

January 27, 2023

LETTER OF INTENT**Project Proposal to the Village of Freeport
“Building a Multi-Generational Living Community”**

Dear Mayor Kennedy and esteemed members of the Board of Trustees:

In response to the recent CoStar commercial real estate listing, please accept this Letter of Intent (“LOI”), which sets forth the terms and conditions upon which BOSFA MANAGEMENT (the “Developer”) proposes to acquire (the “Acquisition”) from the Incorporated Village of Freeport (the “Seller”) certain parcels of real property known as and located at 17-33 Buffalo Avenue, Freeport, New York and 80 Albany Avenue, Freeport, New York, including all improvements, fixtures and equipment thereon located (collectively, the “Property”) and develop said Property pursuant to the terms of this LOI (the “Development”).

1. **Purchase Price:** The consideration to be paid by Buyer to Seller for the Acquired Assets (the “Purchase Price”) shall be: fifteen million (**\$15,000,000.00**) dollars payable by wire or certified funds on the closing date of the Acquisition (the “Closing Date”) pursuant to the negotiated terms of a definitive purchase and sale agreement. The Seller is responsible for discharging all debts and payables incurred prior to the Closing Date.
2. **The Development:** The Developer proposes a multi-generational residential project combining much-needed “age in place” senior housing with appropriate facilities and amenities, workforce housing providing working young adults with local, safe, modern homes they can afford; and housing for our often-overlooked veterans.
3. **Conditions:** Closing of the transaction contemplated by this LOI is subject to the following conditions:
 - i. Negotiation and execution of a definitive purchase and sale agreement (“PSA”), mutually satisfactory in form and substance to the parties, or the failure of the parties to agree upon the terms of a PSA.
 - ii. Compliance with all regulatory filing requirements and receipts of any and all government, third party and corporate approvals that may be required in connection with sale or transfer.
 - iii. Seller to have good and marketable title to the Property and to deliver same to Developer.

- iv. All necessary approvals by the Incorporated Village of Freeport permitting the legal maintenance and occupancy of all existing dwelling units (not less than 100) on the Property and the construction of not less than an additional fifty (50) units, including, if necessary to accomplish this goal, a rezoning of the district applicable to the Property permitting the same to be used for residential, multifamily housing.
 - v. Zoning relief and permitting so as to allow the upgrading and modernization of all existing dwelling units on the Property as part of the proposed Development.
 - vi. Subject to the right of the Developer to proceed with the Development without the need to demolish or elevate any existing building or structure on the Premises other than the warehouse to accommodate the construction of the referenced fifty (50) additional residential units.
 - vii. The conduct of environmental, engineering and other appropriate due diligence investigations and results reasonably acceptable to the Developer in light of the intended Development, as proposed.
 - viii. The availability of financial assistance pursuant to the General Municipal Law; the terms of a Community Agreement; and the suitability of the Property to support the proposed Development given elevation and flood plain requirements.
4. **Expiration.** Each of the parties to this LOI acknowledges and agrees that this LOI shall be superseded by the PSA, if any, executed by Seller and Developer. Until such time as the PSA is executed, each of Developer and Seller agree to proceed in accordance with the terms, conditions, and provisions outlined in this LOI.
5. **Governing Law.** This LOI shall be governed by the laws of the State of New York without giving effect to the conflicts of law's provisions thereof.
6. **NDA.** It is acknowledged and agreed that the terms of this LOI and any oral or written information exchanged between the Parties concerning the preparation and performance of this LOI are regarded as confidential information. Each of the Parties, their respective boards, members, officers and employees agree not to disclose, and to keep secret and strictly confidential, the existence of, and the terms and conditions contained in, this LOI and any and all information, correspondence, materials and/or documentation referenced herein. Notwithstanding the foregoing, the Parties may disclose the terms, contents, substance of and a copy of this Agreement if: (i) asserting a claim or defense arising in an action to enforce this Agreement ; (ii) ordered to do so by a court of competent jurisdiction ; (iii) disclosure is required to accountants, attorneys, lenders, federal and state taxing authorities, pursuant to federal securities laws, or as otherwise required by law; or (iv) served with a subpoena or other requests for discovery or testimony in a legal proceeding. If (i), (ii) or (iv) of this paragraph occurs, the Parties shall first give prompt notice

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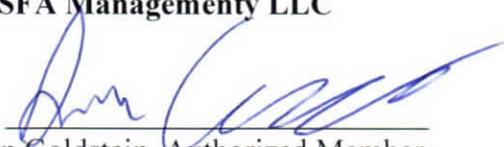
to the other Party, so that any Party may have an opportunity to defend against such court order or discovery request.

