

LSAC Tax Deviation Resolution

A regular meeting of the Nassau County Industrial Development Agency (the “Agency”) was convened in public session at the offices of the Agency at 1550 Franklin Avenue, Suite 235, Mineola, Nassau County, New York, on July 23, 2012, at 5:00 p.m. local time.

The meeting was called to order by the Chairman and, upon roll being called, the following members of the Agency were:

PRESENT:

Timothy Williams	Chairman
John Coumatos	Vice Chairman
Christopher Fusco	Asst. Secretary
Gary Weiss	Secretary

ABSENT:

None

THE FOLLOWING ADDITIONAL PERSONS WERE PRESENT:

Joseph J. Kearney	Executive Director
Joseph Foarile	Chief Financial Officer
Mary Dolan Grippo	Chief Marketing Officer
Nicholas Terzulli	Director of Business Development
Edward Ambrosino, Esq.	General Counsel
Paul O’Brien, Esq.	Bond/Transaction Counsel

The attached resolution no. 2012-22 was offered by G. Weiss, seconded by J. Coumatos:

Resolution No. 2012-22

RESOLUTION AUTHORIZING A DEVIATION FROM THE UNIFORM
TAX EXEMPTION POLICY OF THE NASSAU COUNTY
INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT
TO A PROJECT FOR LITIGATION SETTLEMENT
ADMINSTRATION CORP.

WHEREAS, the Nassau County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title I of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act"), and Chapter 674 of the 1975 Laws of New York, as amended, constituting Section 922 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, industrial and commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more "projects" (as defined in the Act), or to cause said projects to be acquired, constructed, reconstructed and installed and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Litigation Settlement Administration Corp. (the "Applicant") submitted an application for financial assistance (the "Application") to the Agency requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in a parcel of land located at 801 South Broadway, Hicksville, Town of Oyster Bay, County of Nassau, New York (Section: 46; Block: 503; Lot: 11) (collectively, the "Land"), (2) the renovation of an existing approximately 5,000 square foot building on the Land (collectively, the "Building"), together with related improvements to the Land, and (3) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the "Equipment"), all of the foregoing for use by the Applicant to provide litigation support and administration services (collectively, the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including, without limitation, exemptions or partial exemptions from real property taxes, mortgage recording taxes and sales and use taxes; and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Applicant or

such other entity as may be designated by the Applicant and agreed upon by the Agency;
and

WHEREAS, the Application states that the Applicant is seeking an exemption from real property taxes with respect to the Project Facility that constitutes a deviation from the Agency's Uniform Tax Exemption Policy (the "Tax Exemption Policy"); and

WHEREAS, pursuant to Section 874(4) of the Act, the Executive Director of the Agency (A) caused a letter dated July 3, 2012 (the "Pilot Deviation Notice Letter") to be mailed to the chief executive officer of each affected tax jurisdiction, informing said individuals that the Agency would, at its meeting on July 23, 2012 (the "IDA Meeting"), consider a proposed deviation from the Tax Exemption Policy with respect to the payment in lieu of taxes agreement to be entered into by the Agency with respect to the Project Facility; and (B) conducted the IDA Meeting on the date hereof and reviewed any written comments and correspondence received from the affected tax jurisdictions with respect to the proposed deviation from the Tax Exemption Policy; and

WHEREAS, the Agency desires to provide for compliance with the provisions of Section 874(4) of the Act with respect to the proposed deviation from the Tax Exemption Policy;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The Agency hereby determines that the Agency has fully complied with the requirements of Section 874(4) of the Act relating to the proposed deviation from the Tax Exemption Policy.

Section 2. Having reviewed all written comments and correspondence received prior to the IDA Meeting from the affected tax jurisdictions and having heard all comments made at this meeting, the Agency hereby approves the proposed deviation from the Tax Exemption Policy as described in the Pilot Deviation Notice Letter (copies of which are attached hereto as Exhibit A) because the proposed deviation is necessary to induce the Applicant to undertake the Project and the real property taxes allocable to the Project Facility would not be decreased below their current levels.

Section 3. The Chairman, Vice Chairman, Executive Director and Administrative Director of the Agency are each hereby authorized and directed, acting individually or jointly, to distribute copies of this Resolution to the Applicant and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution. If the Agency hereafter adopts appropriate final approving resolutions with respect to the proposed straight-lease transaction with the Applicant (the "Transaction"), the Chairman, Vice Chairman, Executive Director and Administrative Director of the Agency are each hereby authorized and directed, acting individually or jointly, to cause the Agency to (A) enter into a Payment in Lieu of Taxes Agreement with the Applicant providing, among other things, that the Applicant shall make payments in

lieu of taxes consistent with the formula set forth in the Pilot Deviation Notice Letter, and (B) file an application for real property tax exemption with the appropriate assessor(s) with respect to the Project Facility.

Section 4. This Resolution shall take effect immediately, but is subject to and conditioned upon the closing of the Transaction.

ADOPTED: July 23, 2012

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Timothy Williams	VOTING	Aye
John Coumatos	VOTING	Aye
Gary Weiss	VOTING	Aye
Christopher Fusco	VOTING	Aye

The foregoing Resolution was thereupon declared duly adopted.

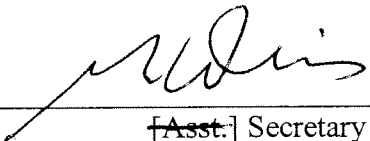
STATE OF NEW YORK)
)SS.:
COUNTY OF NASSAU)

I, the undersigned (~~Assistant~~) Secretary of Nassau County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the resolution contained therein, held on July 23, 2012 with the original and of such resolution set forth therein and of the whole of such original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all aspects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed and rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 23 day of July, 2012.



[Asst.] Secretary

(SEAL)

EXHIBIT A

Pilot Deviation Notice Letter

See Attached

EDWARD P. MANGANO
COUNTY EXECUTIVE



JOSEPH J. KEARNEY
EXECUTIVE DIRECTOR

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
THEODORE ROOSEVELT COUNTY EXECUTIVE & LEGISLATIVE BLDG.
1550 FRANKLIN AVENUE, SUITE 235
MINEOLA, NY 11501
TELEPHONE (516) 571-1945 FAX (516) 571-1076
www.nassauida.org

July 3, 2012

CERTIFIED MAIL, RETURN
RECEIPT REQUESTED and
FIRST CLASS MAIL

Superintendent Terrence Clark
Bethpage Union Free School District
10 Cherry Avenue
Bethpage, NY 11714

NOTICE OF PROPOSED DEVIATION FROM
UNIFORM TAX EXEMPTION POLICY

Dear Superintendent Clark:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on July 23, 2012 at 5:00 p.m. local time at the offices of the Agency at 1550 Franklin Avenue, Suite 235, Mineola, New York, the Agency will consider whether to approve the application of Litigation Settlement Administration Corp., a corporation organized and existing under the laws of the State of New York (the "Applicant"), for certain "financial assistance" which, if granted, would deviate from the Agency's Uniform Tax Exemption Policy (the "Policy") with respect to the payment of real property taxes. The meeting of the Agency will be open to the public.

The Applicant has submitted an application (the "Application") to the Agency requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in a parcel of land located at 801 South Broadway, Hicksville, Town of Oyster Bay, County of Nassau, New York (Section: 46; Block: 503; Lot: 11) (collectively, the "Land"), (2) the renovation of an existing approximately 5,000 square foot building on the Land (collectively, the "Building"), together with related improvements to the

Land, and (3) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the "Equipment"), all of the foregoing for use by the Applicant to provide litigation support and administration services (collectively, the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including, without limitation, exemptions or partial exemptions from real property taxes, mortgage recording taxes and sales and use taxes; and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Applicant or such other entity as may be designated by the Applicant and agreed upon by the Agency (collectively, the "Project").

The Application states that the Applicant is seeking an abatement of real property taxes. However, based upon preliminary negotiations between representatives of the Applicant and the Agency, the parties contemplate that the Agency may agree to grant an approximately ten (10) year real property tax exemption (the "Property Tax Exemption") with respect to the Project Facility as follows: payments shall be equal to one hundred percent (100%) of the real property taxes and assessments that would be levied upon the Project Facility using the latest available assessed value and tax rate information without taking into consideration the transfer of ownership, jurisdiction, supervision or control of the Project Facility to the Agency (the "**Base Year PILOT Amount**"), which **Base Year PILOT Amount** would be payable each fiscal tax year for a period of three (3) fiscal tax years, with annual increases of two percent (2%) per year (compounded) each fiscal tax year after the third (3rd) fiscal tax year (i.e., Years 4-10 of the term of the PILOT).

Thereafter, and through the end of the term of the lease or installment sale agreement with respect to the Project Facility, the payments would be equal to the real property taxes and assessments that would be payable as if the Project Facility were returned to the tax rolls as taxable property and subject to taxation at its then current, full assessed value, as the same may be reassessed from time to time, and subject to tax rate increases imposed by the affected tax jurisdictions.

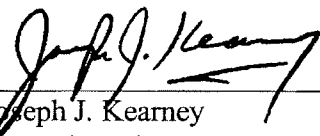
The Property Tax Exemption, if approved by the Agency, would constitute a deviation from the Policy.

The reason for the deviation is that the Property Tax Exemption, if approved by the Agency, is necessary to induce the Applicant to undertake the Project and that the PILOT payments would not be lower than the real property taxes that would otherwise apply with respect to the Project Facility as of the closing date of the proposed transaction.

Prior notice of this deviation from the Policy was given by the Agency by letter dated June 14, 2012 with respect to a meeting of the members of the Agency to be held on June 28, 2012. That meeting was adjourned without action on this matter. This letter constitutes notice of the re-scheduled meeting of the Agency to consider the deviation set forth above.

Sincerely,

NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 

Joseph J. Kearney
Executive Director

EDWARD P. MANGANO
COUNTY EXECUTIVE



JOSEPH J. KEARNEY
EXECUTIVE DIRECTOR

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
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July 3, 2012

CERTIFIED MAIL, RETURN
RECEIPT REQUESTED and
FIRST CLASS MAIL

Supervisor John Venditto
Town of Oyster Bay
54 Audrey Avenue
Oyster Bay, NY 11771

NOTICE OF PROPOSED DEVIATION FROM
UNIFORM TAX EXEMPTION POLICY

Dear Supervisor Venditto:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on July 23, 2012 at 5:00 p.m. local time at the offices of the Agency at 1550 Franklin Avenue, Suite 235, Mineola, New York, the Agency will consider whether to approve the application of Litigation Settlement Administration Corp., a corporation organized and existing under the laws of the State of New York (the "Applicant"), for certain "financial assistance" which, if granted, would deviate from the Agency's Uniform Tax Exemption Policy (the "Policy") with respect to the payment of real property taxes. The meeting of the Agency will be open to the public.

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DEVELOPMENT AGENCY

By: 
Joseph J. Kearney
Executive Director

EDWARD P. MANGANO
COUNTY EXECUTIVE



JOSEPH J. KEARNEY
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July 3, 2012

CERTIFIED MAIL, RETURN
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County Executive Edward P. Mangano
County of Nassau
1550 Franklin Avenue
Mineola, NY 11501

NOTICE OF PROPOSED DEVIATION FROM
UNIFORM TAX EXEMPTION POLICY

Dear County Executive Mangano:

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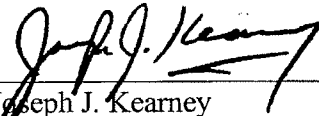
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NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 

Joseph J. Kearney
Executive Director