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June 18, 2025

VIA FEDEX OVERNIGHT and EMAIL:

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

Re: Intercounty Appliance Corp./Lessee
10 National Medford LLC/Owner/Company
Premises: 10 National Blvd., Medford, New York

Dear Ms. Mulligan:

The Lessee, Intercounty Appliance Corp. has retained this firm to request consent by the Agency to an extension of an existing Second Amendment and Restated Payment in Lieu of Tax Agreement dated as of December 1, 2018, regarding the above existing Project.

By way of background, Intercounty Appliance Corp. (hereafter "Intercounty" or "Lessee")) constructed an approximately 250,000 square foot facility at the above address to act as a cooperative wholesaler and distribution facility for independent appliance stores back in 2005. At that time, the Agency issued its Series 2005 Bonds to aid in the assistance of the original Project, together with a PILOT Agreement for that initial construction.

In 2013, the Agency issued its Series 2013 Bonds to assist in the construction of a 75,000 square foot addition to the 250,000 previously constructed Facility for the same Lessee. The relevant IDA documents previously issued with regard to the 2005 issuance were, accordingly, amended and restated to incorporate the 2013 building addition.

Thereafter, in 2018, the realty company, controlled by the Lessee known as Intercounty Associates II, LLC, sold the real property to a third party known as 10 National Medford LLC (a non-affiliated entity) and leased back the Project from 10 National Medford LLC (the "Assignee").

As a result of that sale and leaseback, all of the related transaction documents were amended as of December 1, 2018, including assigning and assuming the PILOT Agreement already in place (a copy of which current "Schedule" of PILOT payments on the entire 325,000 square foot facility is annexed hereto as Exhibit "A"). The Lessee and Assignee are currently in the last year of the PILOT, but as you can see, the increase from 2023/2024 of \$477,568 to \$590,073 in its last year to bring it up to market value tax was \$112,505, an increase of approximately 24% over the previous year, where previously the increases were in increments of 2% per annum.

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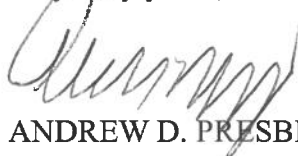
Due to these substantial increases in taxes, particularly the PILOT payment for the current year (the last year of the PILOT schedule), the Lessee is seriously considering relocating the Facility to its existing warehousing facility in Burlington, New Jersey. Their leaseback from its non-affiliated landlord expires next year and the rental (option) renewal is at "market rates" which the Lessee estimates would equate to about 2.5 times more than their current rent with their Owner/Landlord. (copy of Option-Lease Extension enclosed.

A relocation from Brookhaven to Burlington, New Jersey would result in substantially lower costs to the Lessee inasmuch as rental rates and real estate taxes in central/southern New Jersey are much less than on Long Island and definitely much less than the latest PILOT increase, as well as generally having access to lower labor costs. The lessee currently employs approximately 80 employees at the Brookhaven Facility, being 54 warehouse employees and 26 office workers. In fact, only 18% of the lessees' existing sales are within a 50 mile radius of Medford vs. 28% of sales being within a 50 mile radius of their New Jersey warehouse, and the majority of their remaining sales is shorter or a similar driving distance from their New Jersey warehouse (PA, OH, VA, WV NC and Western NY) vs. the existing Medford Facility. As such, a move out of Brookhaven would not materially adversely impact their operations, but the Lessee would, of course, see if there is an economic path to staying in Medford and retaining all of its 80 jobs once its lease with the owner matures next year. The only way that can occur, is if we get some relief from the current PILOT payment and extend the time to phase in tax payments that were recently made and are currently being required to be made going forward at full value.

Based upon all of the foregoing, the Lessee is respectfully requesting that, starting with the next ensuing tax year, being December, 2025-November 30, 2026, the Agency roll back the PILOT payments one year back to the 2023/2024 PILOT payment amount of \$477,568 vs. the current full value of \$590,073, and then reinstate 2% increases from that \$477,568 amount over the next ten (10) years until it reaches the full taxable value (as such value is set forth as the last year in the Second Amended and Restated PILOT Agreement). Our proposed newly requested schedule is annexed hereto as Exhibit "B". If the Agency consents to this PILOT payment amount rollback and reduction in the annual payment amount to the 2023/2024 amount, and then phases the difference between that amount and the current payment being paid for the year 2024/2025 over 10 years with 2% increments (to simply keep it going at that same 2% increment from the 2023/2024 payment amount), we would then be in a position to absorb what we expect to be large increases in our rent obligations to the Landlord/Owner and hopefully retain our Medford Facility and all the current jobs.

Of course, if you should have any further questions or require any additional documentation, please do not hesitate to contact the undersigned. We than the Agency and the Board for their consideration.

Very truly yours,



ANDREW D. PRESBERG

EXHIBIT A

Second Amended and Restated Schedule of Payments-In-Lieu-of-Taxes: The Town of Brookhaven (including any existing incorporated village or any village which may be incorporated after the date hereof within which the Facility is wholly or partially located), Longwood School District and Appropriate Special Districts.

Tax Year	PILOT Payments
2019/2020	\$ 441,199
2020/2021	\$ 450,023
2021/2022	\$ 459,023
2022/2023	\$ 468,204
2023/2024	\$ 477,568
2024/2025	\$ 590,073

EXHIBIT B (Proposed PILOT)

2025/2026	(which was the PILOT payment for the year 2024/2025)	\$477,568
2026/2027		\$487,119
2027/2028		\$496,861
2028/2029		\$506,799
2029/2030		\$516,935
2030/2031		\$527,274
2031/2032		\$537,819
2032/2033		\$548,575
2033/2034		\$559,547
2034/2035	(increased to fully match existing Second Amended PILOT)	\$590,073