

November 11, 2011

Town of Brookhaven Industrial Development Agency  
c/o Town of Brookhaven Division of Economic Development  
One Independence Hill  
Farmingville, NY 11738

To Whom It May Concern:

Amneal Pharmaceuticals, LLC ("Amneal"), Long Island's largest generic drug manufacturer, must expand and upgrade its operations to meet current and future market needs and is considering a \$60 million capital investment that will create 400 new full time jobs and position the company for future growth and success. The Expansion Project, if undertaken at the company's Brookhaven facility, will help create a critical mass of high level pharmaceutical jobs and strengthen the industry's presence in the municipality, contributing to the Brookhaven's intellectual capital, economy, and tax base. Amneal is seeking a feasible and cost-effective solution to achieve its strategic plan and is evaluating several existing sites, not only in Brookhaven but also outside New York State at sites in New Jersey (near Amneal's headquarters) and India. In order to accommodate the launch of its new products during the third quarter of 2013 as planned, Amneal is seeking to break ground by March 2012 and complete construction by March 2014.

Amneal was established in June of 2004 by two brothers, Chintu Patel, R.Ph. and Chirag Patel, who built their headquarters and an oral solids production research and development plant, in Paterson, New Jersey. The company soon opened another plant in Branchburg, New Jersey. In July of 2006, Amneal's first application for a U.S. generic drug approval was granted by the Federal Drug Administration ("FDA"), and by 2008 the company's drug pipeline had expanded to 62 drugs. In 2008, the rapidly growing company purchased the assets of Interpharm Holdings, Inc. of Hauppauge, New York and acquired 240,000 sq ft of manufacturing and research and development capacity in two state of the art plants on Long Island. Later that year, Amneal established a production plant in India, and in 2011 Amneal opened another facility in Piscataway, New Jersey allowing further expansion into new technologies and the development of products for more niche markets. While Amneal has continued to produce more main stream, high volume drugs, the company's niche products create a diverse pipeline able to address a broader range of consumer needs.

Today, Amneal has grown to become the 7<sup>th</sup> largest generic drug firm in the U.S. (based on IMS data for number of prescriptions filled in June 2011), employing over 1,200 people, of which 700 are currently on Long Island. Currently, the company maintains facilities in New York, New Jersey, and India, and operates a pharmaceutical distribution and sales center in Kentucky. The company is poised to expand to meet anticipated market demand. The company's tablet volume alone is increasing exponentially, 500% in the last two years, and the vast majority of tablets are produced on Long Island. Since its establishment, Amneal's focus on product innovation and its aggressive growth and expansion strategy have produced impressive results; the company's revenue is projected to exceed \$1 billion by the year 2015.

In furtherance of its growth plan, Amneal recently acquired the rights to a new generic drug, and will require additional manufacturing equipment, premises, and staff to facilitate its production. To accommodate both current needs and anticipated growth, Amneal is now considering a state of the art expansion project ("Expansion Project"). The company is evaluating the feasibility of undertaking the Expansion Project at an existing site in Long Island, New Jersey, or India. Key decision drivers include the availability of skilled labor, the cost and feasibility of undertaking such a major construction and expansion project in each jurisdiction (including the willingness of local officials to help expedite permits

and facilitate construction schedules), financial assistance to make the investment affordable, and a supportive local environment leading to opportunities for collaboration with educational and industry resources.

Amneal is carefully evaluating its expansion options and is weighing the advantages and disadvantages of proceeding in various jurisdictions. The company has been successful on Long Island and welcomes the opportunity to build on that foundation. However, from a financial perspective, absent New York State and local incentives, New Jersey and India are more cost effective locations. The company recently built a facility in Ahmedabad, India and has been pleased with its operations. The cost of building and maintaining facilities in India is much less than building in the United States, and Amneal owns an additional ten acre plot in Ahmedabad which could be used for the Expansion Project. The company estimates that it would save \$20 million per year if it implements the Expansion Project in India.

Further, if Amneal does choose to expand in the United States, its headquarters are located in New Jersey where it is eligible for generous tax credits and grants. Potential applicable programs include the Business Employment Incentives Program ("BEIP"), among others. The BEIP could provide Amneal with an annual grant equal to 80% of the total amount of new employees' state income taxes withheld by the company during each calendar year for up to 10 years. New Jersey has a large and active pharmaceutical/biotechnology cluster and the State is committed to supporting and enhancing the industry. New Jersey also has an array of other incentives and programs tailored to the industry, including the Research and Development Tax Credit and the Edison Innovation Fund.

In sum, Amneal recognizes the benefits that Long Island can offer, however the company must implement an economically feasible long term strategy. The availability of incentives from New York State and local jurisdictions will help level the playing field and make it feasible for Amneal to remain and grow on Long Island while preserving capital for continued drug development activities and future expansion projects.

Enclosed please find the Industrial Development Agency application, along with the required attachments and a check in the sum of \$4,000, payable the Town of Brookhaven Industrial Development Agency.

If you require any further information, please contact me.

Thank you.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'Mark Patrichuk', written in a cursive style.

Mark Patrichuk

**TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY  
APPLICATION FOR FINANCIAL ASSISTANCE**

DATE: November 13, 2011

APPLICATION OF: Amneal Pharmaceuticals of New York, LLC  
Company Name / Ownership of Proposed Project

ADDRESS: 85 Adams Avenue  
Hauppauge, New York 11788

Type of Application: ☐ Tax-Exempt Bond ☐ Taxable Bond ☒ Lease  
☐ Refunding Bond ☐ Not-for-Profit

Please respond to all items either by filling in blanks, by attachment (by marking space "see attachment number 1", etc.) or by N.A., where not applicable. Application must be filed in ten copies. A non-refundable application fee is required at the time of submission of this application to the Agency. The non-refundable application fee is \$2,000 for applications under \$5 million and \$4,000 for applications of \$5 million or more.

Transaction Counsel to the Agency may require a retainer which will be applied to fees incurred and actual out-of-pocket disbursements made during the inducement and negotiation processes, and will be reflected on their final statement at closing.

Information provided herein will not be made public by the Agency prior to the passage of an official Inducement Resolution, but may be subject to disclosure under the New York State Freedom of Information Law.

