

## **Sunrise Honda Tax Deviation Resolution**

An annual meeting of the Nassau County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 1550 Franklin Avenue, Mineola, Nassau County, New York on April 7, 2015 at 5:00 p.m., local time.

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

**PRESENT:**

Timothy Williams	Chairman
Gary Weiss	Secretary
Christopher Fusco	Asst. Secretary
Michael Rodin	

**ABSENT:**

John Coumatos	Vice Chairman
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**THE FOLLOWING ADDITIONAL PERSONS WERE PRESENT:**

Joseph J. Kearney	Executive Director
Joseph Foarile	Chief Financial Officer
Colleen Pereira	Administrative Director
Nicholas Terzulli	Director of Business Development
Paul O'Brien, Esq.	Bond/Transaction Counsel

The attached resolution no. 2015-11 was offered by G. Weiss, seconded by M. Rodin:

Resolution No. 2015-11

RESOLUTION AUTHORIZING A DEVIATION FROM THE UNIFORM  
TAX EXEMPTION POLICY OF THE NASSAU COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT  
TO A PROJECT FOR L.S. 130 SUNRISE REALTY, LLC

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, L.S. 130 SUNRISE REALTY, LLC, a limited liability company organized and existing under the laws of the State of New York (the "Applicant"), presented an application (the "Application") to the Agency, which Application requested that the Agency consider undertaking a project (the "Project") consisting of the following: (A)(1) the acquisition of an interest in a certain parcel of land located at 130 Sunrise Highway, Incorporated Village of Valley Stream, Town of Hempstead, Nassau County, New York (Section: 39; Block: 7; Lots: 485-492) (the "130 Sunrise Parcel"), (2) the renovation and expansion of the existing buildings (collectively, the "130 Sunrise Building") on the 130 Sunrise Parcel, together with related improvements to the 130 Sunrise Parcel, and (3) the acquisition of certain furniture, fixtures, machinery and equipment (the "130 Sunrise Equipment") necessary for the completion thereof (collectively, the "130 Sunrise Project Facility"); (B)(1) the acquisition of an interest in a certain parcel of land located at 148 Sunrise Highway, Incorporated Village of Valley Stream, Town of Hempstead, Nassau County, New York (Section: 39; Block: 7; Lots: 458-463) (the "148 Sunrise Parcel"), (2) the renovation and expansion of the existing building (collectively, the "148 Sunrise Building") on the 148 Sunrise Parcel, together with related improvements to the 148 Sunrise Parcel, and (3) the acquisition of certain

furniture, fixtures, machinery and equipment (the "148 Sunrise Equipment") necessary for the completion thereof (collectively, the "148 Sunrise Project Facility"); (C)(1) the acquisition of an interest in a certain parcel of land located at 164 Sunrise Highway, Incorporated Village of Valley Stream, Town of Hempstead, Nassau County, New York (Section: 39; Block: 7; Lots: 58 and 59) (the "164 Sunrise Parcel" and together with the 130 Sunrise Parcel and the 148 Sunrise Parcel, collectively, the "Land"), (2) the renovation and expansion of the existing buildings (collectively, the "164 Sunrise Building" and together with the 130 Sunrise Building and the 148 Sunrise Building, collectively, the "Building") on the 164 Sunrise Parcel, together with related improvements to the 164 Sunrise Parcel, and (3) the acquisition of certain furniture, fixtures, machinery and equipment (the "164 Sunrise Equipment" and together with the 130 Sunrise Equipment and the 148 Sunrise Equipment, collectively, the "Equipment") necessary for the completion thereof (collectively, the "164 Sunrise Project Facility" and together with the 130 Sunrise Project Facility and the 148 Sunrise Project Facility, collectively, the "Project Facility"), all of the foregoing for use by the Applicant and/or its affiliates as an automobile sales facility; (D) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing in the form of potential exemptions or partial exemptions from real property taxes and sales and use taxes (collectively, the "Financial Assistance"); (E) the lease (with an obligation to purchase), license 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 (F) the sublease thereof to the Applicant or such other entity(ies) 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 March 24, 2015 (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 April 7, 2015 (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 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 comments and correspondence received at or prior to the IDA Meeting from the affected tax jurisdictions, the Agency hereby approves the proposed deviation from the Tax Exemption Policy as described in the Pilot Deviation Notice Letter (a copy of which is attached hereto as Exhibit A) because the proposed deviation is necessary to induce the Applicant to undertake the Project and because the PILOT payments would not be lower than the real property taxes that should otherwise apply with respect to the Land and the existing improvements thereon as of the Closing Date.

Section 3. The Chairman, Vice Chairman, Administrative Director and Executive 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: April 7, 2015

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	EXCUSED	
Gary Weiss	VOTING	Aye
Christopher Fusco	VOTING	Aye
Michael Rodin	VOTING	Aye

The foregoing Resolution was thereupon declared duly adopted.

