

MINUTES OF THE
MEETING OF THE BOARD OF DIRECTORS
OF
NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
HELD IN-PERSON AT THE ONE LIBERTY PLAZA OFFICES OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
JULY 25, 2023

The following directors and alternates were present, constituting a quorum:

Andrew Kimball (Chairperson)
Nate Bliss, alternate for Maria Torres-Springer,
Deputy Mayor for Housing and Economic Development
Albert De Leon
Anthony Del Vecchio
F. Jay Olsen, alternate for Brad Lander
Comptroller of The City of New York
Janet Mejia-Peguero
Jacques-Philippe Piverger
James Prendamano
Carolyn Grossman-Meagher, alternate for Dan Garodnick,
Chair of the City Planning Commission of The City of New York
Betty Woo, alternate for Hon. Sylvia Hinds-Radix,
Corporation Counsel of The City of New York

The following directors and alternates were not present:

HeeWon Brindle-Khym
Khary Cuffe
Shanel Thomas

Andrew Kimball, President of New York City Economic Development Corporation ("NYCEDC") and Chairperson of the New York City Industrial Development Agency (the "Agency"), convened the meeting of the Agency at 9:00 a.m., at which point a quorum was present.

1. Adoption of the Minutes of the June 6, 2023 Board Meeting

Mr. Kimball asked if there were any comments or questions relating to the minutes of the June 6, 2023 Board of Directors meeting. There were no comments or questions; a motion to approve such minutes was made, seconded and unanimously approved.

2. Financial Statements for May 31, 2023 (Unaudited)

Carol Ann Butler, an Assistant Vice President for NYCEDC, presented the Agency's Financial Statements for the eleven-month period ending May 31, 2023 (Unaudited). Ms. Butler reported that for the eleven-month period the Agency recognized revenues from project finance fees from ten transactions totaling \$1 million. In addition, revenues derived from Compliance, application, post-closing and other fees amounted to \$1.4 million. Ms. Butler also reported that \$4.1 million in operating expenses, largely consisting of the monthly management fee, were recorded for the Agency for the eleven-month period that ended on May 31, 2023 (Unaudited). In the category of special projects, the Agency recognized \$1.3 million in special project costs largely consisting of the full stack cyber security boot camp scholarships and the Kingsbridge Armory Visioning project.

3. OSCII Gildersleeve, LLC and OSCII Gun Hill, LLC

Weston Rich, a Senior Associate for NYCEDC, presented for review and adoption two inducement resolutions for two industrial program transactions for the benefit of OSCII Gildersleeve, LLC and OSCII Gun Hill, LLC and recommended the Board adopt a negative SEQRA determination that each project will not have a significant adverse effect on the environment. Mr. Rich described the projects and their benefits, as reflected in Exhibit A.

In response to a question from Mr. Prendamano, Mr. Rich stated that there is a C-1-1 overlay for one project site and a C-2-3 overlay for the other project site. Mr. Prendamano asked if there is community support for these ventures. Mr. Prendamano stated that in his home borough this has become an issue and that while we all understand the importance of battery storage and renewable and sustainable energy programs, there has been some pushback from the elected delegation in Staten Island. Mr. Prendamano asked if these are vetted through the community and whether or not there was support these projects. Mr. Prendamano stated that it is his understanding that, currently, these were not as-of-right in those zonings, but that he is not a zoning expert so if they are as-of-right then they are as-of-right. Mr. Prendamano asked if these projects have been socialized in the community. Mr. Rich stated that he was not aware of any direct conversation that the company has had with neighboring property owners, but Agency staff know it is an arduous permitting process that requires permitting from the City's Fire Department and Department of Buildings. Part of that process requires a hazard mitigation plan so the company is very aware and mindful of its neighboring properties. Ms. Grossman-Meagher stated that these are as-of-right uses at their current size, however, there is a well aligned initiative with these programs given the New York City Department of City Planning's ("City Planning") city-wide zoning text amendment called

“City of Yes For Climate Neutrality” which is looking to support decarbonization through a number of means and is also looking to clarify and expand the number of locations where battery storage is a permitted use. City Planning is looking at the expansion of as-of-right to sites larger than 10,000 square feet because, as you can see for these project locations, there is a limitation on how much mega-wattage they are able to provide and to clarify when they can be used in residential areas. Currently, they are not allowed in residential areas but they are allowed in commercial and manufacturing facilities so for these reasons City Planning see these two ventures as very well-aligned projects. Mr. Prendamano asked if that zoning text amendment is in final form or is available to the public. Ms. Grossman-Meagher stated that the amendment is in public review on City Planning’s website and will be brought to the City Planning Commission for a public hearing this week.

F. Jay Olsen joins the quorum.

There being no further comments or questions, a motion to approve the inducement resolutions, attached hereto as Exhibit B, was made, seconded and unanimously approved.

Mr. Kimball introduced F. Jay Olson, a representative of the Comptroller of The City of New York who has deep experience in municipal finance and will add a lot to the Board discussion. Mr. Kimball stated it is great to have Mr. Olson with the Board today.

4. Krasnyi Oktyabr, Inc.

Noah Schumer, an Assistant Vice President for NYCEDC and Deputy Executive Director of the Agency, presented for review and adoption an authorizing resolution for an industrial program transaction for the benefit of Krasnyi Oktyabr, Inc. Mr. Schumer described the project and its benefits, as reflected in Exhibit C.


Mr. Piverger asked why the iteration remains the same as opposed to them getting an extension. In response to a question from Mr. Piverger, Mr. Schumer stated that the company essentially requested the Agency transfer the benefits from their existing deal to the new deal. Mr. Schumer stated that the term of payments in lieu of taxes (“PILOT”) is the same length as before where they had 18 years remaining on the existing facility and are now moving next door, so Agency staff decided to terminate the deal on the old facility and give them 18 years of benefits on the new facility, which seemed appropriate because there is an expansion here even though they are only moving next door. Mr. Schumer stated that Agency staff wanted to make sure they can stay and continue to grow in Brooklyn but not to add additional cost to the City beyond that by having a longer PILOT term. Mr. Bliss stated that these are great projects and that there’s some perception in the marketplace that when you do an IDA deal you are sort of locked in a particular location or on a particular deal and in this case the company had an opportunity to expand. Mr. Bliss stated that Agency staff worked with them and were able to swap a previous deal with a new deal while still protecting the fiduciary interest of the City and the State of New York so I would like to complement Agency staff on what looks like an “elegant solve.” Mr. De Leon thanked Agency staff for checking on the sanctions aspect of the

project.

There being no further comments or questions, a motion to approve the authorizing resolution, attached hereto as Exhibit D, was made, seconded and unanimously approved.

5. Adjournment

There being no further business to come before the Board of Directors at the meeting, pursuant to a motion made, seconded and unanimously approved, the meeting of the Board of Directors was adjourned at 9:17 a.m.


Assistant Secretary

Dated: 9/18/23
New York, New York

Exhibit A

PROJECT SUMMARY

OSCII Gildersleeve, LLC ("Gildersleeve Project") and OSCII Gun Hill, LLC ("Gun Hill Project") (collectively, the "Companies") are each Delaware limited liability companies and wholly owned subsidiaries of Orenda Sky Capital II, LLC ("OSCII"). OSCII was established as a joint venture indirectly owned by Orenda, Inc. ("Orenda") and North Sky Infrastructure Investment Fund, LLC ("NSC"). Orenda is a developer and operator of energy storage facilities and NSC is an impact investor that finances sustainable infrastructure. NSC is managed by North Sky Capital, an impact investor founded in 2000. The Companies seek financial assistance in connection with two projects (collectively, the "Projects"), for which the respective Companies will own and operate battery energy storage equipment on leased property. The Projects will each individually serve as battery energy storage systems capable of charging from, and discharging into, the New York power grid. The Agency will execute separate equipment leases with each of the Companies. The Projects are expected to begin construction in the fourth quarter of 2023 and begin operating by Summer 2024 (see more information about the Companies in the Appendix).