Prior to submitting a completed final application, please arrange to meet with the Agency's staff to review your draft application. Incomplete applications will not be considered. The Board reserves the right to require that the applicant pay for the preparation of a Cost Benefit Analysis, and the right to approve the company completing the analysis.

PLEASE NOTE: It is the policy of the Brookhaven IDA to encourage the use of local labor and the payment of the area standard wage during construction on the project.

Please write or call:  
Town of Brookhaven Industrial Development Agency  
c/o Town of Brookhaven Division of Economic Development

One Independence Hill  
Farmingville, New York 11738

(631) 451-6563

I. Company Data

A. COMPANY (APPLICANT FOR ASSISTANCE)

Company Name: Amneal Pharmaceuticals of New York, LLC

Address: 85 Adams Avenue  
Huappauge, New York 11788

Contact: Mark Patrichuk

Title: Controller

Phone Number: [REDACTED]

E-mail: [REDACTED]

Federal Employer ID Number: [REDACTED]

B. BUSINESS TYPE:

Sole Proprietorship ☐ Partnership ☐ Privately Held ☒

Public Corporation ☐ Listed on \_\_\_\_\_ Exchange

State of Incorporation \_\_\_\_\_

C. ANY RELATED COMPANY PROPOSED TO BE A USER OF THE FACILITY:

NAME	RELATIONSHIP
N/A	

D. COMPANY COUNSEL:

BOND COUNSEL:

Firm Name: Robert Loewenstein  
Address: In House Counsel  
(908) 947-3137

N/A

Phone: \_\_\_\_\_

E. PRINCIPAL STOCKHOLDERS OR PARTNERS, IF ANY (5% OR MORE EQUITY)

NAME	PERCENT OWNED
<u>Amneal Pharmaceuticals, LLC</u>	<u>100% of Amneal Pharmaceuticals of New York, LLC</u>
<u>Amneal Pharmaceuticals Holding Company, LLC</u>	<u>100% of Amneal Pharmaceuticals, LLC</u>
<u>Amneal Holding, LLC</u>	<u>100% of Amneal Pharmaceuticals Holding Company, LLC</u>

F. Has the company ever filed for bankruptcy?

No. The company has never filed for bankruptcy.

G. Have any of the owners / top executives ever been convicted of a felony?

No. None of the owners/top executives have ever been convicted of a felony.

If yes, please explain:

---

H. Has the company ever been convicted of a felony?

No. The company has never been convicted of a felony.

If yes, please explain:

---

I. If any of the above persons, or a group of them, owns more than 50% interest in the company, list all other organizations which are related to the company by virtue of such persons having more than a 50% interest in such organizations.

Amneal Pharmaceuticals of New York, LLC is a subsidiary of Amneal Pharmaceuticals, LLC. Amneal Pharmaceuticals, LLC is a subsidiary of Amneal Pharmaceuticals Holding Company, LLC. Amneal Pharmaceuticals Holding Company, LLC is wholly owned by Amneal Holdings, LLC.

J. Is the company related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

Amneal Pharmaceuticals of New York, LLC is a subsidiary of Amneal Pharmaceuticals, LLC. Amneal Pharmaceuticals, LLC is a subsidiary of Amneal Pharmaceuticals Holding Company, LLC. Amneal Pharmaceuticals Holding Company, LLC is wholly owned by Amneal Holdings, LLC.

K. List parent corporation, sister corporations and subsidiaries:

Amneal Pharmaceuticals of New York, LLC is a subsidiary of Amneal Pharmaceuticals, LLC. Amneal Pharmaceuticals, LLC is a subsidiary of Amneal Pharmaceuticals Holding Company, LLC. Amneal Pharmaceuticals Holding Company, LLC is wholly owned by Amneal Holdings, LLC.

L. Has the company (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town

or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:  
No. The company has not been involved in or benefited by any prior industrial development financing in Brookhaven.

- M. Has the company (or any related corporation or person) made a public offering or private placement of its stock within the last year? If so, please provide offering statement used.

N/A

- N. List major bank references of the company:

East West Bank, Contact Name: Cindy Tan, Telephone Number: (626) 768- 6712

- O. OPERATION AT CURRENT LOCATION:


1. Employment: 190                      2. Payroll: 10,584,330

3. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services:

Amneal's Brookhaven Facility is used to develop, manufacture, and warehouse generic drugs. Currently, the company produces 85 products including controlled substances, hormonal projects, high potency formulations, soft gel capsules, liquids, nasal sprays and oral solids. In August, the company released four new products, Lorazepam, Meclizine HCl, Promethazine HCA and Venlafaxine HCl, and recently acquired the right to produce a new drug scheduled to launch in 2013. If implemented in Brookhaven, these new products, and others in the company's pipeline, will be produced, packaged and warehoused at the Brookhaven facility. Amneal would also expand the Research and Development laboratory in Brookhaven, allowing for further product research and development.

4. Size of existing facility acreage: 23.03 Acres

5. Number of buildings and square feet: Currently, there is one building at the project site. The building is 110,000 s.f.

6. North American Industry Classification System (NAICS): 

## II. PROPOSED PROJECT DATA

- A. Location of project: (include as an attachment a map showing the location)  
**SEE ATTACHMENT A**

Address: 50 Horseblock Road  
Brookhaven, New York 11719

Suffolk County Tax Map: District: 0200 Section: 81300 Block: 0100 Lot: 005006

- B. Project Site: (Include as an attachment copies of survey, preliminary site plan, architectural rendering of the facility). **SEE ATTACHMENT B**

If acquiring land, please note that Federal law prohibits the use of 25% or more of tax-exempt IDB proceeds for the purchase of land. If acquiring existing buildings, please note that Federal law prohibits the acquisition of existing buildings with tax-exempt IDB proceeds unless the rehabilitation expenses of the building are equal to or greater than 15% of the portion of the cost of acquiring the building that is financed with tax-exempt IDB proceeds. Rehabilitation does not include any amount expended on new construction (additions or expansions).

1. Acreage:

Upon completion of the Expansion Project, the Brookhaven facility will consist of 37.8 acres; 23.03 acres from the existing facility and 14.77 additional acres, which are both included under the current lease.

2. Buildings:

- A) Existing number and square feet of each building:

Currently, the Brookhaven Facility has one 110,000 s.f. building.

