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November 22, 2021

Town of Brookhaven Industrial Development Agency
One Independence Hill
Farmingville, New York 11738

Attention: Ms. Lisa MG Mulligan, Chief Executive Officer

Re: *American Regent, Inc.*
5 Ramsey Road, Shirley, New York

Dear Ms. Mulligan:

As you may recall, this firm represents American Regent, Inc. (“American Regent”) in connection with the proposed Straight Lease Transaction with the Town of Brookhaven Industrial Development Agency (the “Agency”) for the above-referenced Project.

Pursuant to the Application of American Regent, dated May 24, 2021 (the “Application”), American Regent requested and was approved for a sales tax exemption, in connection with the construction of an addition and renovation of existing space, in the amount of \$2,173,500 based on a total project cost of \$68,000,000.00.

Due in part to some confusion on the part of American Regent’s original contractor and in part to the increases in the cost of building materials as a result of the COVID-19, the existing Project Cost breakdown in the Application upon which the existing approval has been based significantly understates the total project cost and the amount of sales tax exemption required to complete the Project.

Accordingly, the Company hereby requests that the Agency approve the following changes to the Application:

- Part IV(1) to be amended to provide the following project costs:

Description	Amount
Land and/or Building Acquisition	\$ N/A
Building demolition/construction	\$ (included in renovation costs)
Building Renovation	\$68,000,000.00

Site Work	\$0 (included in renovation costs)
Machinery and Equipment	\$18,000,000.00
Legal Fees (including closing costs)	\$ TBD
Architectural/ Engineering Fees	\$ 6,000,000.00
Financial Charges	\$ N/A
Other	\$ N/A
Total Project Cost	\$92,000,000.00

- Part IV(2) to be modified to reflect the following method of financing:

Method of Financing	Amount
A. Tax-exempt bond financing	\$ N/A
B. Taxable bond financing	\$ N/A
C. Conventional Mortgage	\$ N/A
D. SBA (504) or other governmental financing	\$ N/A
E. Public Sources	\$ N/A
F. Other Loans	\$ N/A
G. Owner/User equity contribution	\$92,000,000.00
Total Project Costs	\$92,000,000.00

- Part V (Project Benefits) to be modified as follows:

1. Sales and Use Tax Benefit:

- A. Gross amount of costs for good and services that are subject to State and local Sales and Use Tax (such amount to benefit from the Agency's exemption):
\$40,800,000.00
- B. Estimated State and local Sales and Use Tax exemption (product of 8.625% and figure above): \$3,519,000.00.

Please feel free to contact me with any questions or concerns regarding the foregoing requested modifications.

Sincerely,

FORCHELLI DEEGAN TERRANA LLP

By: Louis H. Fiore
LOUIS H. FIORE