Project Locations

OSCII Gildersleeve, LLC
1927 Gildersleeve Avenue
Bronx, New York 10473

OSCII Gun Hill, LLC
1352 East Gun Hill Road
Bronx, New York 10469

Actions Requested

- Inducement Resolution for an Industrial Program transaction for the Gildersleeve Project and Gun Hill Project
- Adopt a negative declaration for the Gildersleeve Project and Gun Hill Project. The proposed Projects will not have a significant adverse effect on the environment.

Anticipated Closing

Fall 2023

Impact Summary**Gildersleeve Project:**

Employment	
Jobs at Application:	0
Jobs to be Created at Project Location (Year 3):	1
Total Jobs (full-time equivalents)	1
Projected Average Hourly Wage (excluding principals)	\$80.00

Estimated City Tax Revenues	
Impact of Operations (NPV 10 years at 6.25%)	\$4,092,945
One-Time Impact of Renovation	\$580,932
Total Impact of Operations and Renovation	\$4,673,877
Additional Benefit from Jobs to be Created	\$252,098

OSCII Gildersleeve, LLC and OSCII Gun Hill, LLC

Estimated Cost of Benefits Requested: New York City	
Sales Tax Exemption	\$493,200
Agency Financing Fee	(\$204,500)
Total Cost to NYC Net of Financing Fee	\$288,700
Agency Benefits in Excess of As-of-Right Benefits	\$288,700
Costs of Benefits Per Job	
Estimated Total Cost of Net City Benefits per Job in Year 3	\$288,700
Estimated City Tax Revenue per Job in Year 3	\$4,925,975

Estimated Cost of Benefits Requested: New York State	
Sales Tax Exemption	\$479,500
Total Cost to NYS	\$479,500

Gun Hill Project:

Employment	
Jobs at Application:	0
Jobs to be Created at Project Location (Year 3):	1
Total Jobs (full-time equivalents)	1
Projected Average Hourly Wage (excluding principals)	\$50.00

Estimated City Tax Revenues	
Impact of Operations (NPV 10 years at 6.25%)	\$4,086,456
One-Time Impact of Renovation	\$580,932
Total Impact of Operations and Renovation	\$4,667,388
Additional Benefit from Jobs to be Created	\$157,561

Estimated Cost of Benefits Requested: New York City	
Sales Tax Exemption	\$493,200
Agency Financing Fee	(\$204,500)
Total Cost to NYC Net of Financing Fee	\$288,700
Agency Benefits in Excess of As-of-Right Benefits	\$288,700
Costs of Benefits Per Job	
Estimated Total Cost of Net City Benefits per Job in Year 3	\$288,700
Estimated City Tax Revenue per Job in Year 3	\$4,824,949

Estimated Cost of Benefits Requested: New York State	
Sales Tax Exemption	\$479,500
Total Cost to NYS	\$479,500

Sources and Uses

Sources: OSCII Gildersleeve Project	Total Amount	Percent of Total Financing
North Sky Capital Equity	\$6,855,000	49%
New York State Green Bank	\$7,020,000	51%
Total	\$13,875,000	100%

OSCII Gildersleeve, LLC and OSCII Gun Hill, LLC

Uses: OSCII Gildersleeve Project	Total Amount	Percent of Total Costs
Leasing Costs	\$250,000	2%
Hard Costs	\$2,800,000	20%
Soft Costs	\$1,000,000	7%
Furnishings, Fixtures & Equipment	\$9,000,000	65%
Closing Fees	\$825,000	6%
Total	\$13,875,000	100%

Sources: OSCII Gun Hill Project	Total Amount	Percent of Total Financing
North Sky Capital Equity	\$6,855,000	49%
New York State Green Bank	\$7,020,000	51%
Total	\$13,875,000	100%

Uses: OSCII Gun Hill Project	Total Amount	Percent of Total Costs
Leasing Costs	\$250,000	2%
Hard Costs	\$2,800,000	20%
Soft Costs	\$1,000,000	7%
Furnishings, Fixtures & Equipment	\$9,000,000	65%
Closing Fees	\$825,000	6%
Total	\$13,875,000	100%

Fees

OSCII Gildersleeve Project	To be paid at Closing	On-Going Fees (NPV, 10 Years)
Agency Fee	\$204,500	
Project Counsel	\$35,000	
Annual Agency Fee	\$1,250	\$9,092
Total	\$240,750	\$9,092
Total Fees	\$249,842	

OSCII Gun Hill Project	To be paid at Closing	On-Going Fees (NPV, 10 Years)
Agency Fee	\$204,500	
Project Counsel	\$35,000	
Annual Agency Fee	\$1,250	\$9,092
Total	\$240,750	\$9,092
Total Fees	\$249,842	

Financing and Benefits Summary

It is anticipated that the Companies will finance the Projects with a combination of North Sky Capital equity and a revolving line of credit from the New York Green Bank. The Projects will be compensated under the NYSERDA Retail Storage Incentive Program, as well as by the Value of Distributed Energy Resources ("Value Stack" or "VDER") tariffs

OSCII Gildersleeve, LLC and OSCII Gun Hill, LLC

established by the New York State Public Service Commission. The financial assistance proposed to be conferred by the Agency will consist solely of exemption from City and State sales and use taxes.

Company Performance and Projections

The Projects will serve as a battery energy storage systems capable of charging from, and discharging into, the New York power grid. The Projects are planned to be up to 5-MWs each. Battery energy systems can purchase wholesale power from the market when the power is at lower cost and sell the power into the wholesale market when prices are higher. In doing so, the battery system is helping regulate the supply and demand for energy in New York. The Projects will receive compensation under the VDER tariff established by the New York State Public Service Commission ("NYPSC") for distributed energy resources. Under the tariff, the compensation rate is set by the NYPSC and the tariff is guaranteed for 25 years. Consolidated Edison, Inc. ("ConEd") will calculate the value of the energy deployed to the grid using the Value Stack methodology and will compensate the Projects in the form of a bill credit. The Projects will also receive funding during the first year of operation from the NYSEDA Retail Storage Incentive Program. The Projects are expected to reduce greenhouse gas emissions by displacing the use of existing, older, and higher-emitting fossil fuel-powered peaker plants.

Inducement

- I. The Projects would not be financially viable without Agency benefits.
- II. The Projects will expand energy storage capacity within New York City, helping to facilitate the City's goal of reducing greenhouse gas emissions. Renewable energy sources like wind and solar provide power intermittently. Battery energy storage capacity allows that electricity to be captured during periods of excess generation and deployed during periods of peak demand and lower generation.

UTEP Considerations

The Agency finds that the Projects meet one or more considerations from Section I-B of the Agency's Uniform Tax Exemption Policy ("UTEP"), including the following:

- I. Financial assistance is required to induce the Projects.
- II. The Projects are likely to be completed in a timely manner.

Applicant Summary

OSCII was established in April 2022 as a joint venture indirectly owned by Orenda and NSC. Orenda was founded by former energy executives in March 2020 and is a developer and operator of energy storage facilities around New York City. Orenda's executive team leverages over 30 years of industry experience with battery storage development, finance, and technology, which has enabled the company to contribute and advise on the development of hundreds of megawatts of renewable energy projects. Orenda is comprised of 10 employees and has an advisory board consisting of current and former employees from local colleges, research centers, and the utilities industry. NSC is an impact investor that finances green infrastructure. NSC is managed by North Sky Capital, an impact investor founded in 2000 that has raised more than \$1.7 billion of investor commitments in an effort to create positive social and environmental impact while generating strong financial returns by investing in companies, private equity funds, and infrastructure projects that have positive impacts. NSC and North Sky Capital have created 3.3 GW of new clean power generation and storage capacity across North America via the investment of \$700 million in 38 projects.