- B) Does the project consist of additions and/or renovations to existing buildings? If yes, indicate the nature of expansion or renovation:

Yes. The potential Expansion Project would consist of a 265,000 s.f. expansion of existing structures. The expansion will include a 56,000 s.f. manufacturing expansion, a 21,000 s.f. packaging expansion, a 116,000 s.f. warehouse expansion, a 40,000 s.f. research and development expansion, and a 32,000 s.f. expansion for executive and administrative offices.

- C) New Construction – number and square feet of each building:

The Expansion Project will include a 35,000 s.f. stand alone facility that will house a state-of-the-art Potent Compounds manufacturing, warehousing, packaging, and research and development areas.

- D) Builder or contractor and address: N/A. A general contractor is not yet under contract.



E) Architect name and address: Joseph T. Matthews & Associates  
2160 Joshuas Path  
Hauppauge, New York 11788

3. Indicate present use of site:

Amneal's Brookhaven Facility is used for the research and development, and manufacture of generic pharmaceuticals.

4. Indicate relationship of applicant to present user of site:

The applicant is the present user of the site.

C. Proposed project ownership (company or realty partnership):

Amneal Pharmaceuticals of New York, LLC.

D. What will the building or buildings to be acquired, constructed or expanded be used for by the company? (Include a description of products to be manufactured, assembled, or processed, and services to be rendered):

To accommodate production of a new drug, approvals anticipated, along with other products Amneal expects to launch in the upcoming years, Amneal must increase its production capabilities. Amneal purchased the rights to a generic drug that is scheduled to launch in the third quarter of 2013. Consequently, the company plans to expand one of its existing facilities, and hire the necessary employees locally.

If undertaken at the Long Island site, the Expansion Project would take place at the Brookhaven facility and would include research and development, manufacturing, packaging and warehousing capabilities for oral solids and soft gel pharmaceuticals.

E. If any space in the project is to be leased to third parties, indicate the total square footage of the project to be leased to each tenant, and the proposed use by each tenant:

No. The project space will not be leased to a third party.

F. List principal items or categories of equipment to be acquired as part of this project:

Amneal expects to spend nearly \$25 million on equipment in connection with the Expansion Project. The equipment includes, but is not limited to: blenders, high shear mixers, fluid bed processors, community mills, laser equipment, compression tablet pressers, D-Dusters, metal detectors, hardness testers, weight variation machines, capsulation machines, polishers, weight sorting machines, analytical scales, coding process equipment, air control systems, packing lines including fully automated vision systems, soft gelatin manufacturing equipment, homogenized mixers, soft gel capsulation machines, drying tunnels, sorting equipment, inks, laser printing, FVAC systems, temperature and humidity control systems, air compressors, ionized water systems, dust collection, hi-los facilities, laboratory equipment, HPLC, GC, LC, spectrometer, material management software, ERP and laboratory equipment.



G. Has construction work on this project begun? If yes, complete the following:

- (a.) SITE CLEARANCE: YES ☐ NO ☒ % COMPLETE \_\_\_\_\_  
(b.) FOUNDATION: YES ☐ NO ☒ % COMPLETE \_\_\_\_\_  
(c.) FOOTINGS: YES ☐ NO ☒ % COMPLETE \_\_\_\_\_  
(d.) STEEL: YES ☐ NO ☒ % COMPLETE \_\_\_\_\_  
(e.) MASONRY: YES ☐ NO ☒ % COMPLETE \_\_\_\_\_  
(f.) OTHER: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

H. Existing facilities within New York State:

1. Are there other facilities owned, leased, or used by the company (or a related company or person) within the state? If so, describe whether owned, leased, or other terms of use:

Yes. Amneal leases two premises in Hauppauge, and one facility in Commack.

2. If there are other facilities within the state, is it expected that any of these facilities will close or be subject to reduced activity?

YES ☒ NO ☐

3. If you answered yes to question 2, above, please indicate whether the project is reasonably necessary for the company to maintain its competitive position in the industry. Please explain in detail:

If the Expansion Project is implemented in Brookhaven, Amneal will be closing its Commack warehouse and Hauppauge executive/administrative facilities. The Commack warehouse will be supplanted by the larger warehouse at the Brookhaven Facility. The Hauppauge administrative facility will also be supplanted by new executive/administrative space at the Brookhaven Facility. Centralizing the warehousing and executive/administrative offices is more cost effective and allows for more efficient production.

The Commack warehouse will close when the Brookhaven facility becomes operational between 2013 and 2014. The four employees in the Commack warehouse will move to the Brookhaven Facility. The Hauppauge executive/administrative facility will close when the Brookhaven facility becomes fully operational in 2015. The fifty-four administrative/finance, manufacturing support, executives, and research and development personnel will also move to the Brookhaven Facility.

4. Has the company thought about moving to another state? If so, please explain:

Yes. Amneal is carefully evaluating its expansion options and is weighing the advantages and disadvantages or proceeding in various jurisdictions. The company has been successful in Brookhaven and welcomes the opportunity to

build on that foundation. However, from a financial perspective, absent a state and local incentives, New Jersey and India are more cost effective locations. The company recently built a facility in Ahmedabad, India and has been pleased with its operations. The cost of building and maintaining facilities in India is much less than building in the United States, and Amneal owns an additional ten acre plot in Ahmedabad which could be used for the Expansion Project. The company estimates that it would save \$20 million per year if it implements the Expansion Project in India.

Further, if Amneal does choose to expand in the United States, its headquarters are located in New Jersey where it is eligible for generous tax credits and grants. Potential applicable programs include the Business Employment Incentives Program ("BEIP"), among others. The BEIP could provide Amneal with an annual grant equal to 80% of the total amount of new employee's state income taxes withheld by the company during each calendar year for up to 10 years. New Jersey has a large and active pharmaceutical/biotechnology cluster and the State is committed to supporting and enhancing the industry. New Jersey also has an array of other incentives and programs tailored to the industry, including the Research and Development Tax Credit and the Edison Innovation Fund. Amneal has successfully been awarded a BEIP previously.

5. Will the project meet zoning requirements at the proposed location?

YES ☒ NO ☐

6. If a change of zoning is required, please provide the details/status of the change of zone request.

\_\_\_\_\_  
\_\_\_\_\_

- I. Does the company, or any related corporation or person, have a lease on the project site?

