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November 10, 2022

Suffolk County Industrial Development Agency
H. Lee Dennison Building,
100 Veterans Memorial Highway, 3rd Floor
Hauppauge, New York 11788

Attention: Anthony J. Catapano, Executive Director

Re: Canon U.S.A., Inc. Melville Campus

Dear Mr. Catapano:

As you know, this firm represents Canon U.S.A., Inc. (“Canon”) with respect to its Melville campus (the “Facility”) and the 2009 Straight Lease Transaction entered into between Canon and the Suffolk County Industrial Development Agency (the “Agency”), which included a Payment-in-Lieu-of-Tax Agreement dated as of September 1, 2009 (the “PILOT Agreement”).

As you also know, the PILOT Agreement requires a PILOT payment in the amount of \$2,759,785 for the 2022/23 tax year. Based upon Canon’s analysis and upon estimates received from the Huntington Town Assessor, it appears that the real property taxes that would otherwise be payable, but for the IDA’s exemption and PILOT Agreement, would be substantially lower than these PILOT payments, if the Facility were on the tax rolls. We believe that this is an unintended result attributable to tax estimates made at the inception of the PILOT term 13 years ago.

Accordingly, Canon hereby requests that the Agency consent to the modification of the PILOT Agreement to reflect that the PILOT payment due for the 2022/23 tax year shall be equal to the taxes which would have been levied on the Facility were it on the tax rolls for such period.

Please feel free to contact us with any questions or concerns.

Sincerely,

Forchelli Deegan Terrana LLP

By: *Daniel P. Deegan*

Daniel P. Deegan

cc: William F. Weir, Esq.