

October 1, 2021

Frederick C. Braun III, Chairman
Town of Brookhaven IDA
1 Independence Hill
Farmingville, NY 11738

Dear Chairman Braun,

FourGen-S LLC, a Delaware limited liability company (the "Company") is a wholly-owned subsidiary of NIC Holding Corp. ("NIC"). NIC, through its predecessor companies and subsidiaries, has owned and operated a network of petroleum and renewable fuel terminals in the Town of Brookhaven since the 1960s. This network includes the Setauket Tank Farm at 19 N. Belle Mead Road, Setauket, where the proposed project would be located. Owned by NIC's Northville Industries Corp. subsidiary, the Setauket Tank Farm occupies 54 acres.

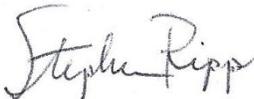
The proposed fuel cell installation would generate 1,380 kW of power on an approximately 3,000 square foot area of the Setauket Tank Farm. Northville Industries Corp. will ground lease the area to the Company. The installation would be a community net meter "host", with its electricity production allocated to hundreds of small commercial and residential LIPA customers at a cost that represents a discount to LIPA's delivered cost of power.

This community net meter project is eligible for compensation under LIPA's applicable tariff for up to 25 years. Consequently, our request is for a 25-year property tax PILOT to provide property tax certainty for the life of the project. Currently this portion of the Setauket Tank Farm is not providing any meaningful property tax revenue for the Town of Brookhaven. The project's cost is estimated at more than \$7,000,000, for which we are requesting an exemption from sales tax. This encompasses the costs of the fuel cell units along with the equipment supply and labor costs of installation. We will not be seeking the mortgage recording tax exemption.

The benefits of fuel cells are known to the IDA from having supported previous projects. In summary, they produce electricity significantly more efficiently and with many fewer pollutants than Long Island's power generation fleet on average. As distributed generation, the project contributes to electric grid resiliency. We anticipate approximately 8 construction jobs during the installation phase of the project. The on-site labor working on the project will be local. The Setauket Tank Farm is manned 24/7 and on-site personnel will be able to monitor the operations of the fuel cells. As Northville's traditional petroleum fuels business declines as New York decarbonizes, the revenues from this project will support the tank farm's fixed costs and the continued employment of the 12 individuals who staff it.

Thank you for your consideration. We welcome the opportunity to bring this exciting new business to the Town of Brookhaven.

Sincerely,



Stephen Ripp
President, FourGen-S LLC