YES ☒ NO ☐

- J. Does the company now own the project site?

YES ☐ NO ☒

1. If yes, indicate:

A) Date of purchase: \_\_\_\_\_

B) Purchase price: \_\_\_\_\_

C) Balance of existing mortgage: \_\_\_\_\_

D) Holder of mortgage: \_\_\_\_\_

E) Special conditions: \_\_\_\_\_

2. If no, indicate:

A) Present owner of site: LAX Hotels LLC

B) Does the company or any related person or corporation have an option or a contract to purchase the site and/or any buildings on the site?

YES ☒ NO ☐

If yes, indicate:

1) Date signed: June 23, 2008

2) Purchase price: Tenant has right of first refusal.

3) Settlement date: Tenant has right of first refusal.

4) Please attach a copy of option or contract. Please see the excerpt below from the applicable contract.

**Tenant Right of First Refusal to Purchase.** Landlord hereby grants Tenant the right of first refusal to purchase the Premises strictly in accordance with the terms hereof. If at any time during the Term, if Landlord received an offer from a prospective purchaser to purchase the Premises and Landlord intends to accept such offer, Landlord will provide Tenant with a written copy of such purchase offer. Tenant will have the right to accept the offer by written notice Landlord within ten (10) days of Tenant's receipt of the aforementioned copy of the offer provided by Landlord. If Tenant so accepts the offer, Tenant shall be bound to purchase the Premises strictly in accordance with the terms set forth the purchase offer and the transaction shall be consummated in accordance therewith. In the event Tenant rejects such offer, Landlord may consummate the sale of the Premises to such purchaser on substantially the same terms as set forth in the offer to Tenant (or to any other person, firm or entity the Landlord wishes on such terms) and Landlord will have no further obligation to the Tenant in this regard. After the earlier of Tenant's default under this Lease, the termination of this Lease, or expiration of the Term, this right of first refusal shall become null and void and Landlord shall have no further obligation to Tenant in this regard.

K. Is there a relationship legally or by virtue of common control or ownership between the company (and/or its stockholders) and the seller of the project (and/or its shareholders)? If yes, please describe this relationship:

N/A

L. How much equity do you have in this project?

Amneal will have approximately \$6 million of equity in the Expansion Project.

### III. PROJECT COSTS

A. Give an accurate estimate of cost of all items:

	AMOUNT
LAND	\$ _____
BUILDING	\$ <u>31 million</u>
SITE WORK	\$ <u>1.5 million</u>
LEGAL FEES	\$ _____
ENGINEERING FEES	\$ <u>1 million</u>
LEGAL & FINANCIAL CHARGES	\$ _____
EQUIPMENT	\$ <u>25 million</u>
RECORDING FEES	\$ _____
OTHER (SPECIFY)	\$ <u>1 million- contractual services; \$250,000- training costs; \$250,000- relocation and moving expenses.</u>
<b>TOTAL</b>	<b>\$ <u>60 million</u></b>

#### B. METHOD OF FINANCING COSTS

	Amount	Term
1. Tax-exempt IDB financing:	\$ <u>N/A</u>	_____ years
2. Taxable IDB financing:	\$ <u>N/A</u>	_____ years
3. SBA (504) or other governmental financing:	\$ <u>TBD*</u>	_____ years
4. Other loans:	\$ <u>54 million</u>	_____ years
5. Company's equity contribution:	\$ <u>6 million</u>	_____ years

Total Project Costs \$ 60 million

\*Amneal has submitted the Transformative Project Proposal and Consolidated Funding Application and are awaiting New York State's decision.

C. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application?

YES ☐ NO ☒ If yes, give particulars on a separate sheet.

D. Are costs of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of bond proceeds? Give details:

N/A

- E. Will any of the funds borrowed through the Agency be used to repay or refinance an existing mortgage or outstanding loan? Give details:

No. The funds borrowed through the Agency will not be used to repay or refinance an existing mortgage or outstanding loan.

- F. What portion, if any, of the cost of the project is to be financed from funds of the company (other than from the proposed bond issue)? Give details:

\$6 million will be financed through equity, and \$54 will be financed through borrowings. The amount financed by borrowings will be offset by any state and/or local funding received.

- G. Has the company made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom:

N/A

#### IV. MEASURE OF GROWTH AND BENEFITS

- A. If the company presently operates in the Town of Brookhaven, give current employment and payroll. Also give reasonable estimates of employment and payroll directly attributable to the facility to be built in the Town of Brookhaven.

CURRENT EMPLOYMENT FIGURES	UNDER \$30,000	\$30,000- \$50,000	\$50,000- \$75,000	OVER \$75,000
Number of Full-Time Employees (FTE) earning:	56	89	36	9
Number of Part-Time Employees (PTE) earning:	0	0	0	0

TOTAL PAYROLL FOR FULL-TIME EMPLOYEES:	190	\$10,584,330
TOTAL PAYROLL FOR PART-TIME EMPLOYEES:	0	\$ 0
TOTAL PAYROLL FOR ALL EMPLOYEES:	0	\$ 0

PROJECTED EMPLOYMENT FIGURES- YEAR ONE	UNDER \$30,000	\$30,000- \$50,000	\$50,000- \$75,000	OVER \$75,000
Number of Full-Time Employees (FTE) earning:	56	89	36	9
Number of Part-Time Employees (PTE) earning:	0	0	0	0

TOTAL PAYROLL FOR FULL-TIME EMPLOYEES:	190	\$ 10,584,330
TOTAL PAYROLL FOR PART-TIME EMPLOYEES:	0	\$ 0
TOTAL PAYROLL FOR ALL EMPLOYEES:	0	\$ 0

PROJECTED EMPLOYMENT FIGURES- YEAR TWO	UNDER \$30,000	\$30,000- \$50,000	\$50,000- \$75,000	OVER \$75,000
Number of Full-Time Employees (FTE) earning:	283	113	74	20
Number of Part-Time Employees (PTE) earning:	0	0	0	0

TOTAL PAYROLL FOR FULL-TIME EMPLOYEES:	390	\$ 21,400,930
TOTAL PAYROLL FOR PART-TIME EMPLOYEES:	0	\$ 0
TOTAL PAYROLL FOR ALL EMPLOYEES:	0	\$ 0

<b>PROJECTED EMPLOYMENT FIGURES- YEAR THREE</b>	<b>UNDER \$30,000</b>	<b>\$30,000- \$50,000</b>	<b>\$50,000- \$75,000</b>	<b>OVER \$75,000</b>
Number of Full-Time Employees (FTE) earning:	347	125	93	25
Number of Part-Time Employees (PTE) earning:	0	0	0	0

TOTAL PAYROLL FOR FULL-TIME EMPLOYEES:	490	\$ 26,809,230
TOTAL PAYROLL FOR PART-TIME EMPLOYEES:	0	\$ 0
TOTAL PAYROLL FOR ALL EMPLOYEES:	0	\$ 0

<b>PROJECTED EMPLOYMENT FIGURES- YEAR FOUR</b>	<b>UNDER \$30,000</b>	<b>\$30,000- \$50,000</b>	<b>\$50,000- \$75,000</b>	<b>OVER \$75,000</b>
Number of Full-Time Employees (FTE) earning:	310	137	112	31
Number of Part-Time Employees (PTE) earning:	0	0	0	0

TOTAL PAYROLL FOR FULL-TIME EMPLOYEES:	590	\$ 32,217,530
TOTAL PAYROLL FOR PART-TIME EMPLOYEES:	0	\$ 0
TOTAL PAYROLL FOR ALL EMPLOYEES:	0	\$ 0

The Board reserves the right to visit the facility to confirm that job creation numbers are being met.

#### V. PROJECT CONSTRUCTION SCHEDULE

- A. What is the proposed date for commencement of construction or acquisition of the project?

Amneal expects to begin construction by March of 2012.

- B. Give an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur:

In order to launch its new products in the third quarter of 2013, Amneal must pursue a fast-track implementation schedule for its Expansion Project. The company is seeking to begin construction by March of 2012. To achieve this goal, financing would have to be secured by January 1, 2012 and full site plans would have to be submitted to the Town of Brookhaven by January 7<sup>th</sup>, 2012. Amneal has been in contact with Mark Lecco, Supervisor of the Town of Brookhaven, who has agreed to expedite building permits within three months from filing the full set of plans if the Expansion Project proceeds in his municipality.

Amneal anticipates that the Soft Gelatin and Potent Compound Manufacturing areas of the Expansion Project would be complete by April of 2013. Other areas of construction could be completed a year later, in March of 2014. Equipment purchases will be secured for the Expansion Project approximately four months prior to need.

- C. At what time or times and in what amount or amounts is it estimated that funds will be required?

In the past, Amneal has grown organically without government assistance; however, Amneal's responsibility to its owners includes implementing the Expansion project in the most cost effective manner. Thus, state and local incentives will be a material factor in the company's final site decision. The Expansion Project will cost approximately \$60 million. Amneal is seeking substantial government aid and is requesting assistance to finance 50% of the Expansion Project, approximately \$30 million. In order to be sure that the Expansion Project is completed in a timely fashion, Amneal must secure funding by January 1, 2012.



VI. SUBMIT THE FOLLOWING INFORMATION OF THE COMPANY

- A. Financial statements for the last two fiscal years (unless included in the company's annual report).
- B. What, if any, will be the expected increase in the dollar amount of sales?  
\$450 million by 2015.
- C. Company's annual reports (or 10-K's if publicly held) for the two most recent fiscal years.
- D. Quarterly reports (form 10-Q's) and current reports (form 8-K's) since the most recent annual report, if any.
- E. In addition, please attach the financial information described in items A, B, and C of any expected guarantor of the proposed bond issue.
- F. Completed Long Environmental Assessment Form.
- G. Most recent quarterly filing of NYS Department of Labor form 45, as well as the most recent fourth quarter filing. Please remove the employee Social Security numbers and note the full-time equivalency for part-time employees.

**Town of Brookhaven Industrial Development Agency  
Payment in Lieu of Tax (PILOT) Policy**

An annual fee of \$1,000 will be due to the Agency in addition to the PILOT payment to cover ongoing costs incurred by the Agency on behalf of the project.

1. The Town of Brookhaven Industrial Development Agency (IDA) may grant, or be utilized to obtain a partial or full real property tax abatement for a determined period which can be as long as ten years. To be eligible for this abatement there would be a requirement of new construction, or renovation, and a transfer of title of the real property to the Town of Brookhaven IDA.
2. The Chief Executive Officer (CEO) or their designee shall consult with the Town Assessor to ascertain the amounts due pursuant to each PILOT Agreement. Thereafter, the PILOT payment for each project shall be billed to the current lessees. The lessees can pay the PILOT payment in full by January 31st of each year, or in two equal payments due January 31st and May 31st of each year of the PILOT Agreement. The CEO or their designee shall send all PILOT invoices to the lessees on a timely basis.
3. The Town of Brookhaven IDA shall establish a separate, interest bearing bank account for receipt and deposit of all PILOT payments. The CEO or their designee shall be responsible for depositing and maintaining said funds with input from the Chief Financial Officer (CFO).
4. The CEO or their designee shall remit PILOT payments and penalties if any, to the respective taxing authorities in the proportionate amounts due to said authorities. These remittances shall be made within thirty (30) days of receipt of the payments to the Agency.
5. If first-half PILOT payments are not received on a timely basis (as outlined in paragraph 2 hereof), the following interest and penalties shall accrue:
  - (i) 2/1 to 2/28 1% of the amount due
  - (ii) 3/1 to 3/31 2% of the amount due
  - (iii) 4/1 to 4/30 3% of the amount due
  - (iv) 5/1 to 5/31 4% of the amount due
  - (v) 6/1 to 6/30 5% of the amount due
  - (vi) 7/1 to 7/31 5% of the amount due
  - (vii) 8/1 to 8/31 5% of the amount due
  - (viii) 9/1 to 9/30 5% of the amount due
  - (ix) 10/1 to 10/31 5% of the amount due
  - (x) 11/1 to 11/30 5% of the amount due

PILOT payments paid after May 31st shall pay interest and penalties as follows:

- (i) 6/1 to 6/30 5% interest and 5% penalty
- (ii) 7/1 to 7/31 6% interest and 5% penalty
- (iii) 8/1 to 8/31 7% interest and 5% penalty
- (iv) 9/1 to 9/30 8% interest and 5% penalty
- (v) 10/1 to 10/31 9% interest and 5% penalty
- (vi) 11/1 to 11/30 10% interest and 5% penalty

For PILOT payments past due beyond one year, additional interest and penalties will accrue.

6. If a PILOT payment is not received by January 31st of any year or May 31st of the second half of the year the lessee shall be in default pursuant to the PILOT Agreement. The Agency may give the lessee notice of said default. If the payment is not received within sixty (60) days of when due, the CEO shall notify the Board, and thereafter take action as directed by the Board.
7. The CEO shall maintain records of the PILOT accounts at the Agency office.
8. Nothing herein shall be interpreted to require the Agency to collect or disburse PILOT payments for any projects which are not Agency projects.
9. Should the Applicant fail to reach employment levels as outlined in their application to the Agency, the Board reserves the right to reduce or suspend the PILOT Agreement, declare a default under the Lease or the Installment Sale Agreement, and/or convey the title back to the applicant.
10. This policy has been adopted by the IDA Board upon recommendation of the Governance Committee and may only be amended in the same manner.

EXHIBIT A

Schedule of payments-in-lieu-of-taxes: Town of Brookhaven, (including any existing incorporated village and any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), Sachem School District, Suffolk County and Appropriate Special Districts

<u>Tax Year</u>	<u>Total PILOT Payments</u>
2013/2014	\$317,210
2014/2015	\$328,313
2015/2016	\$339,803
2016/2017	\$351,697
2017/2018	\$364,006
2018/2019	\$376,746
2019/2020	\$389,932
2020/2021	\$403,580
2021/2022	\$417,705
2022/2023	\$432,325
2023/2024	\$447,456

CERTIFICATION

Chintu Patel (name of Chief Executive Officer of company submitting application) deposes and says that he or she is the CEO (title) of Amneal Pharmaceuticals of NY, LLC the corporation (company name) named in the attached application; that he or she has read the foregoing application and knows the contents thereof; that the same is true to his or her knowledge.

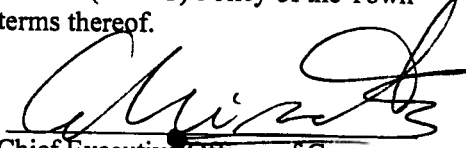
Deponent further says that the reason this verification is being made by the Deponent and not by Amneal Pharmaceuticals of NY, LLC (company name) is because the said company is a corporation. The grounds of Deponent's belief relative to all matters in the said application which are not stated upon his or her own personal knowledge, are investigations which Deponent has caused to be made concerning the subject matter of this application as well as information acquired by Deponent in the course of his or her duties as an officer of and from books and papers of said corporation.

~~As an officer of said corporation (hereinafter referred to as the "Applicant"), Deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the Town of Brookhaven Industrial Development Agency (hereinafter referred to as the "Agency") acting on behalf of the Applicant in connection with this application and all matters relating to the issuance of bonds. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels or neglects the application or if the Applicant is unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees to bond counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion and sale of the required bond issue, the Applicant shall pay to the Agency an administrative fee set by the Agency not to exceed an amount equal to 1% of the total project cost financed by the bond issue, which amount is payable at closing. The Agency's bond counsel's fees and the administrative fee may be considered as a cost of the project and included as part of any resultant bond issue.~~

Deponent further certifies that he or she has read the Payment in Lieu of Tax (PILOT) Policy of the Town of Brookhaven Industrial Development Agency and will agree to the terms thereof.

Sworn to me before this 9th  
Day of November, 2011

(seal)

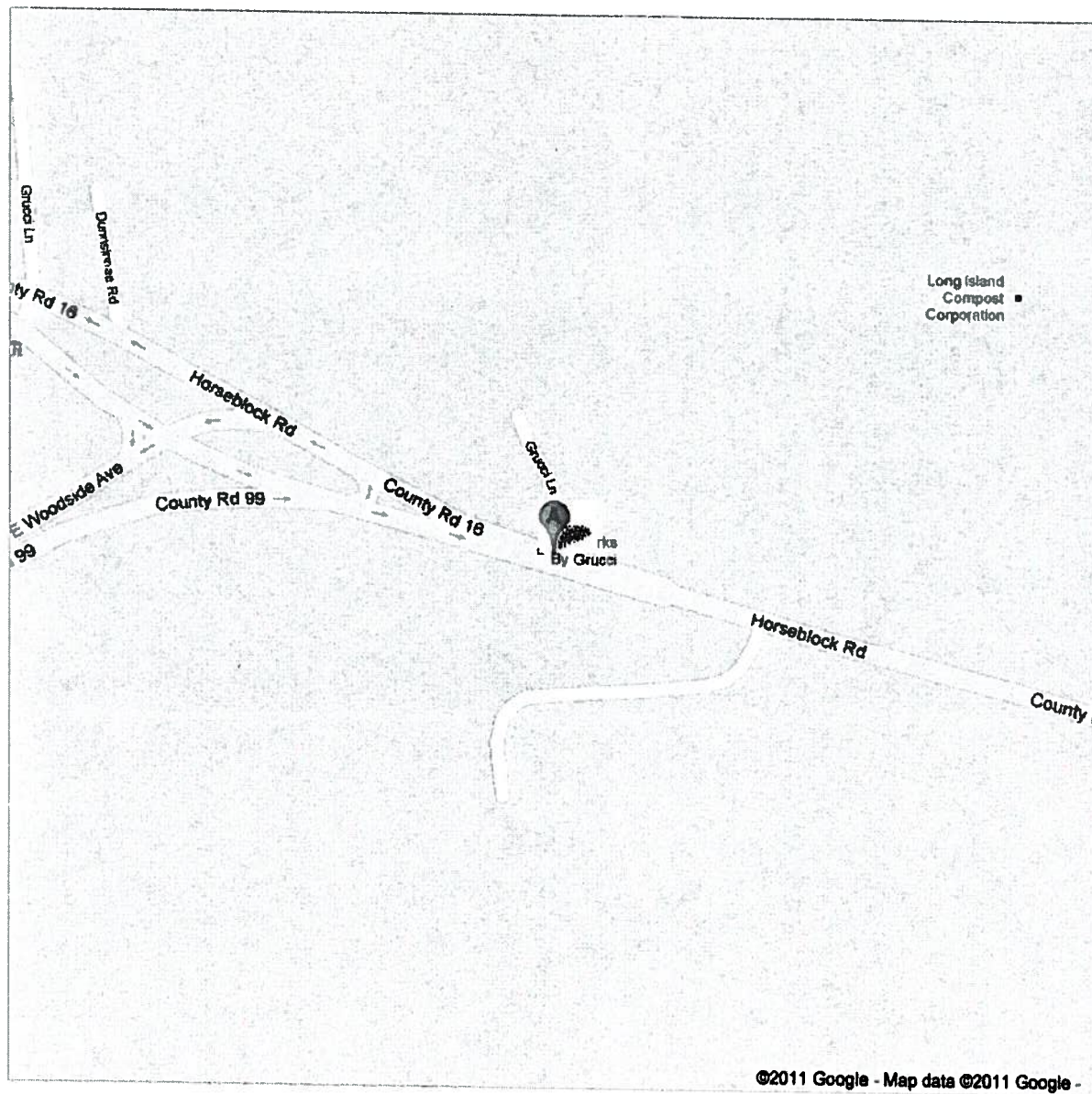
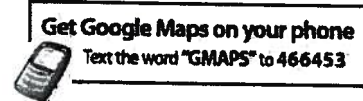
  