Bill Grinstead, Co-Founder and Chief Executive Officer

Mr. Grinstead is Co-Founder and Chief Executive Officer of Orenda and brings over 15 years of experience identifying, researching, and financing new market opportunities. Prior to founding Orenda, Mr. Grinstead gained extensive experience in both the public and private financial markets across various technologies, including renewables. He was previously CFO of Integrated Storage Technologies, an energy storage solutions provider which designed New York City's and ConEd's first energy storage Non-Wires Solution for owner Agilitas Energy. Prior, Mr. Grinstead worked at Marlin Equity Partners, a \$7 billion tech-focused private equity firm, as well as Susquehanna International

OSCII Gildersleeve, LLC and OSCII Gun Hill, LLC

Group, a global technology and proprietary trading firm with more than \$500 billion of assets under management. Mr. Grinstead earned a B.S. in Finance from the WP Carey School of Business at Arizona State University. He also studied Sustainable Finance and Real Estate Investing at Harvard University.

Olivier Brigaud, Chief Project Officer

Mr. Brigaud is Chief Project Officer of Orenda. His responsibilities include the successful procurement, construction, and installation of the company's pipeline of energy storage projects. Prior to joining Orenda, Mr. Brigaud founded and led Innovative Energy Storage Solutions (iESS), a consultancy focused on lithium-ion battery technology and monetization. Prior, Mr. Brigaud served as VP of Transformation and VP of Energy Storage at Saft, a global manufacturer of batteries. Mr. Brigaud started his career as a high-level civil servant in the French Nuclear Safety Authority, regulating the nuclear industry and developing policies with a focus on the safety of radioactive waste management. Mr. Olivier holds a PhD in Organic Chemistry from Université Pierre et Marie Curie (Paris, France) as well as a graduate degree in Business and Government Administration from Ecole des Mines de Paris (Paris, France).

Baker Al-Freihat, Co-Founder and Director of Engineering

Mr. Al-Freihat is Co-Founder and Director of Engineering. Prior to joining Orenda, he worked for Integrated Storage Technologies where he led the data science and software team as well as led the initial design and successful application for the first non-wires solution energy storage system in New York City. Prior, he worked at the Electricity Distribution Company (EDCO) in Jordan. Mr. Al-Freihat has an extensive educational background, which includes a M.S. in Electrical Engineering from New York University with a concentration in smart grids and power optimization and a B.S. in Electrical Engineering from the University of Jordan. He also studied Environmental Economics at the London School of Economics.

Employee Benefits

Employees are eligible for a discretionary bonus and offered participation in an industry standard healthcare insurance package.

Recapture

Pursuant to UTEP, all benefits are subject to recapture for a 10-year period.

SEQRA Determination

Unlisted actions which if implemented will not result in significant adverse environmental impacts. Staff recommends the Board adopt a Negative Declaration for the Projects. The completed Environmental Assessment Form for the Projects have been reviewed and signed by Agency staff.

Due Diligence

The Agency conducted a background investigation of the Companies, Orenda, NSC, North Sky Capital, and their principals and found no derogatory information.

Compliance Check:	Not Applicable
Living Wage:	Compliant
Paid Sick Leave:	Compliant
Affordable Care Act:	Not Applicable
Bank Account:	J.P. Morgan Chase & Co.
Bank Check:	Relationships are reported to be satisfactory

OSCII Gildersleeve, LLC and OSCII Gun Hill, LLC

Supplier Checks: Relationships are reported to be satisfactory

Customer Checks: Not Applicable

Unions: Not Applicable

Background Check: No derogatory information was found

Attorney: Daniel Spitzer
Hodgson Russ LLP
90 Linden Oaks, Suite 110
Rochester, New York 14625

Accountant: Bill Grinstead
Orenda, Inc.
175 Pearl Street
Brooklyn, New York 11201

Community Boards: Bronx, CB #11 (Gun Hill)
Bronx, CB #9 (Gildersleeve)

OSCII Gildersleeve, LLC and OSCII Gun Hill, LLC

Appendix

OSCII Gildersleeve, LLC

OSCII Gildersleeve, LLC, a Delaware limited liability company (the “Company”). The Company is a wholly owned subsidiary of Orenda Sky Capital II, LLC (“OSCII”). OSCII was established as a joint venture indirectly owned by Orenda, Inc. (“Orenda”) and North Sky Infrastructure Investment Fund, LLC (“NSC”). Orenda is a developer and operator of energy storage facilities and NSC is an impact investor with two flagship strategies – sustainable infrastructure and impact secondaries. The Company is seeking financial assistance in connection with the construction and equipping of an approximately 5-Megawatt (MW) battery energy storage system consisting of 20MW hours of energy storage capacity (the “Battery System”). The Battery System will total 9,968 square feet and be located on a 15,767 square foot parcel of land at 1927 Gildersleeve Avenue in the Bronx, New York (the “Facility”). The Facility will be owned by the Company and operated as a battery energy storage system capable of charging from and discharging into the New York power grid.

OSCII Gun Hill, LLC

OSCII Gun Hill, LLC, a Delaware limited liability company (the “Company”). The Company is a wholly owned subsidiary of Orenda Sky Capital II, LLC (“OSCII”). OSCII was established as a joint venture indirectly owned by Orenda, Inc. (“Orenda”) and North Sky Infrastructure Investment Fund, LLC (“NSC”). Orenda is a developer and operator of energy storage facilities and NSC is an impact investor with two flagship strategies – sustainable infrastructure and impact secondaries. The Company is seeking financial assistance in connection with the construction and equipping of an approximately 5-Megawatt (MW) battery energy storage system consisting of 20MW hours of energy storage capacity (the “Battery System”). The Battery System will total 9,206 square feet and be located on a 15,320 square foot parcel of land at 1352 East Gun Hill Road in the Bronx, New York (the “Facility”). The Facility will be owned by the Company and operated as a battery energy storage system capable of charging from and discharging into the New York power grid.



June 2, 2023

VIA EMAIL

Emily Marcus, Executive Director
New York City Industrial Development Agency
One Liberty Plaza
New York, NY 1000

RE: NYCIDA Core Application – OSCII Gildersleeve, LLC

Dear Ms. Marcus:

Orenda, Inc. (“**Orenda**”), founded in 2020, is a New York City-based developer, owner, and operator of energy storage facilities. Orenda’s vision, which is unlike some of our competitors, is to build a portfolio across the State of New York (the “**State**”), with a particular focus in New York City (the “**City**”), to assist in the State’s (and the City’s) transition to clean energy. To that end, we have set an internal goal of deploying 1,000MW of energy storage in the State by 2030.

We believe that Orenda is well positioned to meet that goal based on the knowledge and skill of our executive team (which collectively has over thirty years of experience), our employees (ten today, with expected growth) and our advisory board (which consists of current and former employees from local colleges, research centers, and utilities). In addition, we have partnered with North Sky Capital Infrastructure Fund, LLC (“**NSC**”), which is an innovative impact investor, which seeks to create positive social and environmental impact while generating strong financial returns by investing in companies, funds and infrastructure projects that make the world a better place. Through their investments, over 3.3 GW of new clean power generation and storage capacity have been created across North America

Orenda and NSC have formed OSCII Gildersleeve, LLC (the “**Applicant**”). The Applicant is proposing to build a 5MW / 20MWh energy storage project at 1927 Gildersleeve Avenue, Bronx, NY 10473 (the “**Project**”). The Project will support the resiliency of the local electrical grid, including the Parkchester No 2 substation. Once operational, the Project will charge and discharge about 500 MWh of electricity from/to the electrical grid at the most critical time to help Consolidated Edison Co of New York, Inc. keep a stable electrical network for the benefit of City residents.

With respect to the Project, Orenda has conducted initial engineering, received a positive electrical grid study, and has applied for permits with the New York City Fire Department and the New York City Department of Buildings. We have received no indication that the Project will not be approved. Therefore, we are now focused on financing the Project.

After initial discussions with NSC, it has been determined that the Applicant will need to obtain debt financing (to supplement NSC’s equity investment). We have had conversations with lenders about such financing, but the lenders have expressed some concerns about the



economics of the Project (and the level of debt and equity it can support). As such, we are seeking support from the NYC IDA to enhance the return of the Project.