It is expressly understood by each party that this LOI outlines the business terms that will be included in a definitive PSA, which is to be negotiated and be generally consistent with this LOI. This letter shall not, however, create any legal rights or obligations between the Parties. It is intended that all legal rights and obligations of each Party shall only be those which are set forth in the definitive PSA.

This Letter of Intent may be executed and delivered in multiple original counterparts, each of which shall be deemed an original (but all of which shall constitute a single instrument) for all purposes and may be delivered by electronic transmission of a scanned image to the Parties' or respective attorneys' regular email addresses.

Dated: January 27th, 2023

BOSFA Management LLC

By: 
Aron Goldstein, Authorized Member

Dated: _____, 2023

Incorporated Village of Freeport

By: _____
Hon. Robert T. Kennedy, Mayor



Additional Details of Proposal

Goals:

Our goal is to make the existing old, time-worn apartment building compatible with modern uses through extensive renovations, repairs and updates while staying respectful of the historical and cultural values of the community.

Our guiding principle is to reenergize, refresh and revitalize the aging Moxey Rigby Apartments and to show what a multi-generational community in Freeport can and should be for Seniors, young working adults and our Veterans.

Our vision is to create a *multi-generational living community* that provides modern housing for seniors, veterans, and young adults who are part of our active workforce.

What is a multi-generational living community?

The proposed multi-generational living will create a positive community by combining the life experiences of seniors with the ambitions of a younger workforce while paying homage to the sacrifices and dedication of our Veterans.

As an ever more significant percentage of our population is reaching the over 60-year-old threshold, there is an ever greater need to provide housing for seniors desiring to age in place. Today's Seniors are, however, vastly different from those a generation ago. They understand the importance of staying active and want to be close to age-appropriate amenities where they can easily socialize and exercise.

Starting out on their life journey, young adults seek out inter-generational neighborhoods because they value older populations' wealth of knowledge and experience. It is a great way to introduce people to new concepts and ways of living that help broaden their worldview.

Lastly, we will provide safe, attractive and comfortable housing for our veterans to allow them to bring their unique perspectives and experiences to the neighborhood we are creating.

What are the benefits of our multi-generational housing to the Village of Freeport community?

- Livability - Our neighborhood, with its range of ages and walks of life, will provide a rewarding social opportunity, a series of lessons in empathy and generosity, and a chance to learn about the world through others' eyes.
- Security and Safety - There are always attentive eyes at living-room windows providing cooperation to neighbors who will help each other out by chaperoning a trip to the neighborhood diner and/or impromptu shopping trip.

- Support and Assistance – Our neighborhood, with its wide range of ages and walks of life, also comes with tangible, even quantifiable, rewards for seniors and older veterans. Longtime residents in their 70s and 80s who may struggle physically to keep up with the requirements of daily life get the assistance they need – young adults are invariably drafted, for example, to walk an elderly neighbor’s pet, move heavy boxes or lend a hand with a difficult chore. Helpful neighbors offer to pick up and drop off medication or meals for each other. Seniors can provide advice to young neighbors based on their wisdom and experience.
- Extended “Family” - Friendships and nurturing from older community members may fill in for relatives who live out of state. The adult children of aging empty-nesters can derive no small amount of comfort from knowing that familiar faces keep an eye on their loved ones daily. Older neighbors can create a missing link for young adults whose grandparents have passed away. Multi-generational neighborhoods offer varied living arrangements to accommodate those who don’t fit the traditional nuclear-family, detached-house model of the past.
- Shared Amenities - Various on-site amenities and lifestyle programs cater to different generations, while some shared spaces and activities appeal to residents of all ages. Neighborhood features like low curbs or no-step paths are safe and easily navigable for people of any age.

