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September 14, 2022

Via: Email lmulligan@brookhavenny.gov

Town of Brookhaven Industrial Development Agency
One Independence Hill
Farmingville, NY 11738
Attn: Lisa M. Mulligan
Chief Executive Officer

Re: MS Packaging and Supply Corp./
MDS Building Ventures, LLC (the "Company")

Dear Ms. Mulligan:

In connection with the above-referenced Project, the initial application and Resolutions approving the Project provided for a total project cost of \$13,791,470.50. That total included \$9,000,000.00 estimated for hard construction of which \$4,500,000.00 was estimated to be taxable materials and \$400,000.00 for taxable machinery and equipment. A sales tax exemption was, therefore, approved in the amount of \$388,125.00 in favor of MDS Building Ventures, LLC towards the taxable construction costs and \$34,500.00 for the estimated portion of the machinery and equipment.

The Project cost has increased and the building cost is now being estimated to be \$12,000,000.00 instead of the estimated \$9,000,000.00, and the machinery and equipment is now estimated to be \$2,400,000.00 instead of the originally estimated \$400,000.00. As such, the newly estimated taxable portion of the construction would now be \$6,000,000.00 necessitating a sales tax exemption of \$517,500.00 and the machinery and equipment would necessitate a sales tax exemption of \$207,000.00.

Accordingly, instead of the total sales tax exemption approved of \$425,000.00, the Company is respectfully requesting the sales tax exemption be \$724,500.00 in total, being an increase in requested sales tax assistance of \$299,500.00.

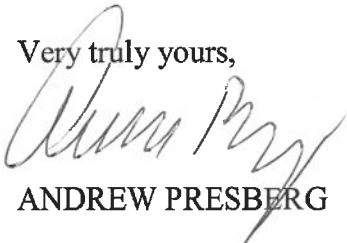
The machinery and equipment estimate of \$2,400,000.00 is based upon the approximate expenditure of \$214,000.00 in office furniture and related materials, warehouse racking costing \$1,865,000.00, technical infrastructure consisting of computers, cabling, wireless access and related technical structure for the building totaling \$230,000.00 and specialty lighting (not included in the base construction) of \$91,000.00.

Based upon the foregoing, it is respectfully requested that the Agency increase the total sales tax exemption from \$425,000.00 to \$724,500.00, for an increase of \$299,500.00. The allocation of the sales tax should be \$517,500.00 in favor of MDS Building Ventures, LLC and \$207,000.00 in favor of MS Packaging and Supply Corp. We understand that the increase in total Project cost from \$13,791,470.50 to \$18,791,470.50 may result in increased project fees to the Agency, and the Company recognizes that obligation.

Please advise if you require any further information or documentation in this regard, and when you would be in a position to present the above request to the Board and a subsequent Public Hearing for the additional benefits of \$299,500.00.

Thank you for your consideration herein.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Andrew Presberg", is written over the typed name.

ANDREW PRESBERG

ADP:ea

cc: Howard Gross, Esq.