As you may know, energy storage projects are currently exempt from sales tax under New York State law if they are co-located and primarily charged from renewable energy generation. Co-locating energy storage with renewable generation is nearly impossible in the City as land is very scarce, particularly in the significant quantities that renewable generation requires. Thus, without the NYC IDA's assistance, energy storage projects located in the City generally do not qualify for a sales tax exemption. However, with a sales tax exemption, projects like our Project become financially feasible, which means that we are reliant on the NYC IDA providing financial assistance to the Project and we are confident with such assistance we can finance (and construct) the Project, thereby assisting the City and State in transitioning to clean energy.

Should you have any questions or require additional information, please do not hesitate to contact me. We thank you for your consideration.

William Grinstead

**Authorized Rep, Member
OSCII Gildersleeve, LLC**



June 2, 2023

VIA EMAIL

Emily Marcus, Executive Director
New York City Industrial Development Agency
One Liberty Plaza
New York, NY 1000

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Dear Ms. Marcus:

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We believe that Orenda is well positioned to meet that goal based on the knowledge and skill of our executive team (which collectively has over thirty years of experience), our employees (ten today, with expected growth) and our advisory board (which consists of current and former employees from local colleges, research centers, and utilities). In addition, we have partnered with North Sky Capital Infrastructure Fund, LLC (“**NSC**”), which is an innovative impact investor, which seeks to create positive social and environmental impact while generating strong financial returns by investing in companies, funds and infrastructure projects that make the world a better place. Through their investments, over 3.3 GW of new clean power generation and storage capacity have been created across North America

Orenda and NSC have formed OSCII Gun Hill, LLC (the “**Applicant**”). The Applicant is proposing to build a 5MW / 20MWh energy storage project at 1352 East Gun Hill Road, Bronx, NY 10469 (the “**Project**”). The Project will support the resiliency of the local electrical grid, including the Parkchester No 2 substation. Once operational, the Project will charge and discharge about 500 MWh of electricity from/to the electrical grid at the most critical time to help Consolidated Edison Co of New York, Inc. keep a stable electrical network for the benefit of City residents.

With respect to the Project, Orenda has conducted initial engineering, received a positive electrical grid study, and has applied for permits with the New York City Fire Department and the New York City Department of Buildings. We have received no indication that the Project will not be approved. Therefore, we are now focused on financing the Project.

After initial discussions with NSC, it has been determined that the Applicant will need to obtain debt financing (to supplement NSC’s equity investment). We have had conversations with lenders about such financing, but the lenders have expressed some concerns about the



economics of the Project (and the level of debt and equity it can support). As such, we are seeking support from the NYC IDA to enhance the return of the Project.

As you may know, energy storage projects are currently exempt from sales tax under New York State law if they are co-located and primarily charged from renewable energy generation. Co-locating energy storage with renewable generation is nearly impossible in the City as land is very scarce, particularly in the significant quantities that renewable generation requires. Thus, without the NYC IDA's assistance, energy storage projects located in the City generally do not qualify for a sales tax exemption. However, with a sales tax exemption, projects like our Project become financially feasible, which means that we are reliant on the NYC IDA providing financial assistance to the Project and we are confident with such assistance we can finance (and construct) the Project, thereby assisting the City and State in transitioning to clean energy.

Should you have any questions or require additional information, please do not hesitate to contact me. We thank you for your consideration.

William Grinstead

**Authorized Rep, Member
OSCII Gun Hill, LLC**

Exhibit B

Resolution inducing the financing of an industrial facility
for OSCII Gildersleeve, LLC as a (Straight-Lease) Transaction

WHEREAS, New York City Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, OSCII Gildersleeve, LLC (the “Applicant”), has entered into negotiations with officials of the Agency for the acquisition, construction, renovation and equipping of an industrial facility (the “Facility”), consisting of an approximately 5-Megawatt (MW) battery energy storage system consisting of 20MW hours of energy storage capacity (the “Battery System”). The Battery System will total 9,968 square feet and be located on a 15,767 square foot parcel of land at 1927 Gildersleeve Avenue in the Bronx, New York. The Facility will be owned by the Applicant and operated as a battery energy storage system capable of charging from and discharging into the New York power grid, all for the use by the Applicant, for sublease to the Agency and sub-sublease by the Agency to the Applicant and having an approximate total project cost of approximately \$13,875,000 (the “Project”); and

WHEREAS, the Applicant has submitted a Project Application (the “Application”) to the Agency to initiate the accomplishment of the above; and

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that the Applicant is a wholly owned subsidiary of Orenda Sky Capital II, LLC (“OSCII”). OSCII was established as a two-member joint venture between Orenda, Inc. (“Orenda”) and North Sky Capital Infrastructure Fund, LLC (“NSC”) developers of energy storage power projects; that the Applicant must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant to proceed with the Project and thereby expand its operations in the City; that without the Agency’s financial assistance the Applicant would not be able to complete the Project, and that, based upon the financial assistance provided through the Agency, the Applicant desires to proceed with the Project and expand its operations in the City; and

WHEREAS, based upon the Application, the Agency hereby determines that Agency financial assistance and related benefits in the form of a straight-lease transaction between the Agency and the Applicant are necessary to induce the Applicant to remain and expand its operations in the City; and

WHEREAS, the Project should not be delayed by the requirement of determining the details of a straight-lease transaction, which cannot be immediately accomplished, and the Applicant intends to apply its own equity for a portion of the costs of the Project and to enter

into loan commitments with a bank or banks which will provide funds to the Applicant in the form of loans to finance a portion of the costs of the Project; and

WHEREAS, in order to provide financial assistance to the Applicant for the Project, the Agency intends to grant the Applicant financial assistance through a straight-lease transaction in the form of sales tax exemptions all pursuant to the Act;

NOW, THEREFORE, NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:

Section 1. The Agency hereby determines that the Project of the Facility and the provision by the Agency of financial assistance to the Applicant pursuant to the Act in the form of a straight-lease transaction will promote and is authorized by and will be in furtherance of the policy of the State of New York as set forth in the Act and hereby authorizes the Applicant to proceed with the Project. The Agency further determines that

(a) the Project shall not result in the removal of any facility or plant of the Applicant or any other occupant or user of the Facility from outside of the City (but within the State of New York) to within the City or in the abandonment of one or more facilities or plants of the Applicant or any other occupant or user of the Facility located within the State of New York (but outside of the City);

(b) no funds of the Agency shall be used in connection with the Project for the purpose of preventing the establishment of an industrial or manufacturing plant or for the purpose of advertising or promotional materials which depict elected or appointed government officials in either print or electronic media, nor shall any funds of the Agency be given in connection with the Project to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State of New York; and

(c) not more than one-third of the total Project cost is in respect of facilities or property primarily used in making retail sales of goods or services to customers who personally visit such facilities within the meaning of Section 862 of the New York General Municipal Law.

Section 2. To accomplish the purposes of the Act and to provide financial assistance to the Applicant for the Project, a straight-lease transaction is hereby authorized subject to the provisions of this Resolution.

Section 3. The Agency hereby authorizes the Applicant to proceed with the Project as herein authorized. The Applicant are authorized to proceed with the Project on behalf of the Agency as set forth in this Resolution; provided, however, that it is acknowledged and agreed by the Applicant that (i) nominal leasehold title to or other interest of the Agency in the Facility shall be in the Agency for purposes of granting financial assistance, and (ii) the Applicant is hereby constituted the agent for

the Agency solely for the purpose of effecting the Project, and the Agency shall have no personal liability for any such action taken by the Applicant for such purpose.

Section 4. The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Applicant to assist in the Project.

Section 5. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution.

Section 6. Any expenses incurred by the Agency with respect to the Project shall be paid by the Applicant. By acceptance hereof, 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.

Section 7. This Resolution is subject to approval based on an investigative report with respect to the Applicant. The provisions of this Resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 6 hereof).