The multi-generational housing community we are proposing to develop is what people seek today. We view this project in the Village of Freeport as an opportunity to create a purpose-built housing environment that will deliver these tangible benefits and easily attract and accommodate a diverse range of residents, including veterans, retirees, active empty-nesters, working adults and single young adults.

What is the scope of the rehabilitation project?

The BOSFA Management Team will create three living environments that will be attractive to seniors, veterans and working-age adults:

- Building 1 – “The Alder” – Senior housing. We will create a new “enhanced senior living” environment that features “aging in place” and “full-lifecycle housing.” This concept is based on The Alder branded development that BOSFA has successfully proposed in the Village of Valley Stream. Our enhanced senior living development will enhance the attractiveness of the Village of Freeport by creating new jobs and expanding the local tax base.
- Building 2 – “The Weaver” – Veterans Housing. Named for Arthur Weaver, the World War II veteran born in Freeport and who served in the U.S. Army in the Philippines during the war. Mr. Weaver is the former President of the 369 Veterans Association, Queens district, also known as the Harlem Hell fighters - 15th Regiment, New York Guard. When he moved to Freeport in 1968, he became actively involved with the American Legion.

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- Building 3 – “The Prodigy” – Young Workforce Housing. Named for Freeport musician and rapper Albert Johnson, who went by the stage name Prodigy and was one half of the [hip hop](#) duo [Mobb Deep](#). Mr. Johnson passed away in 2017.
- Building 4 – Shared Amenities. The existing housing authority building will be rehabilitated and converted into a shared resident amenity center, complete with workout equipment, meeting rooms, lounge space, and a new leasing office

We propose to demolish the existing warehouse on the site to make way for a brand-new parking lot that will provide electric car charging stations and be an attractive amenity to new residents and a benefit to the community in reducing demand for on-street parking.

What are the highlights of the Development?

Our Residential buildings will include the following:

- Removal of all internal fixtures and aged structural elements throughout the building and replacing them with state-of-the-art materials
 - Repair or replace existing infrastructure, including HVAC systems, electrical, plumbing, foundation, roof, flooring, walls, ceilings, windows, doors and insulation
 - Upgrade fire safety and security systems
 - Outfit each apartment unit with desirable, modern features, including stone countertops, washers & dryers, wood floors, new bathrooms, and energy-efficient HVAC split units
 - Replacement and enhancement of all landscaping around the property
 - Update of all external finishes to include stucco and/or new brick around the building to strengthen and present a more appealing façade
 - Remediation and disposal of any hazardous materials on the sites
 - Bring the apartment building structure up to all code requirements
 - Install Green Elements and Energy Efficient amenities
 - Construct a state-of-the-art fitness center, library, movie room, lecture space and community connection center in a standalone building that will be accessible only by secure key cards.
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What is the proposed rent structure for community residents?

The rents for our planned community will be structured based on the proposed model tenants.

- For the senior population of the Alder, there will be a mixture of market-rate rents and affordable rents for seniors on a fixed income.
- For the tenants at the Prodigy, there will be a mixture of market-rate rents and affordable rents for workforce housing.
- For the veteran tenants at the Weaver, the rents will be modeled to allow Veterans on fixed incomes to live there while also providing beautiful housing that will serve as a tribute to their collective sacrifice for our country.



No school impact is projected based on the target population (seniors, veterans, and young adults).

The BOSFA Team will not build low-income housing at the Property

Will there be a PILOT?

While the BOSFA Team may apply to the Town of Hempstead/Nassau County IDA or LDC for financial assistance, a community hosting agreement will be negotiated, pursuant to which the Village of Freeport will be held harmless for any projected delta between actual taxes and the amount of any PILOT.

What is required from the Village of Freeport?

Given the Property's current industrial and commercial zoning designation, the proposed development will require zoning changes and entitlements.

While zoning variances or a zone change are possible, the BOSFA Team would like to introduce the development of a new MG Zone to accommodate the proposed development. The criteria of the MG Zone would incorporate the needs and objectives of Mayor Kennedy, the Village Board of Trustees, advisors to the Village of Freeport and the demonstrated needs of the proposed development.

If the creation of the new MG Zone is not in the Village's best interest, the BOSFA Team will seek the appropriate zoning relief and entitlements through the variance and change of zone procedures.

The Hon. Moxey Rigby Scholarship:

The BOSFA team wants to honor the legacy of Judge Moxey Rigby.

Recognizing that the new development adjacent to the Property is named after Judge Rigby, the BOSFA Team would like to offer an exciting idea to help young people in the Village receive a college education.

The BOSFA Team will establish and fund the Judge Moxey Rigby Scholarship.

It will provide \$10,000.00 annually to a Village Resident selected by the Mayor. The scholarship will be used to offset college or trade school tuition and awarded by the Mayor on criteria developed by the Mayor and Village stakeholders.

The scholarship will be funded for a minimum of 15 years.

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**TERWILLIGER
& BARTONE**
P R O P E R T I E S

Nicholas Tuccillo
Marcus and Millichap
260 Madison Ave
5th Floor, New York, NY 10016

2/2/2023

RE: 17 Buffalo Ave Freeport, NY: approximately 2.8 acre parcel

Dear Mr. Tuccillo,

Below please find the terms offered, by Terwilliger & Bartone Properties for the acquisition and development of the property described above.

Please be advised that this offer and the development concepts contained herein, which are being submitted in response to this process, are proprietary to Terwilliger & Bartone Properties and, as such, should be kept confidential, and should only be disclosed as necessary to the appropriate Seller personnel in order to consider and deliberate on the proposal.

Offered Terms:

PRICE: \$15,000,000 (Fifteen Million Dollars)

EARNEST MONEY: \$150,000 (One Hundred Fifty Thousand Dollars)

SUBJECT TO AND IN ACCORDANCE WITH THE FOLLOWING:

- Buyer and Seller would enter into a Purchase and Sale Agreement containing the following terms in language as negotiated between the parties.
- Buyer shall have a 90-day due diligence period in which time Buyer shall have the right to enter the property to perform due diligence including, but not limited to environmental surveys, geo-technical surveys, title examination, and any other due diligence the Buyer deems appropriate. The Buyer shall have the right, at the Buyer's sole discretion, to terminate the contract at any point and for any reason during the due diligence period.
- Buyer will, at Buyer's sole cost and expense, perform a phase I and if needed a phase II environmental, should any environmental defects be detected it will be the responsibility of the Seller to remedy same to whatever extent is required. Should the Seller fail to correct any environmental defects than the Buyer will, at the Buyer's sole discretion, have the right to cure the defect and abate the purchase price by the amount needed to obtain a clean environmental to "unrestricted residential standards".
- This offer is SUBJECT TO CONFIRMATION OF APPROVAL AT TIME OF CLOSING from the Village of Freeport for full unappealable approval to allow for construction of no less than 200 market rate multi-family rental units. Further, this offer



TERWILLIGER & BARTONE

P R O P E R T I E S

is subject to the availability of public water, sewer, electric, and natural gas. Closing shall occur within 30 days of receiving Building Permits.

- A PILOT agreement from the Industrial Development Agency including a partial mortgage tax abatement, sales tax abatement, and property tax phase in with a duration of no less than 25 years is a condition precedent to closing.
- Site must have marketable and insurable title with any defects being remediated at the sole cost of the Seller.
- No appraisal contingency is required.
- Broker acknowledgement: Buyer and the Seller do hereby acknowledge that they have not worked with any brokers on this transaction except for Marcus and Millichap. Broker compensation shall be paid exclusively by the Buyer at closing in accordance with a separate brokerage agreement. Seller shall have no obligation or liability as it pertains to broker compensation whatsoever.
- This offer is valid for 15 days from the date first above written.
- This document should in no way be construed as a binding contract by either party, but instead is a Letter of Interest memorializing the proposed deal terms.
- Upon reaching an agreement on the terms identified above all parties shall sign this non-binding term sheet acknowledging that neither party shall negotiate, whether directly or indirectly, solicit or propose to enter any negotiations, or enter any agreement or understanding with any person or entity other than the above parties for the purchase and sale of the Property, or any portion thereof, as contemplated herein.
- All concepts and designs are the sole property of the Buyer and may not be shared in whole or part, in writing, discussion, or concept with anyone other than the Seller and the Seller's agents and representatives in connection with this process

Terwilliger & Bartone Properties LLC

Anthony Bartone

Managing Partner

Seller

Name:

Title: