	**$ 1,585,445**	**$ 1,617,154**	**$ 1,649,497**	**$ 1,682,487**	**$ 1,716,136**	**$ 1,750,459**	**$ 1,785,468**	**$ 1,821,178**	**$ 1,857,601**	**$ 1,894,753**	**$ 1,932,648**
Real Property Taxes (assuming PILOT**)**	$ 32,223	$ 48,563	$ 64,872	$ 81,815	$ 99,409	$ 117,674	$ 136,630	$ 173,232	$ 211,243	$ 250,706	$ 291,663	$ 334,157	$ 378,235	$ 404,871
Net Operating Income (NOI) after Taxes	**$ (32,223)**	**$ 1,475,317**	**$ 1,489,486**	**$ 1,503,630**	**$ 1,517,745**	**$ 1,531,823**	**$ 1,545,857**	**$ 1,542,904**	**$ 1,539,216**	**$ 1,534,762**	**$ 1,529,515**	**$ 1,523,444**	**$ 1,516,519**	**$ 1,527,778**
Loan or Mortgage (Debt Service)														
Interest Payment	$ -	$ 980,000	$ 980,000	$ 980,000	$ 980,000	$ 980,000	$ 980,000	$ 980,000	$ 980,000	$ 980,000	$ 980,000	$ 980,000	$ 980,000	$ 980,000
Principal Payment	$ -	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000
Debt Service	$ -	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000
Cash Flow After Financing and Reserve	**$ (32,223)**	**$ 395,317**	**$ 409,486**	**$ 423,630**	**$ 437,745**	**$ 451,823**	**$ 465,857**	**$ 462,904**	**$ 459,216**	**$ 454,762**	**$ 449,515**	**$ 443,444**	**$ 436,519**	**$ 447,778**
Debt Service Coverage Ratio (DSCR)		1.37	1.38	1.39	1.41	1.42	1.43	1.43	1.43	1.42	1.42	1.41	1.40	1.41
Equity Dividend Rate		3.65%	3.78%	3.91%	4.05%	4.18%	4.30%	4.28%	4.24%	4.20%	4.15%	4.10%	4.03%	4.14%

C and K Development

Annual Cashflows (Pro Forma) - 17 YEAR PILOT

	Construction Year 1-2	Year 3	Year 4	Year 5	Year 6	Year 14	Year 15	Year 16	Year 17
Operating Cash Flow									
Residential Income									
Gross Operating Income	$ -	$ 1,904,400	$ 1,942,488	$ 1,981,338	$ 2,020,965	$ 2,367,882	$ 2,415,240	$ 2,463,544	$ 2,512,815
Less: Vacancy Allowance (enter as a negative number)	$ -	$ 95,220	$ 97,124	$ 99,067	$ 101,048	$ 118,394	$ 120,762	$ 123,177	$ 125,641
Net Rental Income, Residential	$ -	$ 1,809,180	$ 1,845,364	$ 1,882,271	$ 1,919,916	$ 2,249,488	$ 2,294,478	$ 2,340,367	$ 2,387,175
Effective Gross Income (EGI)	**$ -**	**$ 1,809,180**	**$ 1,845,364**	**$ 1,882,271**	**$ 1,919,916**	**$ 2,249,488**	**$ 2,294,478**	**$ 2,340,367**	**$ 2,387,175**
Operating Expenses (enter positive numbers)									
Salaries and Wages	$ -	$ 85,000	$ 86,700	$ 88,434	$ 90,203	$ 105,687	$ 107,801	$ 109,957	$ 112,156
Maintenance	$ -	$ 86,300	$ 88,026	$ 89,787	$ 91,582	$ 107,303	$ 109,449	$ 111,638	$ 113,871
Deposit to replacement reserve	$ -	$ 54,000	$ 55,080	$ 56,182	$ 57,305	$ 67,142	$ 68,485	$ 69,855	$ 71,252
Insurance	$ -	$ 60,000	$ 61,200	$ 62,424	$ 63,672	$ 74,602	$ 76,095	$ 77,616	$ 79,169
Other	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
Operating Expenses	**$ -**	**$ 285,300**	**$ 291,006**	**$ 296,826**	**$ 302,763**	**$ 354,735**	**$ 361,829**	**$ 369,066**	**$ 376,447**
Pre-Tax Operating Income (Revenue less Operating Expenses)	**$ -**	**$ 1,523,880**	**$ 1,554,358**	**$ 1,585,445**	**$ 1,617,154**	**$ 1,894,753**	**$ 1,932,648**	**$ 1,971,301**	**$ 2,010,727**
Real Property Taxes (assuming PILOT)	$ 32,223	$ 48,563	$ 64,872	$ 81,815	$ 99,409	$ 266,051	$ 328,586	$ 354,610	$ 381,544
Net Operating Income (NOI) after Taxes	**$ (32,223)**	**$ 1,475,317**	**$ 1,489,486**	**$ 1,503,630**	**$ 1,517,745**	**$ 1,628,702**	**$ 1,604,063**	**$ 1,616,691**	**$ 1,629,183**
Loan or Mortgage (Debt Service)									
Interest Payment	$ -	$ 980,000	$ 980,000	$ 980,000	$ 980,000	$ 980,000	$ 980,000	$ 980,000	$ 980,000
Principal Payment	$ -	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000
Debt Service	$ -	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000
Cash Flow After Financing and Reserve	**$ (32,223)**	**$ 395,317**	**$ 409,486**	**$ 423,630**	**$ 437,745**	**$ 548,702**	**$ 524,063**	**$ 536,691**	**$ 549,183**
Debt Service Coverage Ratio (DSCR)		1.37	1.38	1.39	1.41	1.51	1.49	1.50	1.51
Equity Dividend Rate		3.65%	3.78%	3.91%	4.05%	5.07%	4.84%	4.96%	5.07%

C and K Development

Annual Cashflows (Pro Forma) - NO PILOT

	Construction Year 1-2	Year 3	Year 4	Year 5	Year 6	Year 14	Year 15	Year 16	Year 17
Operating Cash Flow									
Residential Income									
Gross Operating Income	$ -	$ 1,904,400	$ 1,942,488	$ 1,981,338	$ 2,020,965	$ 2,367,882	$ 2,415,240	$ 2,463,544	$ 2,512,815
Less: Vacancy Allowance (enter as a negative number)	$ -	$ 95,220	$ 97,124	$ 99,067	$ 101,048	$ 118,394	$ 120,762	$ 123,177	$ 125,641
Net Rental Income, Residential	$ -	$ 1,809,180	$ 1,845,364	$ 1,882,271	$ 1,919,916	$ 2,249,488	$ 2,294,478	$ 2,340,367	$ 2,387,175
Effective Gross Income (EGI)	**$ -**	**$ 1,809,180**	**$ 1,845,364**	**$ 1,882,271**	**$ 1,919,916**	**$ 2,249,488**	**$ 2,294,478**	**$ 2,340,367**	**$ 2,387,175**
Operating Expenses (enter positive numbers)									
Salaries and Wages	$ -	$ 85,000	$ 86,700	$ 88,434	$ 90,203	$ 105,687	$ 107,801	$ 109,957	$ 112,156
Maintenance	$ -	$ 86,300	$ 88,026	$ 89,787	$ 91,582	$ 107,303	$ 109,449	$ 111,638	$ 113,871
Deposit to replacement reserve	$ -	$ 54,000	$ 55,080	$ 56,182	$ 57,305	$ 67,142	$ 68,485	$ 69,855	$ 71,252
Insurance	$ -	$ 60,000	$ 61,200	$ 62,424	$ 63,672	$ 74,602	$ 76,095	$ 77,616	$ 79,169
Other	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenses	**$ -**	**$ 285,300**	**$ 291,006**	**$ 296,826**	**$ 302,763**	**$ 354,735**	**$ 361,829**	**$ 369,066**	**$ 376,447**
Pre-Tax Operating Income (Revenue less Operating Expenses)	**$ -**	**$ 1,523,880**	**$ 1,554,358**	**$ 1,585,445**	**$ 1,617,154**	**$ 1,894,753**	**$ 1,932,648**	**$ 1,971,301**	**$ 2,010,727**
Real Property Taxes (assuming no PILOT**)**	$ 32,223	$ 334,275	$ 340,961	$ 347,780	$ 354,735	$ 415,629	$ 423,942	$ 432,421	$ 441,069
Net Operating Income (NOI) after Taxes	**$ (32,223)**	**$ 1,189,605**	**$ 1,213,397**	**$ 1,237,665**	**$ 1,262,418**	**$ 1,479,124**	**$ 1,508,707**	**$ 1,538,881**	**$ 1,569,658**
Loan or Mortgage (Debt Service)									
Interest Payment	$ -	$ 980,000	$ 980,000	$ 980,000	$ 980,000	$ 980,000	$ 980,000	$ 980,000	$ 980,000
Principal Payment	$ -	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000
Debt Service	$ -	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000
Cash Flow After Financing and Reserve	**$ (32,223)**	**$ 109,605**	**$ 133,397**	**$ 157,665**	**$ 182,418**	**$ 399,124**	**$ 428,707**	**$ 458,881**	**$ 489,658**
Debt Service Coverage Ratio (DSCR)		1.10	1.12	1.15	1.17	1.37	1.40	1.42	1.45
Equity Dividend Rate		1.01%	1.23%	1.46%	1.69%	3.69%	3.96%	4.24%	4.52%

APPENDIX A: SCOPE OF SERVICES

To assist with its evaluation of the Applicant'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 7/7/2025.
- Project financing and annual cashflow workbook submitted by the Applicant on 9/4/2025 and 9/12/2025.
- Assessed value estimates provided by the applicant in the cashflow workbook.
- Real estate tax information and estimates received from the Agency, including anticipated future assessed value of the Project.
- CoStar
- RealtyRates.com

CoStar™

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)

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. To learn more about our experience and projects in all of our service lines, please visit our website at **www.camoinassociates.com**.

THE PROJECT TEAM

Rachel Selsky
CEO, Project Principal

Bailey McConnell
Analyst

October 3, 2025

VIA FEDERAL EXPRESS

Lisa MG Mulligan, Chief Executive Officer
Industrial Development Agency, Town of Brookhaven
One Independence Hill
Farmingville, New York 11738

Re: WHTB Glass LLC

Dear Ms. Mulligan:

This firm is counsel to WHTB Glass, LLC ("WHTB Glass") and we respectfully write in response to the Town of Brookhaven Industrial Development Agency ("IDA")'s August 22, 2025 notice of default, to explain WHTB Glass's current circumstances and we look forward to discussing same with the IDA Board at the upcoming October 22 meeting.

WHTB Glass is a commercial glass manufacturer that supplies fabricated glass and windows for large-scale office and residential buildings. Since entering into its agreement with IDA in 2018 and with IDA support, WHTB Glass has invested over $15,000,000 in constructing a new 49,000 square foot commercial glass manufacturing facility on Precision Drive, in Shirley, in the Town of Brookhaven, from where it has successfully manufactured, supplied, and worked on numerous high-rise projects throughout the New York metropolitan region. At the time of its agreement, in 2018, WHTB Glass anticipated operating its facility at full capacity and having fifty (50) full-time equivalent employees ("FTE") within five (5) years, i.e., by December 31, 2023.

Although WHTB Glass has successfully grown its business, generating significant economic activity for the Town of Brookhaven and maintained between thirty (30) and forty (40) FTEs, it has not yet been able to achieve the anticipated employee headcount due to a combination of the following unforeseen and extraordinary economic conditions:

1. COVID-19. As we all know, COVID-19 has had profound and devastating impacts throughout the world; and one of its significant impacts has been the disruption of New York's office space market. Since 2020, widespread adoption of work-from-home policies has significantly reduced market demand for office space, causing a precipitous decline in new commercial office building construction, particularly in urban centers like New York City -- which is WHTB Glass's primary customer base. Although the commercial office market has not yet returned to pre-COVID levels, it now appears demand is recovering and this should provide a significant boost to WHTB Glass's client base and FTE head count.

2. Increased Interest Rates. Interest rates have increased significantly since 2018, which has had a further depressing impact on new real estate development financing and construction. However, it now appears that interest rates are starting to return to lower levels, which should further support WHTB Glass's client base and FTE head count.

3. Imposition of Tariffs. At the beginning of this year, the United States imposed significant tariffs on imported glass from China, at the rate of approximately 300% -- and this is WHTB Glass's primary source of raw materials. This tariff rate has been temporarily "paused" while the United States and China work on a new trade agreement, yet, the uncertainty surrounding this issue makes it very difficult for WHTB Glass to price competitively. However, it appears that a new trade agreement will be finalized in the next few months with normalized tariff rates and this should restore WHTB Glass's ability to price competitively and further support FTE head count.

4. Recruitment Issues. Due to the nature of WHTB Glass's business in handling extremely fragile materials, all new employees must undergo an approximately six (6) month on-the-job training and safety program. Due to such demands and the need for only "in-person" work at WHTB Glass, the job market for such employees is weaker than in 2018, before work-from-home positions became so prevalent. However, the broad economic trends described above should help reverse this trend and resolve these issues.

WHTB Glass remains committed to the continued growth and success of its Shirely facility despite these challenges and is optimistic it can reach or exceed its FTE requirements in the near future. Indeed, WHTB Glass is contemplating expanding the footprint of its current facility to make room for additional equipment, which would further accelerate its growth.

Thank you for your attention to this matter and WHTB Glass looks forward to discussing these issues with the IDA.

Respectfully,

Jason G. Stern / jmm

Jason A. Stern

JAS/jmm

cc: WHTB Glass LLC (via email)
Annette Eaderesto, Esq. (via email at aederesto@brookhavenny.gov)
Barry Carrigan, Esq. (via email at bcarrigan@nixonpeabody.com)

September 30, 2025

Suffolk County IDA

RE : Horseblock 4 LLC Increase in Funds and Time

Dear Lisa Mulligan ,

It was brought to our attention that our contract is about to expire and we are asking for an extension of time and allocation of funds - we think we will need about a year to finish landscaping and minor details - we are looking for about $ 500,000.00 in total allotment to finish what is needed

Thank you in advance for all your consideration in this matter,

Lynn Cassone

Member Horseblock 4 , LLC

Cornucopia Natural Foods opens at Station Yards in Ronkonkoma

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The macro bowl at Cornucopia Natural Foods at Station Yards in Ronkonkoma. Credit: Newsday/Melissa Azofeifa

By Melissa Azofeifamelissa.azofeifa@newsday.comUpdated October 6, 2025 5:20 am

Share

Vegetarian and vegan foodies, take note: Cornucopia Natural Foods has opened at Ronkonkoma's Station Yards.

The 6,000-square-foot market at the mixed-use development is neighbors with eateries such as Tex-Mex chainlet Lucharitos, Vespa Italian Kitchen and Cocktails and the all-day brunch spot Toast Coffee + Kitchen.

The original Cornucopia Natural Foods opened in Sayville in 1976, offering shoppers a range of certified organic, nongenetically modified and allergy-friendly foods. The new location is about 2,000 square feet larger.

The new Cornucopia Natural Foods at Ronkonkoma's Station Yards has wider aisles and a larger produce section. Credit: Newsday/Melissa Azofeifa

"We have more space here to do some things that previously we wanted to expand on but didn’t have space in Sayville," said owner Drew Alexander. The aisles are wider, there's a larger produce section and a wider range of cheeses from brands like Rumiano, Organic Valley and Sierra Nevada.

Although there's a sleek seating area for 25 people, most of the prepared foods are "prepackaged and ready to go" for those trying to catch a train from the adjacent Ronkonkoma train station, Alexander said. Options include macro bowls ($9.99) with combinations of bases, proteins, vegetables and sauces. The lentil patty burger ($7.99) is made with basmati rice, red lentils, turmeric, sesame oil, sea salt, cumin seed, red pepper flakes, onion, pepper and arrowroot. Soups ($12.99 for a quart) change daily. Other snacks include eggplant meatballs ($7.99) and spinach frittatas (two for $3), plus smoothies ($9.99 for 16 ounces).

Cornucopia Natural Foods, 3 Hawkins Ave., Ronkonkoma, 631-426-5322, cornucopiahealthfoods.com. Open 9 a.m. to 8 p.m. daily.

By Melissa Azofeifa

melissa.azofeifa@newsday.com

U.S. GETTING JOLT FROM SOLAR, WIND ENERGY

Despite politics, renewable power setting records

Bloomberg News

The Trump administration has been slashing green energy incentives, freezing the construction of wind farms and ordering coal-burning power plants to keep running longer than planned. And yet, more American homes and businesses are getting their power from renewable sources than ever before — and in greater amounts.

In June, almost one-quarter of U.S. power generation was green, up from 18% in the year-earlier period, according to data compiled from the U.S. Energy Information Administration. The question now is whether the trend continues with President Donald Trump back in the White House.

The recent growth in renewables usage is almost certainly tied to investments made prior to Trump's election in November. Under former President Joe Biden, the United States backed roughly $100 billion of investments in clean energy. Now, the Trump administration is taking a sledgehammer to those efforts by opposing offshore wind farms and eliminating incentives for electric vehicles and solar power.

Still, Texas is a prime example of how the energy markets have changed. In early March, the state's grid set a record for wind generation; in mid-June, it registered a new peak for electricity produced from renewable resources; and a month later, Texas notched new highs for battery storage and solar generation.

Similar records are popping up across the country on an almost weekly basis, as utilities harvest a windfall from new solar and wind farms that can be built faster and more affordably than fossil fuel-based power plants.

Here are five glances that capture a bit of the size and scope of America's recent wave of green energy, showing where and how it's happening, and what the landscape looks like going forward.

BLOOMBERG / DAVID PAUL MORRIS

Panels at a solar farm in San Francisco. California is among the world leaders in renewable energy.

Charge, baby, charge

The Texas power market is truly the Wild West of electrical grids.

As a deregulated, wholesale market, the state's consumers can choose their provider and plants are only paid for what they produce. In this eat-what-you-kill energy world, utilities have turned en masse to a novel tool: big batteries.

These so-called storage facilities let power players sock away electrons when demand (read: price) is low and discharge the juice when usage peaks. Often, the most economical strategy is storing solar power during the day and releasing it in the evening when the lights and TVs switch on and air conditioners are still humming along.

A rash of new storage facilities have been switched on in Texas this year, shoring up the grid with record amounts of reserve power.

One-third renewable

For utilities and folks operating the nation's power grids, the wave of green energy couldn't come at a better time because volatile weather, electric vehicles and a rash of AI-focused data centers are all driving up demand.

In April, as grid operators were girding for heat waves, nearly one-third of U.S. power was generated from renewable sources. And the green energy boom is spreading beyond the Sun and Wind belts. The New York grid hit a renewable record on June 24. New England recorded new highs for both wind and solar power this summer and the grid in the Mid-Atlantic states reported a record renewable harvest in late June.

"We're in an entirely new landscape for load growth, so this is none too soon," said Forest Bradley-Wright, state and utility policy director at the American Council for an Energy-Efficient Economy. "Every solution available will need to be called on."

Powerful California

If all of the utility-owned solar panels in California were considered one facility, it would have ranked at the end of July as the second-largest power plant in the world. At noon on July 30, solar generation on the state's CAISO grid hit 21.7 megawatts, second only to the capacity of the Three Gorges Dam on China's Yangtze River.

For much of that day, the sun accounted for roughly two-thirds of the power Californians were using and the panels fed into batteries that, once the sun went down, juiced nearly one-third of the state.

A mighty wind

In Wyoming, the largest coal-producing state in the country, it's common for tractor trailers to get blown over onto their sides. Such is the power of the wind on the Great Plains. And it's steady as well as strong.

On the Southwest Power Pool grid, which stretches from the Dakotas south to Texas, records for wind power were reached twice in August alone. At one point on Aug. 16, almost two of every three electrons in the system were coming from turbines.

Clicking the boxes

Good, cheap or fast? Typically, one only gets to choose two of those things. But now, solar, wind and other renewable sources are clicking all three of those boxes when it comes to producing electricity. So-called green energy is currently the lowest-cost and quickest-to-deploy power generator in the United States, even without incentives, according to research from Lazard Inc.

Given Trump's attacks on green power, the decisions made by utilities have become more fraught than usual and a bit more complicated than just choosing the cheapest plant to build. In May, Gordon van Welie, chief executive officer of the ISO New England grid, told the Federal Energy Regulatory Commission that his organization was counting on large quantities of offshore wind to meet rising demand.

Three months later, the Trump administration ordered crews to stop working on a project off the coast of Rhode Island, where 45 of 65 planned turbines have already been installed, a directive that it now has to defend in court.

The facility was expected to power roughly 350,000 homes. Administration officials say solar and wind is unreliable and too connected to China-based supply chains. Trump's term, however, will likely be over long before any new coal-fired or nuclear plant can be built to replace that capacity.

"We need more electrons in this country and the industry seems to have an agnostic view," said Lazard managing director Samuel Scroggins, referring to where electrons originate. "Practically speaking, renewable energy is ready to build and it remains below the cost of alternatives."

LIRR 'just a bonus' for some Station Yards, Fairfield residents

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By Rachel Weissrachel.weiss@newsday.com@RachMWeissUpdated September 18, 2025 7:22 am

Share

The potential for a Long Island Rail Road worker strike loomed over Long Islanders this week, particularly those who live in transit-oriented developments.

Long Island has a growing number of these complexes, which offer amenities such as gyms, pools and proximity to a host of businesses, along with the main selling point: The developments are built near LIRR stations, in both Nassau and Suffolk counties.

Although the strike was delayed on Monday, some residents of these complexes were not too concerned to begin with, empathizing with the workers and preparing to make alternate travel plans.

According to the Station Yards website, base rents for a 15-month lease on available units range from

$2,806 per month

for a one-bed, one bath unit to

$5,063 per month

for a two-bed, two-bath unit.

Pet-friendly unites are a perk for Joel Ortiz, who lives in Station Yards in Ronkonkoma with his dogs, Mocha and Keiko. Credit: Debbie Egan-Chin

It just comes with the territory.

— Joel Ortiz, who lives in Station Yards in Ronkonkoma

A shutdown of the trains doesn't take away from his love of his home, said Joel Ortiz, of Ronkonkoma. He's been living in the Station Yards complex for over a year.

"The train doesn't make me like where I live," said Ortiz, 39. He commutes to Brooklyn every day, working for the Metropolitan Transportation Authority. "It's just a bonus. I like the area, and I like living on Long Island."

Ortiz moved here from Carle Place, and grew up in Brooklyn. Although the train was a big reason for the move, the complex offers other perks that suit him, like pet-friendly units to accommodate his dogs, Mocha and Keiko.

In the event of a strike, Ortiz said he would have used the shuttle bus service provided by the MTA or drive himself to work. "Probably a combination of both," he said.

"Being a New Yorker, you have to plan and you have to come up with different scenarios, and obstacles to get around," Ortiz added. "And that's just every day, with a strike or without a strike. It just comes with the territory."

Greg Matheson has lived in Station Yards in Ronkonkoma for almost a year. Credit: Debbie Egan-Chin

I liked how close it was to the center of the Island, and the LIE.

— Greg Matheson, who lives in Station Yards in Ronkonkoma

Greg Matheson has been living in Station Yards for just over a year. The main selling point of the complex for him: "I liked how close it was to the center of the Island, and the LIE," he said.

The veterinarian works locally, and only relies on the LIRR for recreational activities — for example, the strike would have impacted his travel plans to go to Manhattan to see the Broadway play "Oh, Mary!" this weekend.

"I've lived in big cities," said Matheson, who resided in the Florida panhandle and Washington, D.C., before moving to Ronkonkoma. Referring to the strike, "things happen, and people stand up for what they need," he said.

On a recent weekday afternoon, Matheson browsed Cornucopia, a health food store that just opened below the Station Yards apartments. Other businesses there, like the fruit bowl and smoothie shop Playa Bowls, offer 10% off discounts to residents and regularly send out coupons.

According to the Fairfield Metro At Farmingdale Village website, rents on available units range from

$3,340 per month

for a one-bed, one bath unit to

$4,435 per month

for a two-bed, two-bath unit.

Delilah Harris works for a program at Fairfield Metro At Farmingdale Village, where she also lives. Credit: Debbie Egan-Chin

If I can't go to the city, I go to Main Street... It's not the end of the world.

—Delilah Harris, who lives at Fairfield Metro At Farmingdale Village

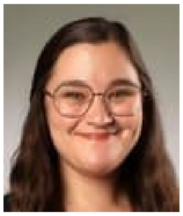
Delilah Harris, 28, works for a program that houses international students attending St. Anthony's High School in South Huntington at the Fairfield Metro At Farmingdale Village complex. Harris also lives there, and moved from Chicago for her job.

Some of the apartments that are located next to the tracks shake whenever a train passes by, Harris said. But "it's not too bad" from what she called the "train-facing" apartments, which overlook the tracks from more of a distance.

"It's nice living here because we have Main Street, so if I can't go to the city, I go to Main Street," Harris said. "It's not the end of the world."

Harris doesn't have a car, and although she wishes there were more public transportation options on Long Island, her living situation works for her. Her boyfriend lives upstate and they rely on the train to see each other, Harris said.

"I'm lucky I live so close to the Farmingdale metro, so I can take the train into the city on the weekends," she said.



By Rachel Weiss

rachel.weiss@newsday.com@RachMWeiss

Orsted stock offering details risks it faces in completing Sunrise Wind project

Listen • 7:44Automated narration. Learn more

A barge working on the Sunrise Wind project in the Atlantic Ocean is seen off Smith Point County Park in Shirley in March. Credit: Newsday / Mark Harrington

By Mark Harringtonmark.harrington@newsday.comMHarringtonNewsUpdated September 16, 2025 3:35 pm

Share

Danish wind-energy conglomerate Orsted's plan to raise more than $9 billion through a stock offering chiefly to fund the completion of Sunrise Wind comes as the company faces risks and challenges that go beyond Trump administration opposition to green power, according to financial filings Monday.

In a 215-page stock offering filed in Copenhagen, Orsted outlined the myriad risks it faces as it goes to market to issue 900 million new shares of stock — about $6.3 billion of which is earmarked to finish construction of Sunrise Wind, which would deliver its 924 megawatts of power to Long Island.

Despite that eye-popping price tag, which is far higher than previously published cost estimates for the entire project of about $4 billion, Orsted through a spokeswoman refused to say how much the total development and construction costs are expected to be for

Sunrise, whose power would reach the Long Island grid from a long undersea cable at Smith Point, if it hits its revised completion date of the second half of 2027.

"We haven't disclosed that [figure]. Sorry," Orsted spokeswoman Meaghan Wims said in an email Monday.

WHAT NEWSDAY FOUND

- **Orsted's plan to raise more than $9 billion through** a stock offering chiefly to complete the Sunrise Wind project comes as the company faces risks and challenges that go beyond Trump administration opposition to green power.
- **In a 215-page stock offering filed in Copenhagen, Orsted** outlined the myriad risks it faces as it goes to market to issue 900 million new shares of stock — about $6.3 billion of which is earmarked to finish construction of Sunrise Wind.
- **The completion dare for Sunrise Wind, which would deliver** its 924 megawatts of power to Long Island, is now expected by the second half of 2027.

Land-based construction of Sunrise Wind, chiefly through the Town of Brookhaven, is nearly complete. Offshore, the company said in its stock filing it had installed the first of 84 monopiles in early June, and completed 25 of 84 turbine foundations in the waters off Rhode Island/Massachusetts.

The Sunrise offshore work is "at an early stage and remains subject to risks such as challenging soil conditions in a limited number of turbine positions and dependence on the continued performance of the turbine installation set up" that had been at work on sister project Revolution Wind. "Leg damage" to a turbine installation vessel during Revolution Wind work "will have knock-on impact on Sunrise Wind's turbine installation schedule," the filing states.

The company described adverse and "unforeseen" soil conditions at Revolution Wind that "resulted in an incident in which one of the offshore substations was out of vertical tolerance." The foundation had to be removed and reinstalled, the company said. Revolution is being built in adjacent waters to Sunrise.

Sunrise Wind also remains subject to risks such as "challenging soil conditions in a limited number of turbine positions," Orsted said.

But work on Sunrise Wind continues. On Sept. 10, the offshore converter station was undergoing "final preparations ahead of installation" in the water. Around 90% of the onshore converter station in Holtsville is complete, the company said, and the interconnection cable is "energized." The project, which the company has said could power some 600,000 homes, is subject to a 25-year contract with New York State.

Orsted's business model of developing big energy projects around the globe and divesting portions of them to outside companies has been hampered by economics and political changes to the offshore wind market, primarily in the United States, the company said. Orsted previously canceled two projects planned for New Jersey and is battling a stop-work order by the Trump administration for Revolution Wind that is costing it $15 million a week.

In addition to acknowledging "significant losses" tied to supply chain "dependences" on third-party companies, Orsted cited "regulatory uncertainties" in the United States and other "unforeseen challenges" that could lead to further project delays, cost overruns or "lead to projects being canceled," according to the filing.

Despite being unable to find a partner for Sunrise Wind, the company plans to sell off other existing wind-energy assets to reap an anticipated $5.5 billion this year and next, but could still face ratings downgrades, it said. Last year, Orsted paused paying dividends to its shareholders (the Danish state owns 50.1 % of the company), and won't pay dividends until the end of 2026. The company's share price has experienced a series of sharp declines in recent years and weeks, from a high of more than $74 in 2021 to $10.37 Tuesday morning. The latest stock plan offers shares at a 67% discount to recent share prices.

Despite moving ahead with a lawsuit against the Trump administration to restart Revolution Wind, the company said that as of Monday, "there is no certainty as to if and when the Revolution Wind order will be lifted, and, even if lifted, there can be no assurance that further government actions to halt construction would not be taken." The order is causing "significant uncertainty for the timelines, costs and feasibility" of Revolution Wind, while also impacting timelines for Sunrise Wind.

"The Revolution Wind [stop-work order] may have consequential effects on Sunrise Wind," depending on how long it remains in effect, the filing states. In addition, "uncertainties associated with steel and aluminum tariffs are expected to impact project costs, as several components have not yet arrived on site."

Revolution Wind has cost Orsted $2.5 billion to plan, permit, design, manufacture, and construct, reflecting only Orsted's half of the venture, putting total project costs to date at $5 billion, according to the filing. Were the project to be shut down, it would cost Orsted another $500 million in cancellation, decommissioning and other costs, the company said.

Each week the Revolution project is stalled Orsted is incurring additional costs of $15 million. Orsted owns 50% of the Revolution, which would sell its energy to Connecticut and

Rhode Island. It’s also affecting timelines in the anticipated completion of Sunrise Wind, because some of the vessels being used for Revolution "were planned to also be used for the Sunrise Wind project following completion of Revolution."

The potential impact for Sunrise could amount to $10 million per week "to be incurred in the future for the Sunrise Wind project due to known-on delays," the filing stated.

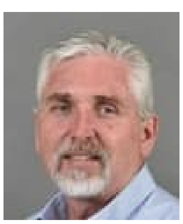
On top of delay impacts, the Orsted filing notes the impact of Trump administration tariffs on steel, aluminum and other wind-array components for the first six months of this year has led Orsted to take impairment charges of $189.2 million for Sunrise and Revolution wind projects, with another $180 million possible in the future, the company said.

But when completed, the company expects a combined $3.9 billion in tax returns from its Revolution and Sunrise wind projects, which are both still eligible for 30% federal tax credits and possibly another 10%, the filing states, with tax proceeds expected to come from 2026 through 2028, the report states.

If the stop-work order isn’t lifted until late September, the filing states, Orsted estimates it may incur "significant additional costs of an uncertain amount," and may be required to negotiate new supply contracts, further increasing costs and possible penalties.

In the worst-case scenario, Revolution Wind "would be canceled" if work can’t be completed on schedule this season.

As for Sunrise Wind, "for each day that the Revolution Wind [stop] work order remains in effect, and assuming that vessels currently contracted for Revolution Wind cannot be redirected for use on Sunrise Wind, Orsted may incur a corresponding day’s delay to the turbine installation schedule for the Sunrise Wind project, which will delay the start of revenues."



By Mark Harrington

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Mark Harrington, a Newsday reporter since 1999, covers energy, wineries, Indian affairs and fisheries.