Section 8. The Agency, as lead agency, is issuing this determination pursuant to the State Environmental Quality Review Act ("SEQRA") (Article 8 of the Environmental Conservation Law) and implementing regulations contained in 6 N.Y.C.R.R. Part 617. This determination is based upon the Agency's review of information provided by the Applicant and such other information as the Agency has deemed necessary and appropriate to make this determination.

The Agency hereby determines that the Project, an unlisted action, pursuant to SEQRA and the implementing regulations, will not have a significant effect on the environment and that a Draft Environmental Impact Statement will not be prepared for the Project. The reasons supporting this determination with respect to the Project are as follows:

- (1) The proposed Project would not result in a substantial adverse change in existing traffic, air quality, or noise levels. The proposed Project will lower cost of electricity and provide cleaner electricity generation from a reduced reliance on peak generation plants.
- (2) The proposed Project would not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources or the existing neighborhood.
- (3) The proposed Project would not result in significant adverse impacts to natural resources, critical habitats, or water quality.
- (4) The proposed Project would not result in a change in existing zoning or land use. The existing uses would be continuing to be as-of-right under zoning.
- (5) A Phase I environmental assessment was conducted on this property in January 2023. No Recognized Environmental Conditions (“RECs”) were identified. The site is located in an area with residential and commercial uses. Based on this information, we do not expect any negative impact from hazmat issues from this project.
- (6) No other significant effects upon the environment that would require the preparation of an Environmental Impact Statement are foreseeable.

Section 9. In connection with the Project, the Applicant covenants and agrees to comply, and to cause each of their respective contractors, subcontractors, agents, persons or entities to comply, with the requirements of General Municipal Law Sections 875(1) and (3), as such provisions may be amended from time to time.

(1) The Applicant acknowledges and agrees that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Applicant New York State sales or use tax savings taken or purported to be taken by the Applicant, and any agent or any other person or entity acting on behalf of the Applicant, to which the Applicant is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized in Section 10 of this Resolution or which are for property or services not authorized or taken in cases where the Applicant, or any agent or any other person or entity acting on behalf of the Applicant, failed to comply with a material term or condition to use property or services in the manner required by this Resolution or any agreements entered into among the Agency, the Applicant, and/or any agent or any other person or entity acting on behalf of the Applicant. The Applicant shall, and shall require each agent and any other person or entity acting on behalf of the Applicant, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such New York State sales or use tax savings and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of the New York State Department of Taxation and Finance (the “Commissioner”) to assess and determine New York

State sales or use taxes due from the Applicant under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

(2) The Applicant are hereby notified (provided that such notification is not a covenant or obligation and does not create a duty on the part of the Agency to the Applicant or any other party) that the Agency is subject to certain requirements under the General Municipal Law, including the following:

(i) In accordance with General Municipal Law Section 875(3)(c), if the Agency recovers, recaptures, receives, or otherwise obtains, any amount of New York State sales or use tax savings from the Applicant, any agent or other person or entity, the Agency shall, within thirty days of coming into possession of such amount, remit it to the Commissioner, together with such information and report that the Commissioner deems necessary to administer payment over of such amount. The Agency shall join the Commissioner as a party in any action or proceeding that the Agency commences to recover, recapture, obtain, or otherwise seek the return of, New York State sales or use tax savings from Applicant or any other agent, person or entity.

(ii) In accordance with General Municipal Law Section 875(3)(d), the Agency shall prepare an annual compliance report detailing its terms and conditions described in General Municipal Law Section 875(3)(a) and its activities and efforts to recover, recapture, receive, or otherwise obtain State sales or user tax savings described in General Municipal Law Section 875(3)(b), together with such other information as the Commissioner and the New York State Commissioner of Economic Development may require. Such report shall be filed with the Commissioner, the Director of the Division of the Budget of The State of New York, the New York State Commissioner of Economic Development, the New York State Comptroller, the Council of the City of New York, and may be included with the annual financial statement required by General Municipal Law Section 859(1)(b). Such report shall be filed regardless of whether the Agency is required to file such financial statement described by General Municipal Law Section 859(1)(b). The failure to file or substantially complete such report shall be deemed to be the failure to file or substantially complete the statement required by such General Municipal Law Section 859(1)(b), and the consequences shall be the same as provided in General Municipal Law Section 859(1)(e).

(3) The foregoing requirements of this Section 9 shall apply to any amounts of New York State sales or use tax savings that the Agency recovers, recaptures, receives, or otherwise obtains, regardless of whether the Agency, the Applicant, or any agent or other person or entity acting on behalf of the Applicant characterizes such benefits recovered, recaptured, received, or otherwise obtained, as a penalty or liquidated or contract damages or otherwise. The foregoing requirements shall also apply to any interest or penalty that the Agency imposes on any such amounts or that are imposed on such amounts by operation of law or by judicial order or otherwise. Any such amounts or payments that the Agency recovers, recaptures, receives, or otherwise obtains, together with any interest or penalties thereon, shall be deemed to be New York State sales or use taxes and the Agency shall receive any such amounts or payments, whether as a result of court action or otherwise, as trustee for and on account of New York State.

Section 10. In connection with the Project, the Agency intends to grant the Applicant sales and use tax exemptions in an amount not to exceed \$972,700.

Section 11. This Resolution shall take effect immediately

ADOPTED: July 25, 2023

Accepted: _____, 2023

OSCII GILDERSLEEVE, LLC

By: _____
Name:
Title:

Resolution inducing the financing of an industrial facility for
OSCII Gun Hill, LLC as a (Straight-Lease) Transaction

WHEREAS, New York City Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, OSCII Gun Hill, LLC (the “Applicant”), has entered into negotiations with officials of the Agency for the acquisition, construction, renovation and equipping of an industrial facility (the “Facility”), consisting of an approximately 5-Megawatt (MW) battery energy storage system consisting of 20MW hours of energy storage capacity (the “Battery System”). The Battery System will total 9,206 square feet and be located on a 15,320 square foot parcel of land at 1352 East Gun Hill Road in the Bronx, New York. The Facility will be owned by the Applicant and operated as a battery energy storage system capable of charging from and discharging into the New York power grid, all for the use by the Applicant, for sublease to the Agency and sub-sublease by the Agency to the Applicant and having an approximate total project cost of approximately \$13,875,000 (the “Project”); and

WHEREAS, the Applicant has submitted a Project Application (the “Application”) to the Agency to initiate the accomplishment of the above; and

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that the Applicant is a wholly owned subsidiary of Orenda Sky Capital II, LLC (“OSCII”). OSCII was established as a two-member joint venture between Orenda, Inc. (“Orenda”) and North Sky Capital Infrastructure Fund, LLC (“NSC”) developers of energy storage power projects; that the Applicant must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant to proceed with the Project and thereby expand its operations in the City; that without the Agency’s financial assistance the Applicant would not be able to complete the Project, and that, based upon the financial assistance provided through the Agency, the Applicant desires to proceed with the Project and expand its operations in the City; and

WHEREAS, based upon the Application, the Agency hereby determines that Agency financial assistance and related benefits in the form of a straight-lease transaction between the Agency and the Applicant are necessary to induce the Applicant to remain and expand its operations in the City; and

WHEREAS, the Project should not be delayed by the requirement of determining the details of a straight-lease transaction, which cannot be immediately accomplished, and the Applicant intends to apply its own equity for a portion of the costs of the Project and to enter

into loan commitments with a bank or banks which will provide funds to the Applicant in the form of loans to finance a portion of the costs of the Project; and

WHEREAS, in order to provide financial assistance to the Applicant for the Project, the Agency intends to grant the Applicant financial assistance through a straight-lease transaction in the form of sales tax exemptions all pursuant to the Act;

NOW, THEREFORE, NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:

Section 1. The Agency hereby determines that the Project of the Facility and the provision by the Agency of financial assistance to the Applicant pursuant to the Act in the form of a straight-lease transaction will promote and is authorized by and will be in furtherance of the policy of the State of New York as set forth in the Act and hereby authorizes the Applicant to proceed with the Project. The Agency further determines that

(a) the Project shall not result in the removal of any facility or plant of the Applicant or any other occupant or user of the Facility from outside of the City (but within the State of New York) to within the City or in the abandonment of one or more facilities or plants of the Applicant or any other occupant or user of the Facility located within the State of New York (but outside of the City);

(b) no funds of the Agency shall be used in connection with the Project for the purpose of preventing the establishment of an industrial or manufacturing plant or for the purpose of advertising or promotional materials which depict elected or appointed government officials in either print or electronic media, nor shall any funds of the Agency be given in connection with the Project to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State of New York; and

(c) not more than one-third of the total Project cost is in respect of facilities or property primarily used in making retail sales of goods or services to customers who personally visit such facilities within the meaning of Section 862 of the New York General Municipal Law.

Section 2. To accomplish the purposes of the Act and to provide financial assistance to the Applicant for the Project, a straight-lease transaction is hereby authorized subject to the provisions of this Resolution.

Section 3. The Agency hereby authorizes the Applicant to proceed with the Project as herein authorized. The Applicant are authorized to proceed with the Project on behalf of the Agency as set forth in this Resolution; provided, however, that it is acknowledged and agreed by the Applicant that (i) nominal leasehold title to or other interest of the Agency in the Facility shall be in the Agency for purposes of granting financial assistance, and (ii) the Applicant is hereby constituted the agent for

the Agency solely for the purpose of effecting the Project, and the Agency shall have no personal liability for any such action taken by the Applicant for such purpose.

Section 4. The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Applicant to assist in the Project.

Section 5. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution.

Section 6. Any expenses incurred by the Agency with respect to the Project shall be paid by the Applicant. By acceptance hereof, 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.

Section 7. This Resolution is subject to approval based on an investigative report with respect to the Applicant. The provisions of this Resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 6 hereof).

Section 8. The Agency, as lead agency, is issuing this determination pursuant to the State Environmental Quality Review Act ("SEQRA") (Article 8 of the Environmental Conservation Law) and implementing regulations contained in 6 N.Y.C.R.R. Part 617. This determination is based upon the Agency's review of information provided by the Applicant and such other information as the Agency has deemed necessary and appropriate to make this determination.

The Agency hereby determines that the Project, an unlisted action, pursuant to SEQRA and the implementing regulations, will not have a significant effect on the environment and that a Draft Environmental Impact Statement will not be prepared for the Project. The reasons supporting this determination with respect to the Project are as follows:

1. The proposed Project would not result in a substantial adverse change in existing traffic, air quality, or noise levels. The proposed project will lower cost of electricity and provide cleaner electricity generation from a reduced reliance on peak generation plants.

2. The proposed Project would not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources or the existing neighborhood.
3. The proposed Project would not result in significant adverse impacts to natural resources, critical habitats, or water quality.
4. The proposed Project would not result in a change in existing zoning or land use. The existing uses would be continuing to be as-of-right under zoning.
5. A Phase I site assessment was conducted on this property in January 2023. No Recognized Environmental Conditions (“RECs”) were identified. The site is located in an area with residential and commercial uses. Based on this information, we do not expect any negative impact from hazmat issues from this Project.
6. No other significant effects upon the environment that would require the preparation of an Environmental Impact Statement are foreseeable.

Section 9. In connection with the Project, the Applicant covenants and agrees to comply, and to cause each of their respective contractors, subcontractors, agents, persons or entities to comply, with the requirements of General Municipal Law Sections 875(1) and (3), as such provisions may be amended from time to time.

(1) The Applicant acknowledges and agrees that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Applicant New York State sales or use tax savings taken or purported to be taken by the Applicant, and any agent or any other person or entity acting on behalf of the Applicant, to which the Applicant is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized in Section 10 of this Resolution or which are for property or services not authorized or taken in cases where the Applicant, or any agent or any other person or entity acting on behalf of the Applicant, failed to comply with a material term or condition to use property or services in the manner required by this Resolution or any agreements entered into among the Agency, the Applicant, and/or any agent or any other person or entity acting on behalf of the Applicant. The Applicant shall, and shall require each agent and any other person or entity acting on behalf of the Applicant, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such New York State sales or use tax savings and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of the New York State Department of Taxation and Finance (the “Commissioner”) to assess and determine New York State sales or use taxes due from the Applicant under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

(2) The Applicant are hereby notified (provided that such notification is not a covenant or obligation and does not create a duty on the part of the Agency to the Applicant or

any other party) that the Agency is subject to certain requirements under the General Municipal Law, including the following:

(i) In accordance with General Municipal Law Section 875(3)(c), if the Agency recovers, recaptures, receives, or otherwise obtains, any amount of New York State sales or use tax savings from the Applicant, any agent or other person or entity, the Agency shall, within thirty days of coming into possession of such amount, remit it to the Commissioner, together with such information and report that the Commissioner deems necessary to administer payment over of such amount. The Agency shall join the Commissioner as a party in any action or proceeding that the Agency commences to recover, recapture, obtain, or otherwise seek the return of, New York State sales or use tax savings from Applicant or any other agent, person or entity.

(ii) In accordance with General Municipal Law Section 875(3)(d), the Agency shall prepare an annual compliance report detailing its terms and conditions described in General Municipal Law Section 875(3)(a) and its activities and efforts to recover, recapture, receive, or otherwise obtain State sales or user tax savings described in General Municipal Law Section 875(3)(b), together with such other information as the Commissioner and the New York State Commissioner of Economic Development may require. Such report shall be filed with the Commissioner, the Director of the Division of the Budget of The State of New York, the New York State Commissioner of Economic Development, the New York State Comptroller, the Council of the City of New York, and may be included with the annual financial statement required by General Municipal Law Section 859(1)(b). Such report shall be filed regardless of whether the Agency is required to file such financial statement described by General Municipal Law Section 859(1)(b). The failure to file or substantially complete such report shall be deemed to be the failure to file or substantially complete the statement required by such General Municipal Law Section 859(1)(b), and the consequences shall be the same as provided in General Municipal Law Section 859(1)(e).

(3) The foregoing requirements of this Section 9 shall apply to any amounts of New York State sales or use tax savings that the Agency recovers, recaptures, receives, or otherwise obtains, regardless of whether the Agency, the Applicant, or any agent or other person or entity acting on behalf of the Applicant characterizes such benefits recovered, recaptured, received, or otherwise obtained, as a penalty or liquidated or contract damages or otherwise. The foregoing requirements shall also apply to any interest or penalty that the Agency imposes on any such amounts or that are imposed on such amounts by operation of law or by judicial order or otherwise. Any such amounts or payments that the Agency recovers, recaptures, receives, or otherwise obtains, together with any interest or penalties thereon, shall be deemed to be New York State sales or use taxes and the Agency shall receive any such amounts or payments, whether as a result of court action or otherwise, as trustee for and on account of New York State.

Section 10. In connection with the Project, the Agency intends to grant the Applicant sales and use tax exemptions in an amount not to exceed \$972,700.

Section 11. This Resolution shall take effect immediately

ADOPTED: July 25, 2023

Accepted: _____, 2023

OSCII GUN HILL, LLC

By: _____

Name:

Title:

Exhibit C

PROJECT SUMMARY

Krasnyi Oktyabr, Inc., a New York business corporation that is an importer and wholesale distributor of Russian food products (“Krasnyi Oktyabr” or the “Company”), and its affiliate GG Master Realty LLC, a New York limited liability company (“GGMR”), are seeking financial assistance in connection with the acquisition, furnishing, and equipping of a to-be-constructed 36,000 square foot warehouse and cold storage facility (the “Project”) which will be located on a 22,000 square foot parcel of land located at 70 20th Street, Brooklyn, New York (the, “Facility”). The Facility will be built by SIP Holdings Venture, LLC (the “Developer”), a wholly owned subsidiary of Banner Oak Enhanced Core Venture, L.P., an unrelated party to Krasnyi Oktyabr and GGMR, and sold by the Developer to Krasnyi Oktyabr’s affiliate, GGMR, as part of an exchange of property (pursuant to Section 1031 of the Internal Revenue Code of 1986) for Krasnyi Oktyabr’s existing facility located at 60 20th St., Brooklyn, New York. Following the sale, the new Facility will be owned by GGMR and operated by Krasnyi Oktyabr to be used as a business office, warehouse and cold storage facility. The new Facility is expected to be equipped with four loading docks, two freight elevators, and refrigeration and office space. The Project is expected to be completed by Summer 2023.

Current Location

60 20th St.
 Brooklyn, New York 11232

Project Location

70 20th St. (a/k/a 73 20th Street)
 Brooklyn, New York 11232

Actions Requested

- Authorizing Resolution for an Industrial Program transaction.

Previous Actions

- Inducement Resolution for an Industrial Program transaction approved on July 27, 2021.
- Negative SEQRA declaration for this Project adopted on July 27, 2021; the proposed Project will not have a significant adverse effect on the environment.

Anticipated Closing

Summer/Fall 2023

Impact Summary

Employment	
Jobs at Application:	27
Jobs to be Created at Project Location (Year 3):	9
Total Jobs (full-time equivalents)	36
Projected Average Hourly Wage (excluding principals)	\$22.00
Highest/Lowest Hourly Wage	\$53.00/19.00
Estimated City Tax Revenues	
Impact of Operations (NPV 18 years at 6.25%)	\$8,507,489
One-Time Impact of Renovation	\$411,647
Total impact of operations and renovation	\$8,919,136
Additional benefit from jobs to be created	\$799,423

Krasnyi Oktyabr, Inc.

Estimated Cost of Benefits Requested: New York City	
Building Tax Exemption (NPV, 18 years)	\$1,382,600
Land Tax Abatement (NPV, 18 years)	\$349,312
MRT Benefit	\$81,250
Agency Financing Fee	(\$119,000)
Total Cost to NYC Net of Financing Fee	\$1,694,162
Available As-of-Right Benefits (ICAP)	\$1,176,979
Agency Benefits in Excess of As-of-Right Benefits	\$517,183

Costs of Benefits Per Job	
Estimated Total Cost of Net City Benefits per Job	\$14,366
Estimated City Tax Revenue per Job	\$269,960

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	\$43,750
Total Cost to NYS	\$43,750

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Commercial Loan from BoA	\$5,000,000	41%
Contribution from sale of 60 20 th St. Property	\$7,200,000	59%
Total	\$12,200,000	100%

Uses	Total Amount	Percent of Total Costs
Land and Building Acquisition	\$5,000,000	41%
Hard Costs	\$6,300,000	52%
Soft Costs	\$500,000	4%
Furnishings, Fixtures & Equipment	\$300,000	2%
Closing Fees	\$100,000	1%
Total	\$12,200,000	100%

Fees

	Paid At Closing	On-Going Fees (NPV, 18 Years)
Agency Fee	\$119,000	
Project Counsel	\$35,000	
Annual Agency Fee	\$1,250	\$13,284
Total	\$155,250	\$13,284
Total Fees	\$168,534	

Krasnyi Oktyabr, Inc.

Financing and Benefits Summary

The Facility will be built by the Developer and sold to Krasnyi Oktyabr's affiliate, GGMR, as part of an exchange of property (pursuant to Section 1031 of the Internal Revenue Code of 1986) for Krasnyi Oktyabr's existing facility located at 60 20th St. in Brooklyn, New York. Following the sale, the new Facility will be owned by GGMR and operated by Krasnyi Oktyabr. It is anticipated that Krasnyi Oktyabr will also finance the Project with a commercial mortgage loan (the "Loan") in the amount of approximately \$5,000,000 from Bank of America. The commercial mortgage loan will have a 10-year term and an amortization of 20 years and will bear interest at a fixed rate of 4.00%. The loan will be secured by a first mortgage lien on the Facility and by first priority liens and security interests in all of Krasnyi Oktyabr's property assets. The financial assistance proposed to be conferred by the Agency will consist of payments in lieu of City real property taxes and partial exemption from City and State mortgage recording taxes. The benefits term is 18 years to match the term remaining on Krasnyi Oktyabr's existing NYCIDA deal at 60 20th Street.

Company Performance and Projections

The Project will allow the Company to expand its operations by creating additional space for warehousing, allowing it to increase its output and service additional clients. The additional space will also allow the Company to launch an e-commerce division. Moreover, the Project will equip the Company with cold storage space, which will allow the Company to improve the diversity and quality of its product offerings to potential clients. Furthermore, the Project will permit the Company to improve operational efficiencies by adding new office space.

Applicant Summary

Krasnyi Oktyabr is a leading importer and wholesale distributor of Russian and European food products. The Company, which was founded in Israel in 1990 and relocated to the United States in 1996, sells confectionery, candy, frozen cakes/cookies and other ethnic foods to grocery stores nationwide. The Company closed a deal with the NYCIDA in 2016, when it acquired and renovated a 15,000 square foot building at 60 20th Steet in Sunset Park, Brooklyn. The Company has since further expanded its operations, and it now also rents a 10,000 square foot warehouse nearby.

Krasnyi Oktyabr currently sells over 1000 unique Russian and European products in a variety of categories. Their products are sold around the United States, with sales concentrated in California, Seattle, Florida, Chicago, Philadelphia, and New Jersey. The Company also has three trucks that make deliveries in the tri-state area. The Company is planning to expand their e-commerce business as a result of adding additional warehouse space as part of this Project. The new Project will allow the company to greatly expand its growing frozen foods division including ice cream, confectioneries, mushrooms, specialized meats and seafood, catering mostly to the Eastern European and Slavic ethnic market.

Semyon Katsura, President and 100% Stockholder

Semyon Katsura is the Founder and President (Emeritus) of Krasnyi Oktyabr. Mr. Katsura is primarily retired, ceding day-to-day management of the Company to his adult children, Gregory Katsura and Galina Gendelman. In his role, Mr. Katsura continues to assist with strategic planning, product development, marketing, and management.

Gregory Katsura, Vice President and Head of Operations

Gregory Katsura is Vice President and Head of Operations for Krasnyi Oktyabr. He is responsible for vendor and product selection, price negotiations, customs, and FDA permitting.

Galina Gendelman, Treasurer and Financial Manager

Galina Gendelman is the Treasurer and Financial Manager for Krasnyi Oktyabr. She oversees the office functions and is responsible for accounts receivable, accounts payable, annual budgets, scheduling expenditures, and maintaining all financial records and administration.

Employee Benefits

The company provides paid time off, worker's compensation, and medical leave to full-time employees.

Krasnyi Oktyabr, Inc.

Recapture

Pursuant to UTEP, all benefits are subject to recapture for a 10-year period.

Due Diligence

The Agency conducted a background investigation of the Company and GGMR their principals and found no derogatory information.

