



FILED IN OFFICE OF
DIANE M. WILHELM
TOWN CLERK

2020 MAY 19 P 12:13

May 18, 2020

VIA FEDERAL EXPRESS

**Yvette Aguiar, Riverhead Town Supervisor and
Members of the Town Board
200 Howell Avenue
Riverhead, New York 11901**

Re: Development of Calverton Aviation & Technology Hub

Town Supervisor and Members of the Board:

Arieli Capital LLC, a US Holding company, and its multiple affiliates act as an international business development and investment platform for the creation of innovative technology ecosystems. Working with a vast and diversified network of over 150 affiliated companies across many industry markets and emerging technology sectors, our company creates unprecedented synergies and expands business opportunities for our partners, investors, collaborators and the host communities.

We have been advised that as soon as the Town of Riverhead and its Community Development Agency completes the subdivision of over 2000 acres of land it owns at Calverton known as the Enterprise Park at Calverton (EPCAL), the Town is under contract to close upon the sale and transfer of nearly 1,644 acres of land to Calverton Aviation & Technology LLC (CAT). We have been in discussions with Triple Five Real Estate I LLC, the Managing Member of CAT, regarding their vision, preliminary budget and intended development plan for the property being acquired by CAT.

Our review of the existing infrastructure and development at EPCAL, the Town's adopted Reuse & Revitalization Plan and zoning for EPCAL and CAT's Economic Benefits Analysis and their plans to improve the runways, reactivate the GPS approach system and extend and enhance the existing rail system at EPCAL creates a tremendous opportunity for the development of a diverse next generation technology hub that we believe will generate a waterfall of investment and positive impacts for the Riverhead community, the economy of Long Island and the entire region.

Arieli Capital has experience and prior success in developing these types of synergistic technology hubs. We can assist CAT in identifying and attracting prospective businesses to establish local presence at the CAT Hub at EPCAL. Our past performance in building and operating innovation ecosystems includes highly relevant potential partners with the ability to enhance and turn the CAT Hub into one of the leading tech hubs.



Examples of our innovation ecosystems include:

- Working with local and national government to build and operate Israel's southernmost innovation ecosystem for the city of Eilat and bringing it from zero startups to one of the top 500 ranked ecosystems in the world by Startup Blink, including planning and designing the redevelopment of the old city airport terminal into a tech park.
- Planning and leading the Italian/Israeli accelerator program for the Italian government and in partnership with Intesa Sanpaolo Bank, the leading banking group in Italy and one of the top banking groups in Europe.
- Planning and leading the food tech accelerator for the Israeli ministry of economy.
- Working with regional council of Ramat Negev to build and manage Israel's most robust agro research and foodtech platform, managing 22% of Israel's land mass, the most experienced AgroResearch Center and with a 700 million NIS in agriculture and food sales per year.
- Leading an international travel and aviation platform with global partners and top brands.
- Arieli is the majority stake holder in Israel's leading TTO platform providing one of the most robust IP commercialization ecosystems with access to approximately 45 colleges, hospitals and research institutes.
- The Arieli Capital ecosystem includes international tech events, conferences, communities, impact and educational and academic programs, global network of mentors/startups/partners.

CAT's interest to bring back aviation-based industry to this site and develop it in collaboration with laboratory research, development and field testing of agricultural, energy and academic pursuits on a property with existing infrastructure to support the proposed uses provides an unparalleled catalyst for a successful redevelopment project. Arieli has partnered and attracted many other companies excelling in diverse next generation technology, industry and ancillary support sectors to co-locate at such proposed hubs.

With Triple Five, as one of our major investors, we are prepared to develop an innovation technology hub at CAT Hub at EPCAL in the Town of Riverhead. By joining the financial strength, planning and construction expertise of Triple Five with the proven ability of Arieli Capital and its affiliates to attract investment, develop innovative technology centers and companies focused upon global solutions to next generation issues. Accordingly we believe the CAT Hub at EPCAL will become known as a world leader in research, development and field testing of next generation technology located in the Town of Riverhead.

We look forward and are committed to working with Triple Five and the Town of Riverhead to bring this creative technology vision to life at EPCAL.



Please contact us if you need any additional information about Arieli Capital and the projects that we are involved in.

Sincerely,

By: *Evan J. Renov*
Name: Evan J. Renov
Title: Chief Executive Officer

cc: Dawn C. Thomas, Esq., Community Development Administrator
Devon Higgins, Deputy Town Supervisor
Robert F. Kozakiewicz, Esq., Riverhead Town Attorney
Frank A. Isler, Esq., Smith, Finkelstein, Lundberg, Isler & Yakaboski, LLP



May 18, 2020

Mr. Justin Ghermezian
Triple Five
One Meadowlands Plaza
East Rutherford, NJ 07073

Re: Letter of Interest for an Industrial Construction Loan – Calverton Enterprise Park, Calverton, NY (“Property”)

Based on the preliminary review of information received for the above-mentioned property we are pleased to submit the following Letter of Interest (“LOI”). Outlined below are some general guidelines under which Midnight Capital Partners LLC and its affiliates (“Midnight”) is prepared to underwrite and consider funding of a first priority loan (as further described below, the “Loan”) to Calverton Aviation and Technology, LLC an acceptable affiliate of Triple Five (the “Sponsor”). The making of Loan is subject to, among other things, Midnight’s due diligence and underwriting requirements, further conditions and final loan documents satisfactory to Midnight’s and Investment Committee approval (“Investment Committee Approval”) in its sole and absolute discretion.

Property Address & Description:	Calverton Enterprise Park located Grumman Blvd in the hamlet of Calverton in Riverhead, New York. The property was formerly the Naval Weapons Industrial Reserve Plant, a facility that assembled, tested, refitted and retrofitted Grumman-built jets. The property contains approximately of 1,600 acres of land and contains two asphalt and concrete runways. (the “Property”).
Collateral / Borrower Entity:	First mortgage on the fee simple ownership of the Property. Borrowing entity shall be a special-purpose, bankruptcy-remote entity acceptable to Lender.
Sponsor / Guarantor:	Acceptable individuals to provide recourse for bad boy carve-outs, completion guarantee of the Project, reserve replenishment and recourse on principal loss.
Loan Purpose:	Construction of approximately 1,000,000 sf industrial property located on the Property (the “Project”).
Loan Amount	Up to \$120,000,000 based on the sources & uses as approved by Lender
Rate:	TBD
Origination/ Exit Fee:	1.00% on the Loan Amount / 0.50% on Loan Amount.
Loan Term / Min Interest	36 months with an 18-month minimum interest requirement.
Extension	Two twelve (12) month extension options each subject to Lender’s conditions, the reloading of reserves and payment of an extension fee 0.25% of the Loan Amount.
Maximum LTC / LTV:	75% loan to cost /70% of that as improved value of the Project as determined by the Lender and the Initial Funding.

Carry/Hard Cost Reserves:	Lender shall require a reserve at close to fund the anticipated Project carry costs including, but not limited to, real estate taxes, insurance and interest payments.
Other:	Loan subject to full review and approval of all zoning material related to the Property and the anticipated Project.

By submitting this LOI to us, you represent and warrant that no person comprising a direct or indirect borrower is a "foreign person", "foreign partnership", "foreign trust", or "foreign estate" within the meaning of Sections 1445 and 7701 of the Internal Revenue Code of 1986.

You are aware that we may require that your organizational documents contain representations, warranties and covenants reflecting that our borrower shall be a special purpose bankruptcy remote entity meeting specific criteria required by us which, among other things, may provide that (i) our borrower's only asset is such borrower's individual property and (ii) other special purpose entity requirements which shall remain unchanged throughout the term of the loan.

Underwriting requirements as shown on the attached Exhibit A (this list is not intended to be exclusive and other requirements may be provided to you following our receipt and review of applicable diligence materials)

This LOI is not intended to be, nor shall it be construed as, a commitment to lend money and is subject to, among other things, the completion of lender's due diligence, credit review procedures and internal approvals customary for transactions of this nature. This LOI does not set forth all of the material terms necessary for lender's completion of the proposed within transaction nor does this LOI forth in the definitive loan documents.

EXHIBIT A

1. A lender's title insurance policy issued by a national title company selected by Lender;
2. MAI appraisal with respect to the Property prepared by a firm approved by Lender;
3. Phase I survey and, if deemed necessary or appropriate by Lender Phase II surveys of the Property, from a firm approved by Lender;
4. A current ALTA Survey of the Property certified to Lender;
5. Reasonable evidence of compliance with all applicable zoning, building, environmental and other laws applicable to the Property. PZR reports or zoning letters or the like from applicable governmental authorities are acceptable for the purposes hereof;
6. Evidence that all utility services required for the Property are available and that the Property is subject to a separate tax assessment;
7. Satisfactory review by Lender of all such other customary due diligence items with respect to the Sponsor and the Collateral, including, but not limited to, financial reports, property management reports, zoning, permits and licensing, insurance, taxes, litigation, leases and material contracts;
8. All organizational documents and evidence of authorization for the transaction of Borrower and such entities which control Borrower as may be reasonably required by Lender and in form and substance reasonably satisfactory to Lender;
9. A copy of the executed purchase and sale agreement with respect to the Property and any related judgements and notes as well as any easements (if applicable), together with all applicable closing documents related thereto;
10. Opinions of counsel and local counsel to Borrower and Guarantor in form and substance reasonably satisfactory to Lender;
11. business plan regarding marketing of the property and fees paid to affiliates;
12. All (preliminary or final) construction plans and specifications, project approvals, floor plans, and construction agreements;
13. Borrower's operating and construction budgets, construction schedule, sources and uses of all funds; and
14. Other information reasonably required by Lender or its affiliates.