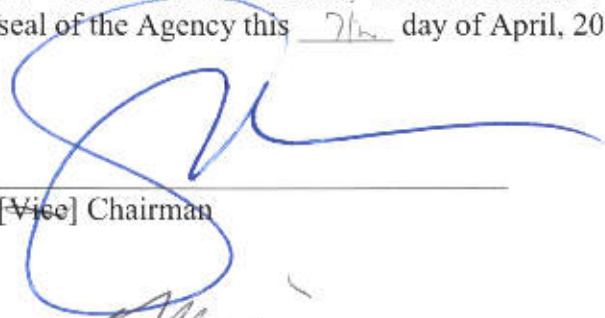
STATE OF NEW YORK            )  
  ) SS.:  
COUNTY OF NASSAU            )

We, the undersigned [~~Assistant~~] Secretary and [~~Vice~~] Chairman of the Nassau County Industrial Development Agency (the "Agency"), do hereby certify that we have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on April 7, 2015, with the original thereof on file in our office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

WE FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects 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.

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

IN WITNESS WHEREOF, we have hereunto set our respective hands and affixed the seal of the Agency this 7<sup>th</sup> day of April, 2015.

  
\_\_\_\_\_  
[~~Vice~~] Chairman

  
\_\_\_\_\_  
[~~Assistant~~] 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

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March 24, 2015

CERTIFIED MAIL, RETURN  
RECEIPT REQUESTED and  
FIRST CLASS MAIL

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 Edward P. Mangano:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on April 7, 2015 at 5:00 p.m. local time at the offices of the Agency at 1550 Franklin Avenue, Suite 235, Mineola, New York 11501, the Agency will consider whether to approve the application of the Applicant (as defined below), 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.

L.S. 130 SUNRISE REALTY, LLC, a limited liability company organized and existing under the laws of the State of New York (the "Applicant"), presented an application (the "Application") to the Agency, which Application requested that the Agency consider undertaking a project (the "Project") consisting of the following: (A)(1) the acquisition of an interest in a certain parcel of land located at 130 Sunrise Highway, Incorporated Village of Valley Stream, Town of Hempstead, Nassau County, New York (Section: 39; Block: 7; Lots: 485-492) (the "130 Sunrise Parcel"), (2) the renovation and expansion of the existing buildings (collectively, the "130 Sunrise Building") on the 130 Sunrise Parcel, together with related improvements to the 130 Sunrise Parcel, and (3) the acquisition of certain furniture, fixtures, machinery and equipment (the "130 Sunrise Equipment") necessary for the completion thereof (collectively, the "130 Sunrise

Project Facility”); (B)(1) the acquisition of an interest in a certain parcel of land located at 148 Sunrise Highway, Incorporated Village of Valley Stream, Town of Hempstead, Nassau County, New York (Section: 39; Block: 7; Lots: 458-463) (the “148 Sunrise Parcel”), (2) the renovation and expansion of the existing buildings (collectively, the “148 Sunrise Building”) on the 148 Sunrise Parcel, together with related improvements to the 148 Sunrise Parcel, and (3) the acquisition of certain furniture, fixtures, machinery and equipment (the “148 Sunrise Equipment”) necessary for the completion thereof (collectively, the “148 Sunrise Project Facility”); (C)(1) the acquisition of an interest in a certain parcel of land located at 164 Sunrise Highway, Incorporated Village of Valley Stream, Town of Hempstead, Nassau County, New York (Section: 39; Block: 7; Lots: 58 and 59) (the “164 Sunrise Parcel” and together with the 130 Sunrise Parcel and the 148 Sunrise Parcel, collectively, the “Land”), (2) the renovation and expansion of the existing buildings (collectively, the “164 Sunrise Building” and together with the 130 Sunrise Building and the 148 Sunrise Building, collectively, the “Building”) on the 164 Sunrise Parcel, together with related improvements to the 164 Sunrise Parcel, and (3) the acquisition of certain furniture, fixtures, machinery and equipment (the “164 Sunrise Equipment” and together with the 130 Sunrise Equipment and the 148 Sunrise Equipment, collectively, the “Equipment”) necessary for the completion thereof (collectively, the “164 Sunrise Project Facility and together with the 130 Sunrise Project Facility and the 148 Sunrise Project Facility, collectively, the “Project Facility”), all of the foregoing for use by the Applicant and/or its affiliates as an automobile sales/service facility; (D) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing in the form of potential exemptions or partial exemptions from real property taxes and sales and use taxes (collectively, the “Financial Assistance”); (E) the lease (with an obligation to purchase), license 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 (F) the sublease thereof to the Applicant or such other entity(ies) as may be designated by the Applicant and agreed upon by the Agency.

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 a real property tax exemption (the “Property Tax Exemption”) with respect to the Project Facility as follows:

(i) for the period commencing on the date of the closing of the Project transaction (the “Closing Date”) to and including the day prior to the Effective Date, payments shall be equal to one hundred percent (100%) of the real property taxes and assessments that would be levied annually upon the Project Facility without taking into consideration the transfer of ownership, jurisdiction, supervision or control of the Project Facility to the Agency; and

(ii) for the period commencing on the Effective Date and continuing for twelve (12) full fiscal tax years thereafter, fixed payments equal to the sum of the BASE PILOT and the IMPROVEMENT 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.

For the purposes of the foregoing, the following terms shall have the following meanings:

(a) "BASE PILOT" shall be deemed to mean the amount of all real property taxes and assessments payable on the Land, which amount shall be increased by two percent (2%) per year (compounded) after the third (3rd) fiscal tax year. Except as set forth in the immediately preceding sentence, the BASE PILOT shall not increase or decrease during the term of the PILOT Agreement. The BASE PILOT shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay separately to the affected tax jurisdictions. In calculating the Base PILOT, the Agency shall take into account the most recent assessment data (i.e., assessed value and tax rates) available as of the Closing Date including any applicable approved tax certiorari stipulation or other settlement or arrangement with the applicable tax assessor(s).