Compliance Check:	Compliant
Living Wage:	Compliant
Paid Sick Leave:	Compliant
Affordable Care Act:	ACA Compliant
Bank Account:	Bank of America
Bank Check:	Relationships are reported to be satisfactory.
Supplier Checks:	Relationships are reported to be satisfactory.
Customer Checks:	Relationships are reported to be satisfactory.
Unions:	Not Applicable
Background Check:	No derogatory information was found.
Attorney:	Aaron Boyajian, Esq. Goetz Fitzpatrick LLP One Penn Plaza New York, New York 10119
Accountant:	Greg Bivona The Kahan Group 99 Tulip Avenue, Suite 308 Floral Park, New York 11001
Consultant/Advisor:	Rob Morel City One Associates, Inc. 2440 Broadway, Suite 245 New York, New York 10024
Community Board:	Brooklyn, CB #7



Красный Октябрь®

KRASNYI OKTYABR INC. USA

INTERNATIONAL FOOD IMPORT & EXPORT WHOLESALE DISTRIBUTION

60 - 20th STREET, SUNSET INDUSTRIAL PARK, BROOKLYN, NY 11232 • TEL. (718) 858-6720 • FAX: (718) 858-6722

May 5, 2021

Mr. Noah Schumer
IDA Project Manager
NYC IDA
One Liberty Plaza
New York, NY 10006

Dear Mr. Schumer,

Krasnyi Oktyabr Inc is one of the major importers and wholesale distributors of Russian, Eastern European and Slavic food products in the United States. We are a family run business and since 1996 we have been selling over 1000 unique and authentic Russian products such as confectionery and candies, caviar, herring, canned products, and cosmetics. We ship to California, Washington, Illinois, Florida, Pennsylvania, New Jersey and many locations in between. My father, who established this business in Israel and then moved it to the United States, realized that there was a huge Russian consumer population that would love to eat Russian products that they grew up with. Our company secured the exclusive sale rights from a leading manufacturer in Moscow to import and distribute confectioneries and this became the basis of our growing business.

In 2016, with the assistance of the NYC IDA, we purchased our current 15,000 sq ft building and since then we have increased our sales. Our employment also increased from 16 persons to 26 in spite of Covid challenges-- well surpassing our 2016 IDA projected employment target.

Two years ago, a developer began an assemblage to build an e-commerce incubator and warehouse facility but realized our 15,000 square-foot building was blocking his access. Consequently, he proposed to build us a new building nearby which we would eventually swap for our existing property plus \$5 million. This "trade" would provide us with a brand-new 36,000 square-foot building on two floors, consolidating our operations which are now in two locations totaling 25,000 sq ft. The expansion would allow us to go into several new frozen food lines including ethnic vegetables, mushrooms, ice cream, specialized meats and seafoods. This consolidation and expansion into e-commerce business will enable us to hire 8 new employees in two to three years.

We need the *continued* assistance of the IDA real estate tax benefits to enable our company to grow in this competitive marketplace. If it were not for the new package of IDA benefits, which we understand will be reduced from our original 25 year PILOT to the balance of approximately 18 years by the time the building is complete, we would be forced to sell building to the developer and relocate to New Jersey. His original purchase price offer would be significant enough to allow us to relocate

a beautiful 100,000 square-foot building in New Jersey which would be closer to some of our senior management and owners' homes as well as the growing Russian population in New Jersey. Furthermore, 90% of our merchandise is imported from overseas and arrives in New Jersey's Port of Elizabeth by container. There is a large growing Russian population in New Jersey so that was one of the reasons that we started looking at properties in 2015 in Passaic, Hackensack and Totowa, New Jersey--- prior to finding our original IDA project in Sunset Park. Since we ship all over the United States operating in New Jersey would not be a major issue and of course being closer to the Port of Elizabeth would be a big advantage.

If the IDA does not approve our request for PILOT, we will be forced to relocate to New Jersey. Our customers would reach out to us wherever we relocated, and the Internet has made it very easy to be located practically anywhere.

We hope the New York City IDA will entertain and approve our application for benefits so that we can remain in Brooklyn and continue to operate our family business in NYC.

We thank you for considering our project.

Sincerely,

Ms. Galina Gendelman
CFO

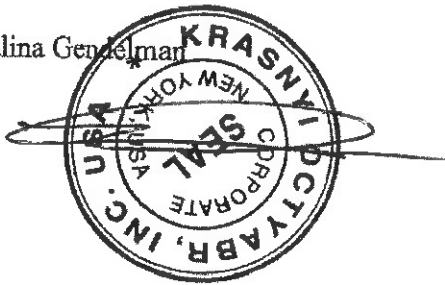


Exhibit D

Resolution authorizing and approving the execution and delivery of agreements in connection with a Straight-Lease Project for Krasnyi Oktyabr, Inc. and its affiliate, GG Master Realty LLC

WHEREAS, the New York City Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, civic, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, Krasnyi Oktyabr, Inc., a corporation incorporated under the laws of the State of New York (the “Company”), and its affiliate, GG Master Realty LLC, a limited liability company formed under the laws of the State of New York (“GGMR”, and collectively, with Krasnyi Oktyabr, Inc., the “Applicant”) have entered into negotiations with officials of the Agency for the acquisition, construction, and equipping, as applicable, of a warehouse and business office (the “Facility”), consisting of an approximately 36,000 square foot warehouse and cold storage facility located on an approximately 22,000 square foot parcel of land located at 70 20th Street, Brooklyn, New York (also referred to as 73 20th Street, Brooklyn, New York) all for use by the Company in its operations as an importer and wholesale distributor of Russian food products, for lease to the Agency by GGMR, and sublease by the Agency to the GGMR for subsequent sub-sublease in whole to the Company, and having an approximate total project cost of approximately \$12,200,000 (the “Project”); and

WHEREAS, on July 27, 2021, the Agency adopted a resolution approving the taking of preliminary action with respect to providing financial assistance in the form of a straight-lease transaction; and

WHEREAS, in order to finance a portion of the costs of the Project, Bank of America (such financial institution, or any other financial institution as may be approved by a certificate of determination of an Agency officer, the “Lender”) has agreed to enter into a loan arrangement with the Company pursuant to which the Lender will lend approximately \$5,000,000 to the Company, and the Agency and the Company will grant a mortgage on the Facility to the Lender (the “Lender Mortgage”); and

WHEREAS, for purposes of refinancing from time to time the indebtedness secured by the Lender Mortgage (the “Original Mortgage Indebtedness”) (whether such refinancing is in an amount equal to or greater than the outstanding principal balance of the Original Mortgage Indebtedness), the Applicant may from time to time desire to enter into new mortgage arrangements, including but not limited to consolidation with mortgages granted subsequent to the Lender Mortgage; and therefore the Applicant may request the Agency to enter into the mortgage instruments required for such new mortgage arrangements (“Refinancing Mortgage(s)”; and

WHEREAS, in order to provide financial assistance to the Applicant for the Project, the Agency intends to grant the Applicant financial assistance through a straight-lease transaction in the form of real property tax abatements, and mortgage recording tax deferrals, all pursuant to the Act;

NOW, THEREFORE, NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY, HEREBY RESOLVES AS FOLLOWS:

Section 1. To accomplish the purposes of the Act and to provide financial assistance to the Applicant for the Project, a straight-lease transaction is hereby authorized subject to the provisions of this Resolution and the Lease Agreement hereinafter authorized.

Section 2. The execution and delivery of a Company Lease Agreement from GGMR leasing the Facility to the Agency, an Agency Lease Agreement from the Agency subleasing the Facility to GGMR (the "Lease Agreement") (for sub-sublease to the Company), the Lender Mortgage, the Refinancing Mortgages, if any, and the acceptance of a Guaranty Agreement from the Company, GGMR and their owner's owners and/or principals in favor of the Agency (the "Guaranty Agreement") (each document referenced in this Section 2 being, collectively, the "Agency Documents"), each being substantively the same as approved by the Agency for prior transactions, is hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director and General Counsel of the Agency are each hereby authorized to execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such agreement by one of said officers shall be conclusive evidence of due authorization and approval.

Section 3. All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution or the Agency Documents shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in the Agency Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Agency in his or her individual capacity and neither the members nor the directors of the Agency nor any officer executing any Agency Document shall be liable personally for any amounts payable thereunder or arising from claims thereon or be subject to any personal liability or accountability by reason of the execution and delivery or acceptance thereof.

Section 4. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and

deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution. The Agency recognizes that due to the unusual complexities of the transaction it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Agency herein. The Agency hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution. The approval of such modifications shall be evidenced by a certificate of determination of an Agency officer.

Section 5. This Resolution shall take effect immediately.

ADOPTED: July 25, 2023

Accepted: _____, 2023

KRASNYI OKTYABR, INC.

By: _____
Name:
Title:

GG MASTER REALTY LLC

By: _____
Name:
Title: