

i.on renewables, LLC
c/o Daniel Prokopy
707 Westchester Avenue, Suite 116
White Plains, NY 10604
daniel@ionrenewables.com

August 30, 2026

Ms. Lisa Mulligan, CEO
Brookhaven Industrial Development Agency
One Independence Hill
Farmingville, NY 11738

RE: Applicant: Lawrence Aviation Solar Farm, LLC
 Application: Town of Brookhaven Industrial Development Agency
 Premises: 100 Sheep Pasture Road, Port Jefferson Station, NY 11733

Dear Ms. Mulligan:

I am writing on behalf of Lawrence Aviation Solar Farm, LLC (the “Applicant”) in connection with the ground-mounted solar photovoltaic project to be located at the former Lawrence Aviation Industries property in Port Jefferson Station, New York (the “Project”).

As you know, by letter dated August 4, 2026, the Applicant requested several amendments and approvals in connection with the Project, including the transfer of the membership interests in Lawrence Aviation Solar Farm, LLC to Standard Solar, Inc. or an affiliated entity, and the approval of Lawrence Aviation Estate, LLC as the owner and lessor of the Project site. We greatly appreciate the Agency Board’s approval of those requests at its August 19, 2026 meeting.

In connection with finalizing the transaction and preparing for closing, the Applicant has identified one additional amendment that is necessary with respect to the sales and use tax exemption previously authorized for the Project.

Revised Project Ownership and Lease Structure

Under the transaction structure now contemplated and approved by the Agency:

- Standard Solar, Inc., or an affiliated entity designated by Standard Solar, will acquire and own Lawrence Aviation Solar Farm, LLC, which will own, construct and operate the solar photovoltaic facility; and
- Lawrence Aviation Estate, LLC, an affiliate of i.on renewables, LLC, will separately acquire and retain ownership of the underlying real property and will lease the applicable

portion of the Project site to Lawrence Aviation Solar Farm, LLC pursuant to a long-term ground lease.

Accordingly, following closing of the ownership transfer, the owner of the solar facility and the owner of the underlying land will be separate entities.

This structure differs from the ownership structure contemplated when the original IDA application and requested financial assistance were submitted. As the parties have worked through the final transaction documents, including the ground lease, the Applicant and the incoming investor have identified a potential New York State sales and use tax exposure resulting from this structure.

Specifically, because the solar facility will be constructed by a tenant on property owned by a separate landlord, the installation of the Project may be treated for New York State sales and use tax purposes as a non-permanent leasehold improvement that is not eligible for the as-of-right capital improvement exemption. Based upon the revised Project structure, the terms of the ground lease between Lawrence Aviation Estate, LLC and Lawrence Aviation Solar Farm, LLC, and applicable New York State Department of Taxation and Finance guidance concerning improvements made by tenants to leased real property, there is a potential that certain portions of the construction work may be subject to sales and use tax.

This potential tax treatment was not anticipated under the original Project structure and creates a material additional potential Project cost. In addition, the amount of sales and use tax exemption currently authorized by the Agency may not be sufficient to cover the construction-related expenditures that could become taxable under this interpretation.

Requested Amendment to Sales and Use Tax Exemption

By resolution of the Town of Brookhaven Industrial Development Agency (the “Agency”) dated August 20, 2025 (the “Approving Resolution”), the Agency granted financial assistance to the Applicant for the Project including **“exemptions from sales and use tax in an amount not to exceed \$503,125”** based on the following Project expenditures:

<u>Description</u>	<u>Estimated Project Cost From IDA Application</u>	<u>Sales and Use Tax Rate</u>	<u>Maximum Sales and Use Tax Exemption</u>
Machinery and Equipment (solar equipment)	\$5,750,000	8.75%	\$503,125

To address the issue created by the structure change and allow the Project to proceed under the revised ownership structure approved by the Agency, the Applicant respectfully requests that the Agency amend the financial assistance authorized for the Project to provide for **“exemptions from sales and use tax in an amount not to exceed \$921,375”** based on the following Project expenditures:

<u>Description</u>	<u>Estimated Project Cost From IDA Application</u>	<u>Sales and Use Tax Rate</u>	<u>Maximum Sales and Use Tax Exemption</u>
Machinery and Equipment (solar equipment)	\$5,750,000	8.75%	\$503,125
Site Work (labors costs)	\$4,780,000	8.75%	\$418,250
Combined	\$10,530,000		\$921,375

The requested adjustment to a maximum sales and use tax exemption of \$921,375 is intended to provide sufficient coverage for sales and use taxes that may otherwise become payable in connection with the construction, installation and incorporation of the solar photovoltaic facility and related Project improvements into the leased premises.

Importantly, the requested amendment is not intended to materially increase the overall level of financial assistance originally contemplated for the Project. Rather, it is necessary to preserve the intended benefit of the Agency's existing financial assistance in light of the particular ownership and lease structure now being implemented and the potential sales and use tax treatment arising solely from that structure. Applicant will not receive any additional financial benefit or windfall relative to its expectations as a result of the adjusted financial assistance. Moreover, New York State and Suffolk County had no expectation of sales and use tax revenue from construction of the Project following adoption by the Agency of the Approving Resolution, and the adjusted financial assistance would merely maintain that expectation.

This request does not represent an expansion or change in the physical scope of the Project. The Project remains the same approximately 5 MWac solar photovoltaic facility previously reviewed and approved by the Agency. Rather, the requested amendment is intended solely to ensure that the financial assistance previously contemplated for the Project remains effective following the change in ownership and the separation of the ownership of the solar facility from the ownership of the underlying real property.

Given that the parties are currently working toward an imminent closing of the Project financing, land acquisition, ground lease, EPC agreement and related transaction documents, the Applicant respectfully requests that the Agency consider this amendment on an expedited basis and, to the extent legally permissible, incorporate the increased sales and use tax exemption into the documents currently being prepared for the Agency closing.

We appreciate the Agency's continued assistance and support of the Project. Please let us know if the Agency or its counsel requires any additional information, updated Project costs, construction budgets, lease information or other documentation in connection with this request.

Respectfully submitted,



Daniel Prokopy

i.on renewables, LLC

On behalf of Lawrence Aviation Solar Farm, LLC

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