(b) "IMPROVEMENT PILOT" shall be deemed to mean the product of the following amounts, as determined by the Agency: (i) the Assessed Value of the Improvement, (ii) the PILOT Rate, and (iii) the number 0.01, as phased in and adjusted pursuant to Exhibit A attached hereto. The term "Assessed Value of the Improvement" shall be deemed to mean the product of (y) the fair market value of the Project Facility (less the market value used in the calculation of the BASE PILOT) for real property tax valuation purposes, computed as of the estimated date of completion, as determined by the Agency using a methodology reasonably selected by the Agency, and (z) the level of assessment used by the Nassau County Assessor as of the year in which the Closing Date occurs. The PILOT Rate shall be evidenced by School Tax Bills and General Tax Bills based on the most recent assessment data available to the Agency as of the year in which the Closing Date occurs. The IMPROVEMENT PILOT shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay separately to the affected tax jurisdictions.

(c) "Effective Date" shall be deemed to mean for each affected tax jurisdiction the first day of the first fiscal tax year following the first taxable status date occurring subsequent to the last to occur of (i) the Agency acquiring an interest in the Project Facility, (ii) the filing by the Agency of the appropriate application for tax exemption with the Nassau County Tax Assessor, and (iii) the acceptance of such Application by such assessor.

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 should otherwise apply with respect to the Land and the existing improvements thereon as of the Closing Date.

Sincerely,

NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By:   
Joseph J. Kearney  
Executive Director

Exhibit A

Period	Begin	End	Assessed Value of Improvement ("AV")	PILOT RATE
1	Closing Date	1 day prior to Effective Date	N/A	N/A
2	Effective Date	1 yr Anniversary of Effective Date	.00 * AV	SUM OF TAX RATES AS OF YEAR OF CLOSING ("RATE")
3	1 yr Anniversary of Effective Date	2 yr Anniversary of Effective Date	.00 * AV	RATE
4	2 yr Anniversary of Effective Date	3 yr Anniversary of Effective Date	.00 * AV	RATE
5	3 yr Anniversary of Effective Date	4 yr Anniversary of Effective Date	1111 * AV	RATE * 1.02
6	4 yr Anniversary of Effective Date	5 yr Anniversary of Effective Date	2222 * AV	RATE * 1.0404
7	5 yr Anniversary of Effective Date	6 yr Anniversary of Effective Date	3333 * AV	RATE * 1.0612
8	6 yr Anniversary of Effective Date	7 yr Anniversary of Effective Date	4444 * AV	RATE * 1.1041
9	7 yr Anniversary of Effective Date	8 yr Anniversary of Effective Date	5555 * AV	RATE * 1.1262
10	8 yr Anniversary of Effective Date	9 yr Anniversary of Effective Date	6666 * AV	RATE * 1.1487
11	9 yr Anniversary of Effective Date	10 yr Anniversary of Effective Date	7777 * AV	RATE * 1.1717
12	10 yr Anniversary of Effective Date	11 yr Anniversary of Effective Date	8888 * AV	RATE * 1.1951
13	11 yr Anniversary of Effective Date	12 yr Anniversary of Effective Date	9999 * AV	
			TOTAL PILOT	
Period	BASE PILOT	IMPROVEMENT PILOT		
1	100 % of taxes as of year of Closing	100 % of taxes as of year of Closing	BASE PILOT + IMPROVEMENT PILOT	
2	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
3	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
4	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
5	100% of taxes as of year of Closing *1.02	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
6	100% of taxes as of year of Closing *1.0404	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
7	100% of taxes as of year of Closing *1.0612	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
8	100% of taxes as of year of Closing *1.0824	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
9	100% of taxes as of year of Closing *1.1041	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
10	100% of taxes as of year of Closing *1.1262	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
11	100% of taxes as of year of Closing *1.1487	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
12	100% of taxes as of year of Closing *1.1717	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
13	100% of taxes as of year of Closing *1.1951	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	

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

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**CERTIFIED MAIL, RETURN  
RECEIPT REQUESTED and  
FIRST CLASS MAIL**

Supervisor Kate Murray  
Town of Hempstead  
1 Washington Street  
Hempstead, NY 11550

**NOTICE OF PROPOSED DEVIATION FROM  
UNIFORM TAX EXEMPTION POLICY**

Dear Supervisor Kate Murray:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on April 7, 2015 at 5:00 p.m. local time at the offices of the Agency at 1550 Franklin Avenue, Suite 235, Mineola, New York 11501, the Agency will consider whether to approve the application of the Applicant (as defined below), 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.

L.S. 130 SUNRISE REALTY, LLC, a limited liability company organized and existing under the laws of the State of New York (the "Applicant"), presented an application (the "Application") to the Agency, which Application requested that the Agency consider undertaking a project (the "Project") consisting of the following: (A)(1) the acquisition of an interest in a certain parcel of land located at 130 Sunrise Highway, Incorporated Village of Valley Stream, Town of Hempstead, Nassau County, New York (Section: 39; Block: 7; Lots: 485-492) (the "130 Sunrise Parcel"), (2) the renovation and expansion of the existing buildings (collectively, the "130 Sunrise Building") on the 130 Sunrise Parcel, together with related improvements to the 130

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.