Chief Executive Officer of Company

**RASHMI AGARWAL**  
**NOTARY PUBLIC OF NEW JERSEY**  
**My Commission Expires 8/2/2015**

## **Attachment A**



Address **50 Horseblock Rd**  
**Brookhaven, NY 11719**





## **Attachment B**



N 85° 03' 51" E 67.00' N 1° 36' 25" E  
(CHORD = 21.84')

STATION ROAD  
(BELLPORT STATION ROAD)  
1844.54'

(BELLPORT STATION ROAD)  
(WIDE SIDE WITH ROAD)

N 01° 36' 25" E

S 64° 5' 12" E 401.60' (CHORD)

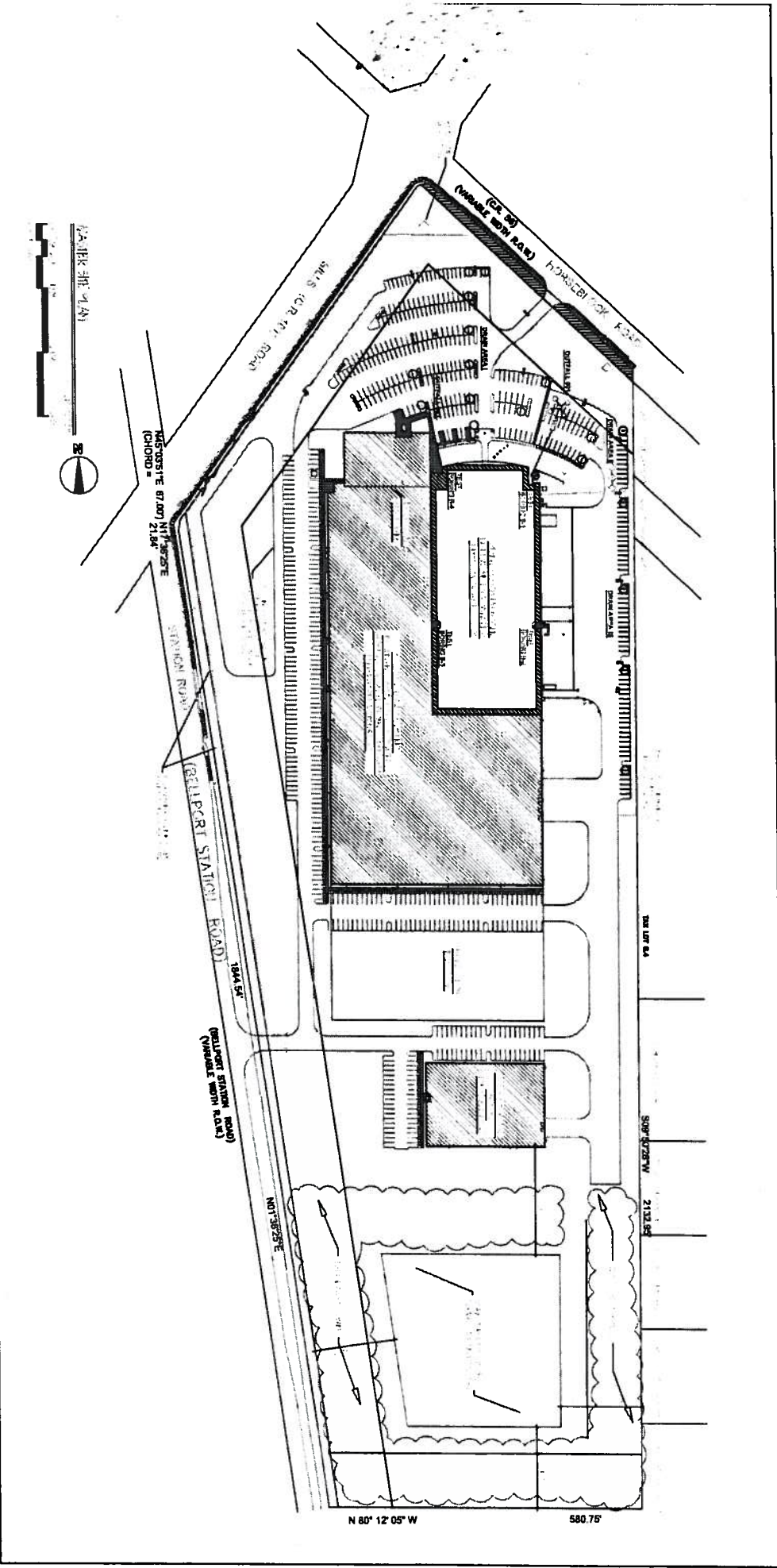
(WIDE SIDE WITH ROAD)  
N 01° 36' 25" E 401.60' (CHORD)

N 80° 12' 05" W

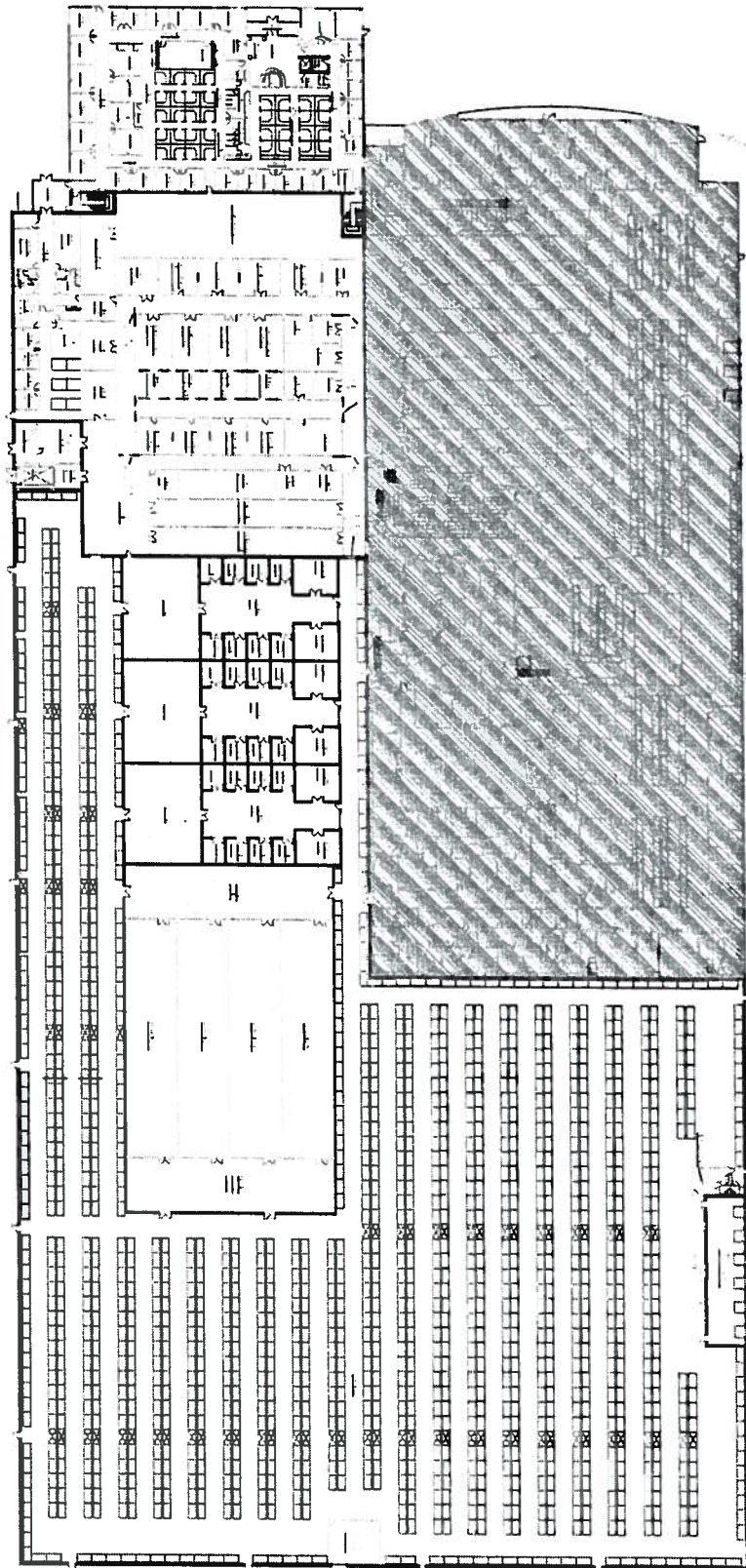
580.75'

THE LOT IS

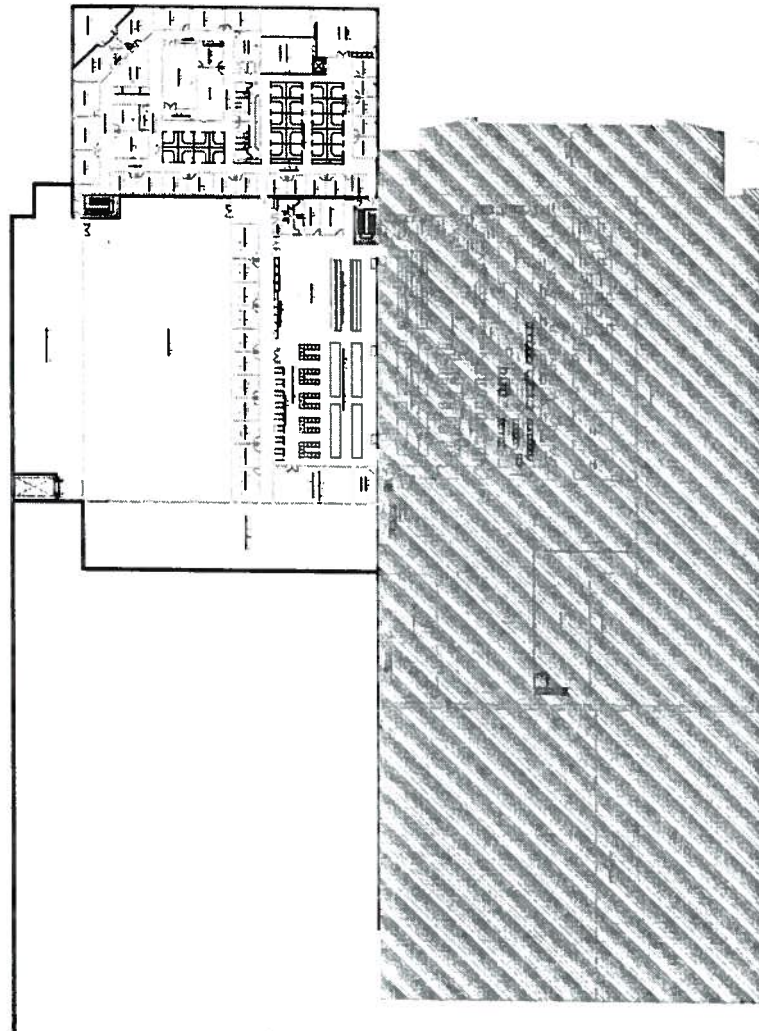
S 08° 02' 25" W 2132.54'



First Floor Addition



Second Floor Addition





# Hormonal Building Addition