For the purposes of the foregoing, the following terms shall have the following meanings:

(a) "BASE PILOT" shall be deemed to mean the amount of all real property taxes and assessments payable on the Land, which amount shall be increased by two percent (2%) per year (compounded) after the third (3rd) fiscal tax year. Except as set forth in the immediately preceding sentence, the BASE PILOT shall not increase or decrease during the term of the PILOT Agreement. The BASE PILOT shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay separately to the affected tax jurisdictions. In calculating the Base PILOT, the Agency shall take into account the most recent assessment data (i.e., assessed value and tax rates) available as of the Closing Date including any applicable approved tax certiorari stipulation or other settlement or arrangement with the applicable tax assessor(s).

(b) "IMPROVEMENT PILOT" shall be deemed to mean the product of the following amounts, as determined by the Agency: (i) the Assessed Value of the Improvement, (ii) the PILOT Rate, and (iii) the number 0.01, as phased in and adjusted pursuant to Exhibit A attached hereto. The term "Assessed Value of the Improvement" shall be deemed to mean the product of (y) the fair market value of the Project Facility (less the market value used in the calculation of the BASE PILOT) for real property tax valuation purposes, computed as of the estimated date of completion, as determined by the Agency using a methodology reasonably selected by the Agency, and (z) the level of assessment used by the Nassau County Assessor as of the year in which the Closing Date occurs. The PILOT Rate shall be evidenced by School Tax Bills and General Tax Bills based on the most recent assessment data available to the Agency as of the year in which the Closing Date occurs. The IMPROVEMENT PILOT shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay separately to the affected tax jurisdictions.

(c) "Effective Date" shall be deemed to mean for each affected tax jurisdiction the first day of the first fiscal tax year following the first taxable status date occurring subsequent to the last to occur of (i) the Agency acquiring an interest in the Project Facility, (ii) the filing by the Agency of the appropriate application for tax exemption with the Nassau County Tax Assessor, and (iii) the acceptance of such Application by such assessor.

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 should otherwise apply with respect to the Land and the existing improvements thereon as of the Closing Date.

Sincerely,

NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By:

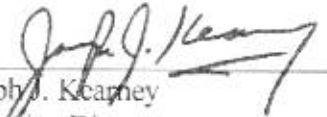
  
Joseph J. Kearney  
Executive Director

Exhibit A

Period	Begin	End	Assessed Value of Improvement ("AV")	PILOT RATE
1	Closing Date	1 day prior to Effective Date	N/A	N/A
2	Effective Date	1 yr Anniversary of Effective Date	.00 * AV	SUM OF TAX RATES AS OF YEAR OF CLOSING ("RATE")
3	1 yr Anniversary of Effective Date	2 yr Anniversary of Effective Date	.00 * AV	RATE
4	2 yr Anniversary of Effective Date	3 yr Anniversary of Effective Date	.00 * AV	RATE
5	3 yr Anniversary of Effective Date	4 yr Anniversary of Effective Date	.111 * AV	RATE * 1.02
6	4 yr Anniversary of Effective Date	5 yr Anniversary of Effective Date	.222 * AV	RATE * 1.0404
7	5 yr Anniversary of Effective Date	6 yr Anniversary of Effective Date	.333 * AV	RATE * 1.0612
8	6 yr Anniversary of Effective Date	7 yr Anniversary of Effective Date	.444 * AV	RATE * 1.0824
9	7 yr Anniversary of Effective Date	8 yr Anniversary of Effective Date	.555 * AV	RATE * 1.1041
10	8 yr Anniversary of Effective Date	9 yr Anniversary of Effective Date	.666 * AV	RATE * 1.1262
11	9 yr Anniversary of Effective Date	10 yr Anniversary of Effective Date	.777 * AV	RATE * 1.1487
12	10 yr Anniversary of Effective Date	11 yr Anniversary of Effective Date	.888 * AV	RATE * 1.1717
13	11 yr Anniversary of Effective Date	12 yr Anniversary of Effective Date	.999 * AV	RATE * 1.1951
Period	BASE PILOT	IMPROVEMENT PILOT	TOTAL PILOT	
1	100% of taxes as of year of Closing	100% of taxes as of year of Closing	BASE PILOT + IMPROVEMENT PILOT	
2	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
3	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
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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 March 24, 2015  
[www.nassauida.org](http://www.nassauida.org)

**CERTIFIED MAIL, RETURN  
RECEIPT REQUESTED and  
FIRST CLASS MAIL**

Superintendent Edward M. Fale  
Valley Stream Union Free School District 24  
75 Horton Avenue  
Valley Stream, NY 11581

**NOTICE OF PROPOSED DEVIATION FROM  
UNIFORM TAX EXEMPTION POLICY**

Dear Superintendent Edward M. Fale:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on April 7, 2015 at 5:00 p.m. local time at the offices of the Agency at 1550 Franklin Avenue, Suite 235, Mineola, New York 11501, the Agency will consider whether to approve the application of the Applicant (as defined below), 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.

L.S. 130 SUNRISE REALTY, LLC, a limited liability company organized and existing under the laws of the State of New York (the "Applicant"), presented an application (the "Application") to the Agency, which Application requested that the Agency consider undertaking a project (the "Project") consisting of the following: (A)(1) the acquisition of an interest in a certain parcel of land located at 130 Sunrise Highway, Incorporated Village of Valley Stream, Town of Hempstead, Nassau County, New York (Section: 39; Block: 7; Lots: 485-492) (the "130 Sunrise Parcel"), (2) the renovation and expansion of the existing buildings (collectively, the "130 Sunrise Building") on the 130 Sunrise Parcel, together with related improvements to the 130 Sunrise Parcel, and (3) the acquisition of certain furniture, fixtures, machinery and equipment (the



"130 Sunrise Equipment") necessary for the completion thereof (collectively, the "130 Sunrise Project Facility"); (B)(1) the acquisition of an interest in a certain parcel of land located at 148 Sunrise Highway, Incorporated Village of Valley Stream, Town of Hempstead, Nassau County, New York (Section: 39; Block: 7; Lots: 458-463) (the "148 Sunrise Parcel"), (2) the renovation and expansion of the existing buildings (collectively, the "148 Sunrise Building") on the 148 Sunrise Parcel, together with related improvements to the 148 Sunrise Parcel, and (3) the acquisition of certain furniture, fixtures, machinery and equipment (the "148 Sunrise Equipment") necessary for the completion thereof (collectively, the "148 Sunrise Project Facility"); (C)(1) the acquisition of an interest in a certain parcel of land located at 164 Sunrise Highway, Incorporated Village of Valley Stream, Town of Hempstead, Nassau County, New York (Section: 39; Block: 7; Lots: 58 and 59) (the "164 Sunrise Parcel" and together with the 130 Sunrise Parcel and the 148 Sunrise Parcel, collectively, the "Land"), (2) the renovation and expansion of the existing buildings (collectively, the "164 Sunrise Building" and together with the 130 Sunrise Building and the 148 Sunrise Building, collectively, the "Building") on the 164 Sunrise Parcel, together with related improvements to the 164 Sunrise Parcel, and (3) the acquisition of certain furniture, fixtures, machinery and equipment (the "164 Sunrise Equipment" and together with the 130 Sunrise Equipment and the 148 Sunrise Equipment, collectively, the "Equipment") necessary for the completion thereof (collectively, the "164 Sunrise Project Facility and together with the 130 Sunrise Project Facility and the 148 Sunrise Project Facility, collectively, the "Project Facility"), all of the foregoing for use by the Applicant and/or its affiliates as an automobile sales/service facility; (D) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing in the form of potential exemptions or partial exemptions from real property taxes and sales and use taxes (collectively, the "Financial Assistance"); (E) the lease (with an obligation to purchase), license 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 (F) the sublease thereof to the Applicant or such other entity(ies) as may be designated by the Applicant and agreed upon by the Agency.

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 a real property tax exemption (the "Property Tax Exemption") with respect to the Project Facility as follows:

(i) for the period commencing on the date of the closing of the Project transaction (the "Closing Date") to and including the day prior to the Effective Date, payments shall be equal to one hundred percent (100%) of the real property taxes and assessments that would be levied annually upon the Project Facility without taking into consideration the transfer of ownership, jurisdiction, supervision or control of the Project Facility to the Agency; and

(ii) for the period commencing on the Effective Date and continuing for twelve (12) full fiscal tax years thereafter, fixed payments equal to the sum of the BASE PILOT and the IMPROVEMENT 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.

For the purposes of the foregoing, the following terms shall have the following meanings:

(a) "BASE PILOT" shall be deemed to mean the amount of all real property taxes and assessments payable on the Land, which amount shall be increased by two percent (2%) per year (compounded) after the third (3rd) fiscal tax year. Except as set forth in the immediately preceding sentence, the BASE PILOT shall not increase or decrease during the term of the PILOT Agreement. The BASE PILOT shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay separately to the affected tax jurisdictions. In calculating the Base PILOT, the Agency shall take into account the most recent assessment data (i.e., assessed value and tax rates) available as of the Closing Date including any applicable approved tax certiorari stipulation or other settlement or arrangement with the applicable tax assessor(s).

(b) "IMPROVEMENT PILOT" shall be deemed to mean the product of the following amounts, as determined by the Agency: (i) the Assessed Value of the Improvement, (ii) the PILOT Rate, and (iii) the number 0.01, as phased in and adjusted pursuant to Exhibit A attached hereto. The term "Assessed Value of the Improvement" shall be deemed to mean the product of (y) the fair market value of the Project Facility (less the market value used in the calculation of the BASE PILOT) for real property tax valuation purposes, computed as of the estimated date of completion, as determined by the Agency using a methodology reasonably selected by the Agency, and (z) the level of assessment used by the Nassau County Assessor as of the year in which the Closing Date occurs. The PILOT Rate shall be evidenced by School Tax Bills and General Tax Bills based on the most recent assessment data available to the Agency as of the year in which the Closing Date occurs. The IMPROVEMENT PILOT shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay separately to the affected tax jurisdictions.

(c) "Effective Date" shall be deemed to mean for each affected tax jurisdiction the first day of the first fiscal tax year following the first taxable status date occurring subsequent to the last to occur of (i) the Agency acquiring an interest in the Project Facility, (ii) the filing by the Agency of the appropriate application for tax exemption with the Nassau County Tax Assessor, and (iii) the acceptance of such Application by such assessor.

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 should otherwise apply with respect to the Land and the existing improvements thereon as of the Closing Date.

Sincerely,

NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By: \_\_\_\_\_

  
Joseph J. Kearney  
Executive Director

Exhibit A

Period	Begin	End	Assessed Value of Improvement ("AV")	PILOT RATE
1	Closing Date	1 day prior to Effective Date	N/A	N/A
2	Effective Date	1 yr Anniversary of Effective Date	00 * AV	
3	1 yr Anniversary of Effective Date	2 yr Anniversary of Effective Date	00 * AV	SUM OF TAX RATES AS OF YEAR OF CLOSING ("RATE")
4	2 yr Anniversary of Effective Date	3 yr Anniversary of Effective Date	.00 * AV	RATE
5	3 yr Anniversary of Effective Date	4 yr Anniversary of Effective Date	.1111 * AV	RATE
6	4 yr Anniversary of Effective Date	5 yr Anniversary of Effective Date	2222 * AV	RATE * 1.02
7	5 yr Anniversary of Effective Date	6 yr Anniversary of Effective Date	3333 * AV	RATE * 1.0404
8	6 yr Anniversary of Effective Date	7 yr Anniversary of Effective Date	4444 * AV	RATE * 1.0612
9	7 yr Anniversary of Effective Date	8 yr Anniversary of Effective Date	5555 * AV	RATE * 1.0824
10	8 yr Anniversary of Effective Date	9 yr Anniversary of Effective Date	6666 * AV	RATE * 1.1041
11	9 yr Anniversary of Effective Date	10 yr Anniversary of Effective Date	7777 * AV	RATE * 1.1262
12	10 yr Anniversary of Effective Date	11 yr Anniversary of Effective Date	8888 * AV	RATE * 1.1487
13	11 yr Anniversary of Effective Date	12 yr Anniversary of Effective Date	9999 * AV	RATE * 1.1717
				RATE * 1.1951
Period	BASE PILOT	IMPROVEMENT PILOT	TOTAL PILOT	
1	100% of taxes as of year of Closing	100% of taxes as of year of Closing	BASE PILOT + IMPROVEMENT PILOT	
2	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
3	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
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8	100% of taxes as of year of Closing *1.0824	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
9	100% of taxes as of year of Closing *1.1041	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
10	100% of taxes as of year of Closing *1.1262	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
11	100% of taxes as of year of Closing *1.1487	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
12	100% of taxes as of year of Closing *1.1717	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
13	100% of taxes as of year of Closing *1.1951	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	

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) 571-0945 FAX (516) 571-1076 March 24, 2015  
[www.nassauida.org](http://www.nassauida.org)

CERTIFIED MAIL, RETURN  
RECEIPT REQUESTED and  
FIRST CLASS MAIL

Superintendent William Heindreich  
Valley Stream Central High School District  
One Kent Road  
Valley Stream, NY 11580

NOTICE OF PROPOSED DEVIATION FROM  
UNIFORM TAX EXEMPTION POLICY

Dear Superintendent William Heidenreich:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on April 7, 2015 at 5:00 p.m. local time at the offices of the Agency at 1550 Franklin Avenue, Suite 235, Mineola, New York 11501, the Agency will consider whether to approve the application of the Applicant (as defined below), 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.

L.S. 130 SUNRISE REALTY, LLC, a limited liability company organized and existing under the laws of the State of New York (the "Applicant"), presented an application (the "Application") to the Agency, which Application requested that the Agency consider undertaking a project (the "Project") consisting of the following: (A)(1) the acquisition of an interest in a certain parcel of land located at 130 Sunrise Highway, Incorporated Village of Valley Stream, Town of Hempstead, Nassau County, New York (Section: 39; Block: 7; Lots: 485-492) (the "130 Sunrise Parcel"), (2) the renovation and expansion of the existing buildings (collectively, the "130 Sunrise Building") on the 130 Sunrise Parcel, together with related improvements to the 130 Sunrise Parcel, and (3) the acquisition of certain furniture, fixtures, machinery and equipment (the

"130 Sunrise Equipment") necessary for the completion thereof (collectively, the "130 Sunrise Project Facility"); (B)(1) the acquisition of an interest in a certain parcel of land located at 148 Sunrise Highway, Incorporated Village of Valley Stream, Town of Hempstead, Nassau County, New York (Section: 39; Block: 7; Lots: 458-463) (the "148 Sunrise Parcel"), (2) the renovation and expansion of the existing buildings (collectively, the "148 Sunrise Building") on the 148 Sunrise Parcel, together with related improvements to the 148 Sunrise Parcel, and (3) the acquisition of certain furniture, fixtures, machinery and equipment (the "148 Sunrise Equipment") necessary for the completion thereof (collectively, the "148 Sunrise Project Facility"); (C)(1) the acquisition of an interest in a certain parcel of land located at 164 Sunrise Highway, Incorporated Village of Valley Stream, Town of Hempstead, Nassau County, New York (Section: 39; Block: 7; Lots: 58 and 59) (the "164 Sunrise Parcel" and together with the 130 Sunrise Parcel and the 148 Sunrise Parcel, collectively, the "Land"), (2) the renovation and expansion of the existing buildings (collectively, the "164 Sunrise Building" and together with the 130 Sunrise Building and the 148 Sunrise Building, collectively, the "Building") on the 164 Sunrise Parcel, together with related improvements to the 164 Sunrise Parcel, and (3) the acquisition of certain furniture, fixtures, machinery and equipment (the "164 Sunrise Equipment" and together with the 130 Sunrise Equipment and the 148 Sunrise Equipment, collectively, the "Equipment") necessary for the completion thereof (collectively, the "164 Sunrise Project Facility and together with the 130 Sunrise Project Facility and the 148 Sunrise Project Facility, collectively, the "Project Facility"), all of the foregoing for use by the Applicant and/or its affiliates as an automobile sales/service facility; (D) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing in the form of potential exemptions or partial exemptions from real property taxes and sales and use taxes (collectively, the "Financial Assistance"); (E) the lease (with an obligation to purchase), license 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 (F) the sublease thereof to the Applicant or such other entity(ies) as may be designated by the Applicant and agreed upon by the Agency.

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 a real property tax exemption (the "Property Tax Exemption") with respect to the Project Facility as follows:

(i) for the period commencing on the date of the closing of the Project transaction (the "Closing Date") to and including the day prior to the Effective Date, payments shall be equal to one hundred percent (100%) of the real property taxes and assessments that would be levied annually upon the Project Facility without taking into consideration the transfer of ownership, jurisdiction, supervision or control of the Project Facility to the Agency; and

(ii) for the period commencing on the Effective Date and continuing for twelve (12) full fiscal tax years thereafter, fixed payments equal to the sum of the BASE PILOT and the IMPROVEMENT 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.

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(b) "IMPROVEMENT PILOT" shall be deemed to mean the product of the following amounts, as determined by the Agency: (i) the Assessed Value of the Improvement, (ii) the PILOT Rate, and (iii) the number 0.01, as phased in and adjusted pursuant to Exhibit A attached hereto. The term "Assessed Value of the Improvement" shall be deemed to mean the product of (y) the fair market value of the Project Facility (less the market value used in the calculation of the BASE PILOT) for real property tax valuation purposes, computed as of the estimated date of completion, as determined by the Agency using a methodology reasonably selected by the Agency, and (z) the level of assessment used by the Nassau County Assessor as of the year in which the Closing Date occurs. The PILOT Rate shall be evidenced by School Tax Bills and General Tax Bills based on the most recent assessment data available to the Agency as of the year in which the Closing Date occurs. The IMPROVEMENT PILOT shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay separately to the affected tax jurisdictions.

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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 should otherwise apply with respect to the Land and the existing improvements thereon as of the Closing Date.

Sincerely,

NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By:

  
\_\_\_\_\_  
Joseph J. Kearney  
Executive Director



Exhibit A

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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) 571-1943 FAX (516) 571-1076 March 24, 2015  
[www.nassaulda.org](http://www.nassaulda.org)

CERTIFIED MAIL, RETURN  
RECEIPT REQUESTED and  
FIRST CLASS MAIL

Mayor Edward Fare  
Incorporated Village of Valley Stream  
123 South Central Avenue  
Valley Stream, NY 11580

NOTICE OF PROPOSED DEVIATION FROM  
UNIFORM TAX EXEMPTION POLICY

Dear Mayor Edward Fare:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on April 7, 2015 at 5:00 p.m. local time at the offices of the Agency at 1550 Franklin Avenue, Suite 235, Mineola, New York 11501, the Agency will consider whether to approve the application of the Applicant (as defined below), 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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Doc # 05 444330.1

"130 Sunrise Equipment") necessary for the completion thereof (collectively, the "130 Sunrise Project Facility"); (B)(1) the acquisition of an interest in a certain parcel of land located at 148 Sunrise Highway, Incorporated Village of Valley Stream, Town of Hempstead, Nassau County, New York (Section: 39; Block: 7; Lots: 458-463) (the "148 Sunrise Parcel"), (2) the renovation and expansion of the existing buildings (collectively, the "148 Sunrise Building") on the 148 Sunrise Parcel, together with related improvements to the 148 Sunrise Parcel, and (3) the acquisition of certain furniture, fixtures, machinery and equipment (the "148 Sunrise Equipment") necessary for the completion thereof (collectively, the "148 Sunrise Project Facility"); (C)(1) the acquisition of an interest in a certain parcel of land located at 164 Sunrise Highway, Incorporated Village of Valley Stream, Town of Hempstead, Nassau County, New York (Section: 39; Block: 7; Lots: 58 and 59) (the "164 Sunrise Parcel" and together with the 130 Sunrise Parcel and the 148 Sunrise Parcel, collectively, the "Land"), (2) the renovation and expansion of the existing buildings (collectively, the "164 Sunrise Building" and together with the 130 Sunrise Building and the 148 Sunrise Building, collectively, the "Building") on the 164 Sunrise Parcel, together with related improvements to the 164 Sunrise Parcel, and (3) the acquisition of certain furniture, fixtures, machinery and equipment (the "164 Sunrise Equipment" and together with the 130 Sunrise Equipment and the 148 Sunrise Equipment, collectively, the "Equipment") necessary for the completion thereof (collectively, the "164 Sunrise Project Facility and together with the 130 Sunrise Project Facility and the 148 Sunrise Project Facility, collectively, the "Project Facility"), all of the foregoing for use by the Applicant and/or its affiliates as an automobile sales/service facility; (D) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing in the form of potential exemptions or partial exemptions from real property taxes and sales and use taxes (collectively, the "Financial Assistance"); (E) the lease (with an obligation to purchase), license 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 (F) the sublease thereof to the Applicant or such other entity(ies) as may be designated by the Applicant and agreed upon by the Agency.

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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

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(a) "BASE PILOT" shall be deemed to mean the amount of all real property taxes and assessments payable on the Land, which amount shall be increased by two percent (2%) per year (compounded) after the third (3rd) fiscal tax year. Except as set forth in the immediately preceding sentence, the BASE PILOT shall not increase or decrease during the term of the PILOT Agreement. The BASE PILOT shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay separately to the affected tax jurisdictions. In calculating the Base PILOT, the Agency shall take into account the most recent assessment data (i.e., assessed value and tax rates) available as of the Closing Date including any applicable approved tax certiorari stipulation or other settlement or arrangement with the applicable tax assessor(s).

(b) "IMPROVEMENT PILOT" shall be deemed to mean the product of the following amounts, as determined by the Agency: (i) the Assessed Value of the Improvement, (ii) the PILOT Rate, and (iii) the number 0.01, as phased in and adjusted pursuant to Exhibit A attached hereto. The term "Assessed Value of the Improvement" shall be deemed to mean the product of (y) the fair market value of the Project Facility (less the market value used in the calculation of the BASE PILOT) for real property tax valuation purposes, computed as of the estimated date of completion, as determined by the Agency using a methodology reasonably selected by the Agency, and (z) the level of assessment used by the Nassau County Assessor as of the year in which the Closing Date occurs. The PILOT Rate shall be evidenced by School Tax Bills and General Tax Bills based on the most recent assessment data available to the Agency as of the year in which the Closing Date occurs. The IMPROVEMENT PILOT shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay separately to the affected tax jurisdictions.

(c) "Effective Date" shall be deemed to mean for each affected tax jurisdiction the first day of the first fiscal tax year following the first taxable status date occurring subsequent to the last to occur of (i) the Agency acquiring an interest in the Project Facility, (ii) the filing by the Agency of the appropriate application for tax exemption with the Nassau County Tax Assessor, and (iii) the acceptance of such Application by such assessor.

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 should otherwise apply with respect to the Land and the existing improvements thereon as of the Closing Date.

Sincerely,

NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By: \_\_\_\_\_


  
Joseph J. Kearney  
Executive Director

Exhibit A

Period	Begin	End	Assessed Value of Improvement ("AV")	PILOT RATE
1	Closing Date	1 day prior to Effective Date	N/A	N/A
2	Effective Date	1 yr Anniversary of Effective Date	.00 * AV	SUM OF TAX RATES AS OF YEAR OF CLOSING ("RATE")
3	1 yr Anniversary of Effective Date	2 yr Anniversary of Effective Date	.00 * AV	RATE
4	2 yr Anniversary of Effective Date	3 yr Anniversary of Effective Date	.00 * AV	RATE
5	3 yr Anniversary of Effective Date	4 yr Anniversary of Effective Date	.1111 * AV	RATE * 1.02
6	4 yr Anniversary of Effective Date	5 yr Anniversary of Effective Date	.2222 * AV	RATE * 1.0404
7	5 yr Anniversary of Effective Date	6 yr Anniversary of Effective Date	.3333 * AV	RATE * 1.0612
8	6 yr Anniversary of Effective Date	7 yr Anniversary of Effective Date	.4444 * AV	RATE * 1.0824
9	7 yr Anniversary of Effective Date	8 yr Anniversary of Effective Date	.5555 * AV	RATE * 1.1041
10	8 yr Anniversary of Effective Date	9 yr Anniversary of Effective Date	.6666 * AV	RATE * 1.1262
11	9 yr Anniversary of Effective Date	10 yr Anniversary of Effective Date	.7777 * AV	RATE * 1.1487
12	10 yr Anniversary of Effective Date	11 yr Anniversary of Effective Date	.8888 * AV	RATE * 1.1717
13	11 yr Anniversary of Effective Date	12 yr Anniversary of Effective Date	.9999 * AV	RATE * 1.1951
Period	BASE PILOT	IMPROVEMENT PILOT	TOTAL PILOT	
1	100% of taxes as of year of Closing	100% of taxes as of year of Closing	BASE PILOT + IMPROVEMENT PILOT	
2	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
3	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
4	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
5	100% of taxes as of year of Closing *1.02	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
6	100% of taxes as of year of Closing *1.0404	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
7	100% of taxes as of year of Closing *1.0612	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
8	100% of taxes as of year of Closing *1.0824	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
9	100% of taxes as of year of Closing *1.1041	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
10	100% of taxes as of year of Closing *1.1262	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
11	100% of taxes as of year of Closing *1.1487	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
12	100% of taxes as of year of Closing *1.1717	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
13	100% of taxes as of year of Closing *1.1951	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	