

**NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY**

**APPLICATION FOR FINANCIAL ASSISTANCE**  
**(Straight Lease)**

**APPLICATION OF:**

**BWD GROUP LLC**

---

**APPLICANT NAME**

---

Please respond to all questions in this Application for Financial Assistance (the "Application") by, as appropriate:

- filling in blanks;
- checking the applicable term(s);
- attaching additional text (with notation in Application such as "see Schedule H, Item # 1", etc.); or
- writing "N.A.", signifying "not applicable".

All attachments responsive to questions found in this Application should be clearly labeled and attached as Schedule H to the Application. If an estimate is given, enter "EST" after the figure. One signed original and 9 copies of the Application (including all attachments) must be submitted.

The following amounts are payable to the Nassau County Industrial Development Agency (the "Agency") at the time this Application is submitted to the Agency: (i) a \$1,000 non-refundable application fee (the "Application Fee"); (ii) a \$3,500 expense deposit for the Agency's Transaction Counsel fees and expenses (the "Counsel Fee Deposit"), (iii) a \$2,500 expense deposit for the cost/benefit analysis with respect to the project contemplated by this Application (the "Cost/Benefit Deposit"), and (iv) a \$500 expense deposit for the real property tax valuation analysis, if applicable, with respect to the project contemplated by this Application (the "Valuation Deposit"). The Application Fee will not be credited against any other fees or expenses which are or become payable to the Agency in connection with this Application or the project contemplated herein (the "Project"). In the event that the subject transaction does not close for any reason, the Agency may use all or any part of the Counsel Fee Deposit, the Cost/Benefit Deposit and/or the Valuation Deposit to defray the cost of Transaction Counsel fees and expenses, the cost of obtaining a cost/benefit analysis and/or the cost of obtaining a real property tax valuation with respect to the Project. In the event that the subject transaction does close, the Counsel Fee Deposit, the Cost/Benefit Deposit and the Valuation Deposit shall be credited against the applicable expenses incurred by the Agency with respect to the Project.

**Every signature page comprising part of this Application must be signed by the Applicant or this Application will not be considered complete or accepted for consideration by the Agency.**

The Agency's acceptance of this Application for consideration does not constitute a commitment on the part of the Agency to undertake the proposed Project, to grant any Financial Assistance with respect to the proposed Project or to enter into any negotiations with respect to the proposed Project.

Information provided herein may be subject to disclosure under the New York Freedom of Information Law (New York Public Officers Law § 84 et seq.) ("FOIL"). If the Applicant believes that a portion of the material submitted with this Application is protected from disclosure under FOIL, the Applicant should mark the applicable section(s) or page(s) as "confidential" and state the applicable exception to disclosure under FOIL.

---

**DATE**

**PART I. APPLICANT**

A. APPLICANT FOR FINANCIAL ASSISTANCE (If more than one applicant, copy application and complete for each applicant):

Name: BWD GROUP LLC

Address: BWD Plaza, Jericho, New York 11753

Primary  
Contact: Eric Blumencranz

Phone: 516-327-2750 Fax: 516-730-2750

E-Mail: eb@bwd.us

NY State Dept. of  
Labor Reg #: \_\_\_\_\_ Federal Employer ID #: \_\_\_\_\_

NAICS Code #: \_\_\_\_\_

B. BUSINESS TYPE (Check applicable status. Complete blanks as necessary):

Sole Proprietorship ☐ General Partnership ☐ Limited Partnership ☐

Limited Liability Company ☒ Privately Held Corporation ☐

Publicly Held Corporation ☐ Exchange listed on \_\_\_\_\_

Not-for-Profit Corporation ☐

Income taxed as: Subchapter S ☒ Subchapter C ☐  
501(c)(3) Corporation ☐ Partnership ☐

State and Year of Incorporation/Organization: Delaware, 1999

Qualified to do Business in New York: Yes ☒ No ☐ N/A ☐

C. ANY ENTITY PROPOSED TO BE A USER OF THE PROJECT:

Name: BWD Group LLC

Relationship to Applicant: Applicant

D. APPLICANT COUNSEL (subject to Agency approval):

Firm name: Forchelli, Curto, Deegan, Schwartz, Mineo, Cohn & Terrana, LLP

Address: 333 Earle Ovington Blvd., Suite 1010  
Uniondale, New York 11553

Primary

Contact: Daniel P. Deegan, Esq.

Phone: (516) 248-1700

Fax: (516) 248-1729

E-Mail: ddeegan@forchellilaw.com

E. Principal stockholders, members or partners, if any (i.e., owners of 10% or more of equity/voting rights in Applicant):

Name	Percentage owned
------	------------------

BKW&D, Ltd.	
-------------	--

_____	_____ %
-------	---------

_____	_____ %
-------	---------

F. If any of the persons described in the response to the preceding Question, or a group of said persons, owns more than a 50% interest in the Applicant, list all other entities which are related to the Applicant by virtue of such persons having more than a 50% interest in such entities:

---

---

- G. Is the Applicant related to any other entity by reason of more than 50% common ownership? If YES, indicate name of related entity and relationship:

YES \_\_\_\_

NO X

---

---

- H. List parent corporation, sister corporations and subsidiaries, if any:

BWD Group, Ltd., BWD Agency, Inc., Fort General Agency, Innovative Retirement, EMS Agency, LLC, EMS Partners, LP, JAMB

---

- I. Is the Applicant (including any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities involved in any litigation or aware of any threatened litigation that would have a material adverse effect on the Applicant's financial condition or the financial condition of said principal(s)? If YES, attach details.

YES \_\_\_\_

NO X

- J. Has the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, ever been involved, as debtor, in bankruptcy, creditors rights or receivership proceedings or sought protection from creditors? If YES, attach details.

YES \_\_\_\_

NO X

- K. Has the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, ever been charged with or convicted of any felony or misdemeanor (other than minor traffic offenses), or have any such related persons or principal(s) held positions or ownership interests in any firm or corporation charged or convicted of a felony or misdemeanor (other than minor traffic offenses)? If YES, attach details.

YES \_\_\_\_

NO X

- L. Has the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, been cited for (or is there pending proceeding or investigation with respect to) a violation of federal, state or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution, taxation, or other operating practices? If YES, attach details.

YES \_\_\_\_

NO X

- M. Is the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, delinquent or have any of the foregoing persons or entities been delinquent on any New York State, federal or local tax obligations within the past five (5) years? If YES, attach details.

YES \_\_\_\_

NO X

- N. Complete the following information for principals (including, in the case of corporations, officers and members of the board of directors and, in the case of limited liability company, members and managers) of the Applicant:

<u>Name</u>	<u>Title</u>	<u>Other Business Affiliations</u>
Roger Blumencranz	Member	_____
Stuart B. Wilkins	Member	_____
Marc Blumencranz	Member	_____
Eric Blumencranz	Member	_____

Do any of the foregoing principals hold elected or appointive public positions? If YES, attach details.

YES \_\_\_\_

NO X

Are any of the foregoing principals employed by any federal, state or local municipality or any agency, authority, department, board, or commission thereof or any other governmental or quasi-governmental organization?

YES \_\_\_\_

NO X

- O. Operation at existing location(s) (Complete separate Section O for each existing location):

1. (a) Location: 113 South Service Road, Jericho, NY 11753

(b) Number of Employees: Full-Time: 175 Part-Time: \_\_\_\_

(c) Annual Payroll, excluding benefits: \$16,179,497

(d) Type of operation (e.g. manufacturing, wholesale, distribution)  
and products or services: Insurance Services

(e) Size of existing facility real property

(i.e., acreage of land): 47,000 square feet

(f) Buildings (number and square footage of each): 1

(g) Applicant's interest in the facility.

FEE TITLE (i.e. own)      LEASE      OTHER (describe below)

Lease

(h) If Applicant leases, state annual rent  
and lease expiration date: \$1,500,000.00

2. If any of the facilities described above are located within the State of New York, is it expected that any of the described facilities will be closed or be subject to reduced activity? If YES, complete the attached Anti-Raiding Questionnaire (Schedule D).

YES X

NO    

- P. Has the Applicant considered moving to another state or another location within New York State? If YES, explain circumstances.

YES X

NO    

Please see Schedule H

- Q. Does any one supplier or customer account for over 50% of Applicant's annual purchases or sales, respectively? If YES, attach name and contact information for supplier and/or customer, as applicable:

YES    

NO X

- R. Does the Applicant (including any related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, have any contractual or other relationship with the Agency or the County of Nassau? If YES, attach details.

YES    

NO X

- S. Attach a brief history of the Applicant and its business/operations. See Schedule H

By signing this Application, the Applicant authorizes the Agency to obtain credit reports and other financial background information and perform other due diligence on the

Applicant and/or any other entity or individual related thereto, as the Agency may deem necessary to provide the requested financial assistance.

## **PART II. PROPOSED PROJECT**

A. Description of proposed Project (check all that apply):

- ☐ New Construction
- ☐ Addition to Existing Facility
- ☒ Renovation of Existing Facility
- ☐ Acquisition of Facility
- ☒ New machinery and equipment
- ☐ Other (specify): \_\_\_\_\_

B. Briefly describe the proposed Project, the reasons why the Project is necessary to the Applicant and why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations:

See Schedule H

---

C. If the Applicant is unable to obtain financial assistance for the Project, what will be the impact on the Applicant and Nassau County? Would the Applicant proceed with the Project without Agency financial assistance? Describe.

See Schedule H

---

D. Location of Project (attach map showing the location):

Street Address:

45 Executive Plaza

City/Village(s):

Plainview

Town(s):

Oyster Bay

School District(s):

Plainview/Plainview Old Bethpage CSD - 19



Section: 13 Block: 98 Lot: 23

Census Tract Number: \_\_\_\_\_

If exact street address is not available, please provide a survey and the most precise description available.

E. Describe the present use of the Project site: Vacant office building.

F. (a) What are the current real estate taxes on the Project site? (If amount of current taxes is not available, provide assessed value for each):

\$355,396.09 (land and building in the aggregate)  
Land: \$ \_\_\_\_\_ Building(s): \$ \_\_\_\_\_

(b) Are tax certiorari proceedings currently pending with respect to the Project real property? If YES, attach details including copies of pleadings, decisions, etc.

YES \_\_\_\_\_ NO \_\_\_\_\_

G. Describe Project ownership structure (*i.e.*, Applicant or other entity):

Applicant is currently negotiating a lease with Landlord of Project, which lease will be subject to receiving financial benefits from IDA

H. To what purpose will the building or buildings to be acquired, constructed or renovated be used by the Applicant? (Include description of goods to be sold, products to be manufactured, assembled or processed and services to be rendered.)

Applicant intends to lease site for same use as current operations, i.e., commercial office space for insurance brokerage business

I. If any space in the Project is to be leased to or occupied by third parties, or is currently leased to or occupied by third parties who will remain as tenants, provide the names and contact information for each such tenant, indicate total square footage of the Project to be leased to each tenant, and describe proposed use by each tenant:

N/A

J. Provide, to the extent available, the information requested, in Part I, Questions A, B, E and O, with respect to any party described in the preceding response.

K. List principal items or categories of equipment to be acquired as part of the Project:

Office furniture, fixtures and office equipment

L. Will Project meet zoning/land use requirements at proposed location?

YES X

NO     

1. Describe present zoning/land use: Industrial/Office

2. Describe required zoning/land use, if different:                     

3. If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements:

M. Does the Applicant, or any related entity or person, currently hold a lease or license on the Project site? If YES, please provide details and a copy of the lease/license.

YES     

NO X

N. Does the Applicant, or any related entity or person, currently hold fee title to (i.e. own) the Project site?

YES     

NO X

If YES, indicate:

(a) Date of purchase:                     

(b) Purchase price: \$                     

(c) Balance of existing mortgage, if any: \$                     

(d) Name of mortgage holder:                     

(e) Special conditions:                     

If NO, indicate name of present owner of Project site: 45 Exec LLC

- O. Does the Applicant or any related person or entity have an option or a contract to purchase the Project site and/or any buildings on the Project site?

YES \_\_\_\_\_

NO X

If YES, attach copy of contract or option and indicate:

(a) Date signed: \_\_\_\_\_

(b) Purchase price: \$\_\_\_\_\_

(c) Closing date: \_\_\_\_\_

Is there a relationship legally or by virtue of common control or ownership between the Applicant (and/or its principals) and the seller of the Project (and/or its principals)?

If YES, describe:

YES \_\_\_\_\_

NO X

- P. Will customers personally visit the Project site for either of the following economic activities? If YES with respect to either economic activity indicated below, complete the attached Retail Questionnaire (Schedule E).

Retail Sales: YES \_\_\_\_\_ NO X Services: YES X NO \_\_\_\_\_

- Q. Describe the social and economic conditions in the community where the Project site is or will be located and the impact of the proposed Project on the community (including impact on infrastructure, transportation, fire and police and other government-provided services):

See Schedule H annexed hereto

- R. Identify the following Project parties (if applicable):

Architect: \_\_\_\_\_ [To be determined]

Engineer: \_\_\_\_\_ [To be determined]

Contractors: \_\_\_\_\_ [To be determined]

- S. Will the Project be designed and constructed to comply with Green Building Standards? (if YES, describe the LEED green building rating that will be achieved):

YES \_\_\_\_\_

NO   X  

- T. Is the proposed Project site located on a Brownfield? (if YES, provide description of contamination and proposed remediation)

YES \_\_\_\_\_

NO   X  

- U. Will the proposed Project produce a unique service or product or provide a service that is not otherwise available in the community in which the proposed Project site is located?

YES   X  

NO \_\_\_\_\_

See Schedule H for discussion on the unique character of Applicant's business as a national  
insurance broker

### **PART III. PROJECT COSTS**

- A. Provide an estimate of cost of all items listed below:

	<u>Item</u>	<u>Cost</u>
1.	Land Acquisition	\$ _____
2.	Building Acquisition	\$ _____
3.	Construction or Renovation	\$ <u>  3,250,000  </u>
4.	Site Work	\$ _____
5.	Infrastructure Work	\$ _____
6.	Engineering Fees	\$ _____
7.	Architectural Fees	\$ _____
8.	Applicant's Legal Fees	\$ _____
9.	Financial Fees (incl. lender legal fees)	\$ _____
10.	Other Professional Fees	\$ _____
11.	Furniture, Equipment & Machinery (not included in 3. above)	\$ <u>  2,300,000  </u>
12.	Other Soft Costs (describe)	\$ _____
13.	Other (describe)	\$ _____
	Total	\$ <u>  5,550,000  </u>

B. Source of Funds for Project Costs:

a.	Bank Financing:	\$ _____
b.	Equity	\$ <u>5,550,000</u>
TOTAL		\$ <u>5,550,000</u>

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? If YES, describe particulars on a separate sheet.

YES \_\_\_\_\_ NO X

D. Has the Applicant made any arrangement for the provision of third party financing? If YES, indicate with whom (subject to Agency approval) and provide a copy of any term sheet or commitment letter issued with respect to such financing.

YES \_\_\_\_\_ NO X

---

---

E. Construction Cost Breakdown:

Total Cost of Construction: \$3,250,000 (sum of 3 and 11 in Question A above)

Cost for materials: \$1,300,000

% Sourced in County: 80%

% Sourced in State: 80% (incl. County)

Cost for labor: \$1,950,000

% Sourced in County: 100%

% Sourced in State: 100% (incl. County)

Cost for "other": \$ \_\_\_\_\_

% Sourced in County: \_\_\_\_\_%

% Sourced in County: \_\_\_\_\_% (incl. County)

**PART IV. COST/BENEFIT ANALYSIS**

A. If the Applicant presently operates in Nassau County, provide the current annual payroll, excluding benefits. Estimate payroll, excluding benefits, in First Year, Second Year and Third Year after completion of the Project.

	<u>Present</u>	<u>First Year (CY 2012)</u>	<u>Second Year (CY 2013)</u>	<u>Third Year (CY 2014)</u>
Full-time:	_____	_____	_____	_____
Part-time:	_____	_____	_____	_____
Seasonal:	_____	_____	_____	_____
Total Annual Payroll:	\$16,179,497	\$17,150,267	\$18,179,283	\$19,270,040

What are the average wages of employees (excluding benefits) presently employed by the Applicant in Nassau County? \$92,454.00

What is the average annual value of employee benefits paid per job, if any, for the employees presently employed by the Applicant in Nassau County? \$14,744.30

What are the estimated average wages of the jobs (excluding benefits) to be created by the Applicant upon completion of the Project? \$ N/A

What is the estimated average annual value of employee benefits per job, if any, for jobs to be created upon completion of the Project? \$ N/A

Estimate the percentage of jobs to be created by the Applicant upon completion of the Project that will be filled by County residents: TBD %

Please note that the Agency may utilize the foregoing employment projections and the projections set forth in Schedule C, among other things, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs, types of occupations and amount of payroll with respect to the Project set forth in this Application.

- B. (i) Will the Applicant transfer current employees from existing location(s)? If YES, describe, please describe the number of current employees to be transferred and the location from which such employees would be transferred:

YES X NO     

The Applicant will transfer all employees, as set forth in Part I, Item O(1)(b), from its current location at

113 South Service Road, Jericho, New York to the proposed facility

- (ii) Describe the number of estimated full time equivalent construction jobs to be created as a result of undertaking the project, to the extent any:

- C. What, if any, is the anticipated increase in the dollar amount of production, sales or services rendered as a result of the Project?

\$ 3-4% increase in first year

What percentage of the foregoing amount is subject to New York sales and use tax?

0 %

Describe any other municipal revenues that will result from the Project (excluding the above and any PILOT payments):

The Project will generate substantial ongoing substantial municipal revenue, as discussed in greater detail in Schedule H annexed hereto, including an increase in property tax revenues, increases in sales tax revenues and related economic multiplier effects

- D. What is the estimated aggregate annual amount of goods and services to be purchased by the Applicant for each year after completion of the Project and what portion will be sourced from businesses located in the County and the State (including the County):

	<u>Amount</u>	<u>% Sourced in County</u>	<u>% Sourced in State</u>
Year 1	<u>\$9,000,000</u>	<u>20%</u>	<u>60%</u>
Year 2	<u>\$</u>	<u></u>	<u></u>
Year 3	<u>\$</u>	<u></u>	<u></u>

- E. Describe, if applicable, other benefits to the County anticipated as a result of the Project, including a projected annual estimate of additional sales tax revenue generated, directly and indirectly, as a result of undertaking the project:

\_\_\_\_\_

\_\_\_\_\_

- F. Costs to the County and affected municipalities:

Estimated Value of Sales Tax Exemption: \$ 475,000

Estimated Value of Mortgage Tax Exemption: \$ -0-

Estimated Property Tax Exemption: \$ 500,000

Existing Property Tax paid on the Land and/or Building: (please provide current tax bills) \$ 355,000

Estimated new Real Property Tax Revenue if the Project did **not** receive Real Property Tax exemption:

\$ 4,200,000

Estimated new Real Property Tax Revenue if the Project does receive Real Property Tax exemption:

\$ 3,900,000

- G. Describe any other one-time municipal revenues (not including fees payable to the Agency) that the Project will create:

The Project will generate one-time municipal revenues including building permit fees. This is in addition to ongoing substantial municipal revenue, as discussed in greater detail in Item C above.

#### **PART V. PROJECT CONSTRUCTION SCHEDULE**

- A. Has construction work on the Project begun? If YES, indicate the percentage of completion: NO

- |    |  |          |         |                |
|----|--|----------|---------|----------------|
| 1. | (a) Site clearance   | YES ____ | NO ____ | ____% complete |
|    | (b) Environmental Remediation  | YES ____ | NO ____ | ____% complete |
|    | (c) Foundation   | YES ____ | NO ____ | ____% complete |
|    | (d) Footings   | YES ____ | NO ____ | ____% complete |
|    | (e) Steel  | YES ____ | NO ____ | ____% complete |
|    | (f) Masonry  | YES ____ | NO ____ | ____% complete |
|    | (g) Interior   | YES ____ | NO ____ | ____% complete |
|    | (h) Other (describe below):  | YES ____ | NO ____ | ____% complete |
| 2. | If NO to all of the above categories, what is the proposed date of commencement of construction, renovation or acquisition of the Project? |          |         |                |
- 

- B. Provide an estimate of time schedule to complete the Project and when the first use of the Project is expected to occur (attach additional sheet if necessary):



The Project is estimated to be completed in October, 2011, with first use of the Project occurring shortly thereafter.

**PART VI. ENVIRONMENTAL IMPACT**

- A. What is the expected environmental impact of the Project? (Complete the attached Environmental Assessment Form (Schedule G)).

**Interior renovations only – no environmental impact expected**

---

- B. Is an environmental impact statement required by Article 8 of the N.Y. Environmental Conservation Law (i.e., the New York State Environmental Quality Review Act)?

YES \_\_\_\_\_

NO \_\_\_\_\_

**See Schedule G**

- C. Please be advised that the Agency may require at the sole cost and expense of the Applicant the preparation and delivery to the Agency of an environmental report in form and scope satisfactory to the Agency, depending on the responses set forth in the Environmental Assessment Form. If an environmental report has been or is being prepared in connection with the Project, please provide a copy.

- D. The Applicant authorizes the Agency to make inquiry of the United States Environmental Protection Agency, the New York State Department of Environmental Conservation or any other appropriate federal, state or local governmental agency or authority as to whether the Project site or any property adjacent to or within the immediate vicinity of the Project site is or has been identified as a site at which hazardous substances are being or have been used, stored, treated, generated, transported, processed, handled, produced, released or disposed of. The Applicant will be required to secure the written consent of the owner of the Project site to such inquiries (if the Applicant is not the owner), upon request of the Agency.

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of  
Applicant: BWD GROUP LLC

Signature: [Signature]

Name: Albert S. FORD

Title: General Counsel

Date: 1/20/11

Sworn to before me this 20<sup>th</sup>  
day of January, 2011

[Signature]  
Notary Public

KENNETH J. PAGLIUGHI  
Notary Public, State of New York  
No. 02PA6173513  
Qualified in Suffolk County  
Commission Expires August 27, 2011

**RULES AND REGULATIONS OF THE NASSAU COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY**

The Nassau County Industrial Development Agency (the "Agency"), in order to better secure the integrity of the projects it sponsors, declares that it is in the public interest (i) to ensure the continuity of such projects and the jobs created by such projects, (ii) to prevent the conversion of the use of the premises upon which a sponsored project is to be constructed or renovated and (iii) to limit and prevent unreasonable profiteering or exploitation of a project, and does hereby find, declare and determine as follows:

**FIRST:**

Upon the approval of a sponsored project, the Agency shall take title to, or acquire a leasehold or other interest in, all premises upon which an Agency sponsored project is to be constructed or renovated, and shall lease, sublease, license, sell or otherwise transfer the premises to the Applicant for a term to be determined by the Agency.

At such time as, among other things, the Applicant fails to retain or create the jobs as represented in the Application or changes the use of the project or ownership of the project or the Applicant during the life of the project in a manner inconsistent with the Application, and such employment default or change of use or ownership does not meet with the prior written approval of the Agency, a recapture of benefits may be required to be paid by the Applicant to the Agency. The amount and sufficiency (with respect to a particular applicant) of the applicable recapture of benefits payment shall be determined by the Agency and shall be set forth in the straight lease documents.

**SECOND:**

At such time as a proposed Project is reviewed, the members of the Agency must disclose any blood, marital or business relationships they or members of their families have or have had with the Applicant (or its affiliates). The Applicant represents that no member, manager, principal, officer or director of the Applicant has any such relationship with any member of the Agency (or any member of the family of any member of the Agency).

**THIRD:**

All applicants must disclose whether they have been appointed, elected or employed by New York State, any political division of New York State or any other governmental agency.

**FOURTH:**

All proposed lenders, title companies and their respective attorneys must be satisfactory to and approved in writing by the Agency.

Understood and Agreed to:

Name of  
Applicant: BWD GROUP LLC

By: [Signature]  
Name/Title: General Counsel

**CERTIFICATION AND AGREEMENT  
WITH RESPECT TO FEES AND COSTS**

The undersigned deposes and says: that I am an authorized representative of the Applicant named in the attached application for financial assistance ("Application") and that I hold the office specified below my signature at the end of this Certification and Agreement, that I am authorized and empowered to deliver this Certification and Agreement and the Application for and on behalf of the Applicant, that I am familiar with the contents of said Application (including all schedules and attachments thereto), and that said contents are true, correct and complete to my knowledge. Capitalized terms used but not otherwise defined in this Certification and Agreement shall have the meanings assigned to such terms in the Application.

The grounds of my belief relative to all matters in the Application that are not based upon my own personal knowledge are based upon investigations I have made or have caused to be made concerning the subject matter of this Application, as well as upon information acquired in the course of my duties and from the books and records of the Applicant.

As an authorized representative of the Applicant, I acknowledge and agree on behalf of the Applicant that the Applicant hereby releases the Nassau County Industrial Development Agency, its members, officers, servants, attorneys, agents and employees (collectively, the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend (with counsel selected by the Agency) and hold the Agency harmless from and against any and all liability, damages, causes of actions, losses, costs or expenses incurred by the Agency in connection with: (A) examination and processing of, and action pursuant to or upon, the Application, regardless of whether or not the Application or the financial assistance requested therein are favorably acted upon by the Agency, (B) the acquisition, construction and/or installation of the Project by the Agency, and (C) any further action taken by the Agency with respect to the Project; including, without limiting the generality of the foregoing, (i) all fees and expenses of the Agency's general counsel, transaction counsel, economic development consultant, real property tax valuation consultant and other experts and consultants (if deemed necessary or advisable by the Agency), and (ii) all other expenses incurred by the Agency in defending any suits, actions or proceedings that may arise as a result of any of the foregoing. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails within a reasonable or specified period of time to take reasonable, proper or requested action or withdraws, abandons, cancels, or neglects the Application or is unable to secure third party financing or otherwise fails to conclude the Project, then upon presentation of an invoice by the Agency, its agents, attorneys or assigns, the Applicant shall pay to the Agency, its agents, attorneys or assigns, as the case may be, all fees and expenses reflected in any such invoice.

As an authorized representative of the Applicant, I acknowledge and agree on behalf of the Applicant that each of the Agency's general counsel, transaction counsel, economic development consultant, real property tax valuation consultant and other experts and consultants is an intended third-party beneficiary of this Certification and Agreement, and that each of them may (but shall not be obligated to) enforce the provisions of the immediately preceding paragraph, whether by lawsuit or otherwise, to collect the fees and expenses of such party or person incurred by the Agency (whether or not first paid by the Agency) with respect to the Application.

Upon successful closing of the "straight lease" transaction, the Applicant shall pay to the Agency an administrative fee set by the Agency (which amount is payable at closing) in accordance with the following schedule:

- (A) Six-tenths (6/10) of one percent (1%) for the first twenty million dollars (\$20,000,000) of total project costs and, if applicable, two-tenths (2/10) of one percent (1%) for any additional amounts in excess of twenty million dollars (\$20,000,000) of total project costs.

- (D) General Counsel Fee—One-tenth (1/10) of one percent (1%) of total project costs, with a minimum fee of \$2,000.
- (E) Two Thousand Five Hundred Dollars (\$2,500) closing compliance fee payable at closing and One Thousand Dollars (\$1,000) per year (or part thereof) administrative fee, payable in advance, at the closing for the first year (or part thereof) and on January 1st of each year for the term of the financing. The annual service fee is subject to periodic review and may be adjusted from time to time in the discretion of the Agency.
- (F) Refinancings— The Agency fee shall be determined on a case-by-case basis.
- (G) Assumptions— The Agency fee shall be determined on a case-by-case basis.
- (H) Modifications— The Agency fee shall be determined on a case-by-case basis.

Transaction counsel fees and expenses are payable at closing and are based on the work performed in connection with the Project.

Upon the termination of the Project, Applicant agrees to pay all costs in connection with any conveyance by the Agency to the Applicant of the Agency's interest in the Project and the termination of all related Project documents, including the fees and expenses of the Agency's general counsel, transaction counsel, and all applicable recording, filing or other related fees, taxes and charges.

BWD GROUP LLC

Name: Robert Turi

Title: General Counsel

Sworn to before me this 20<sup>th</sup>  
day of January, 20 11

Kenneth J. Pagliughi  
Notary Public

KENNETH J. PAGLIUGH  
Notary Public, State of New York  
No. 02PA6173513  
Qualified in Suffolk County  
Commission Expires August 27, 20 11

---

TABLE OF SCHEDULES:

<u>Schedule</u>	<u>Title</u>	<u>Complete as Indicated Below</u>
A.	Intentionally omitted	
B.	New York State Financial and Employment Requirements for Industrial Development Agencies	All applicants
C.	Guidelines for Access to Employment Opportunities	All applicants
D.	Anti-Raiding Questionnaire	If Applicant checked "YES" in Part I, Question Q.2. of Application
E.	Retail Questionnaire	If Applicant checked "YES" in Part II, Question P of Application (See Page 11)
F.	Applicant's Financial Attachments, consisting of:	All applicants
	1. Applicant's audited financial statements for the last two fiscal years (unless included in Applicant's annual reports).	
	2. Applicant's annual reports (or Form 10-K's) for the two most recent fiscal years.	
	3. Applicant's quarterly reports (Form 10-Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any.	
	4. In addition, attach the financial information described above in items F1, F2, and F3 of any anticipated Guarantor of the proposed transaction, if different than the Applicant, including the personal financial statement of any anticipated Guarantor that is a natural person.	
	5. Dun & Bradstreet report.	
G.	Environmental Assessment Form	All applicants
H.	Other Attachments	As required

Schedule A

Intentionally omitted

**NEW YORK STATE FINANCIAL AND EMPLOYMENT REPORTING  
REQUIREMENTS FOR INDUSTRIAL DEVELOPMENT AGENCIES**

- A. Pursuant to applicable law, the Agency requires the completion of an Initial Employment Plan (see Schedule C) and a year-end employment plan status report, both of which shall be filed by the Nassau County Industrial Development Agency (the "Agency") with the New York State Department of Economic Development on January 15. The Project documents will require the Applicant to provide such report to the Agency on or before January 1 of each year, together with such employment verification information as the Agency may require.

Except as otherwise provided by collective bargaining agreements, the Applicant agrees to list any new employment opportunities with the New York Department of Labor Community Services Division and the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (P.L. 97-300), or any successor statute thereto (the "JTPA Entities"). In addition, except as otherwise provided by collective bargaining agreements, the Applicant, where practicable, will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for such new employment opportunities.

- B. The Applicant will be required to file annually a statement with the New York State Department of Taxation and Finance and the Agency of the value of all sales or use tax exemptions claimed in connection with the Project by reason of the involvement of the Agency.
- C. Please be advised that the New York State Industrial Development Agency Act imposes additional annual reporting requirements on the Agency, and the Applicant will be required to furnish information in connection with such reporting, as follows:

The following information must be provided for straight-lease transactions entered into or terminated during the year:

- Name, address and owner of the project; total amount of tax exemptions granted (broken out by state and local sales tax, property taxes, and mortgage recording tax); payments in lieu of taxes made; total real estate taxes on the Project prior to exemption; number of jobs created and retained, and other economic benefits realized.

**Failure to provide any of the aforesaid information will be constitute a DEFAULT under the Project documents to be entered into by the Agency and the Applicant in connection with the proposed Project.**

Please sign below to indicate that the Applicant has read and understood the above and agrees to provide the described information on a timely basis.

Name of  
Applicant: BWD GROUP LLC

Signature: *[Signature]*  
Name: Robert T. [unclear]  
Title: General Counsel  
Date: 1/20/14



**GUIDELINES FOR ACCESS TO EMPLOYMENT OPPORTUNITIES****INITIAL EMPLOYMENT PLAN**

Prior to the granting of financial assistance, the Applicant shall complete the following employment plan:

Applicant Name: BWD Group, LLC

Address: 113 South Service Road, Jericho, New York 11753

Type of Business: Insurance Services

Contact Person: Eric Blumencranz Tel. No.: 516-327-2750

Please complete the following table describing the Applicant's projected employment plan following receipt of financial assistance:

Current and Planned Occupations (provide NAICS Code for each)	Current Number Full Time Equivalent Jobs Per Occupation		Estimated Number of Full Time Equivalent Jobs in the County After Completion of the Project:		
	County	Statewide	1 year	2 years	3 years
<u>Senior Management</u>	<u>15</u>	<u>15</u>	<u>NO</u> <u>CHANGES</u>	<u>NO</u> <u>CHANGES</u>	<u>NO</u> <u>CHANGES</u>
<u>Mid-level Management</u>	<u>12</u>	<u>12</u>	<u>NO</u> <u>CHANGES</u>	<u>NO</u> <u>CHANGES</u>	<u>NO</u> <u>CHANGES</u>
<u>Account Service</u> <u>Professionals</u>	<u>114</u>	<u>114</u>	<u>NO</u> <u>CHANGES</u>	<u>NO</u> <u>CHANGES</u>	<u>NO</u> <u>CHANGES</u>
<u>Support, Staff</u>	<u>34</u>	<u>34</u>	<u>NO</u> <u>CHANGES</u>	<u>NO</u> <u>CHANGES</u>	<u>NO</u> <u>CHANGES</u>

Please indicate the number of temporary construction jobs anticipated to be created in connection with the acquisition, construction and/or renovation of the Project: 50

Please indicate the estimated hiring dates for the new jobs shown above and any special recruitment or training that will be required:

\_\_\_\_\_

\_\_\_\_\_

Are the Applicant's employees currently covered by a collective bargaining agreement?

IF YES, Union Name and Local: \_\_\_\_\_

Please note that the Agency may utilize the foregoing employment projections, among other things, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the above number of jobs, types of occupations and amount of payroll with respect to the proposed project.

Attached hereto is a true, correct and complete copy of the Applicant's most recent Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return (Form NYS-45-MN) (first page only). Upon request of the Agency, the Applicant shall provide such other or additional information or documentation as the Agency may require with respect to the Applicant's current employment levels in the State of New York.

The UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of Applicant: BWD Group LLC

Signature: *[Handwritten Signature]*  
Name: Albert T. T. T.  
Title: General Counsel  
Date: 1/20/14

**ANTI-RAIDING QUESTIONNAIRE**

(To be completed by Applicant if Applicant checked "YES" in Part I, Question Q.2 of the Application for Financial Assistance)

- A. Will the completion of the Project result in the removal of a plant or facility of Applicant, or of a proposed occupant of the Project, from an area in New York State (but outside of Nassau County) to an area within Nassau County?

YES \_\_\_\_\_

NO X \_\_\_\_\_

If the answer to Question A is YES, please provide the following information:

Address of the to-be-removed plant or facility: \_\_\_\_\_  
\_\_\_\_\_

Names of all current occupants of the to-be-removed plant or facility: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- B. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Applicant, or of a proposed occupant of the Project, located in an area of the State of New York other than in Nassau County?

YES \_\_\_\_\_

NO X \_\_\_\_\_

If the answer to Question B is YES, please provide the following information:

Addresses of the to-be-abandoned plants or facilities: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Names of all current occupants of the to-be-abandoned plants or facilities: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- C. Has the Applicant contacted the local industrial development agency at which its current plants or facilities in New York State are located with respect to the Applicant's intention to move or abandon such plants or facilities?

YES \_\_\_\_\_

NO \_\_\_\_\_

If the answer to Question C is YES, please provide details in a separate attachment.

IF THE ANSWER TO EITHER QUESTION A OR B IS "YES", ANSWER QUESTIONS D AND E.

D. Is the Project reasonably necessary to preserve the competitive position of the Applicant, or of a proposed occupant of the Project, in its industry?

YES \_\_\_\_\_

NO \_\_\_\_\_

E. Is the Project reasonably necessary to discourage the Applicant, or a proposed occupant of the Project, from removing such plant or facility to a location outside of the State of New York?

YES \_\_\_\_\_

NO \_\_\_\_\_

IF THE ANSWER TO EITHER QUESTION D OR E IS "YES", PLEASE PROVIDE DETAILS IN A SEPARATE ATTACHMENT.

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of  
Applicant:

BWD GROUP LLC

Signature:

Name:

Title:

Date:

*M. T. Davis*  
*Albert T. Davis*  
*General Counsel*  
*11/20/11*

**RETAIL QUESTIONNAIRE**

(To be completed by Applicant if Applicant checked either "YES" in Part II, Question P of the Application for Financial Assistance)

- A. Will any portion of the Project (including that portion of the cost to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making retail sales to customers who personally visit the Project?

YES   X  

NO       

For purposes of Question A, the term "retail sales" means (i) sales by a registered vendor under Article 28 of Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

- B. If the answer to Question A is YES, what percentage of the cost of the Project (including that portion of the cost to be financed from equity or other sources) will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project?

          Less than 5%          

- C. If the answer to Question A is YES, and the amount entered for Question B is greater than 33.33%, indicate whether any of the following apply to the Project:

1. Will the Project be operated by a not-for-profit corporation?

YES       

NO       

2. Is the Project likely to attract a significant number of visitors from outside the economic development region (i.e., Long Island) in which the Project is or will be located?

YES       

NO       

3. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York?

YES       

NO       

4. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services?

YES       

NO

5. Will the Project be located in one of the following: (a) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (b) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (i) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of the households receiving public assistance, and (ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates?

YES \_\_\_\_\_

NO \_\_\_\_\_

If the answer to any of the subdivisions 1 through 5 of Question C is YES, attach details.

- D. If the answer to any of the subdivisions 3 through 5 of Question C is YES, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? If YES, attach details.

YES \_\_\_\_\_

NO \_\_\_\_\_

- E. State percentage of the Applicant's annual gross revenues comprised of each of the following:

Retail Sales: \_\_\_\_\_%

Services: \_\_\_\_\_%

- F. State percentage of Project premises utilized for same:

Retail Sales: \_\_\_\_\_%

Services: \_\_\_\_\_%

The UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of

Applicant: BWD Group LLC

Signature: *[Signature]*

Name: Albert J. [Signature]

Title: General Counsel

Date: 11/20/11

**APPLICANT'S FINANCIAL ATTACHMENTS**

# BWD GROUP LLC AND AFFILIATES

## Combined Financial Statements

For the Years Ended

December 2009 and 2008



# BWD GROUP LLC AND AFFILIATES

## TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Combined Balance Sheets	2
Combined Statements of Income	3
Combined Statements of Changes in Equity and Changes in Comprehensive Income	4
Combined Statements of Cash Flows	5
Notes to Combined Financial Statements	6-11

### Independent Auditors' Report

To the Board of Directors and Members/Stockholders of  
BWD Group LLC and Affiliates

We have audited the accompanying combined balance sheets of BWD Group LLC and Affiliates as of December 31, 2009 and 2008, and the related combined statements of income, changes in equity and comprehensive income, and cash flows for the years then ended. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of BWD Group LLC and Affiliates as of December 31, 2009 and 2008, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Marks Paneth & Shron LLP*

Woodbury, NY  
April 9, 2010



**BWD GROUP LLC AND AFFILIATES**  
**Combined Balance Sheets**  
**As of December 31,**

**Assets**

**Current Assets:**

Cash and cash equivalents  
Premiums receivable  
Investments, at fair value (cost,  
Other current assets

Fixed assets, net  
Investments, at cost

**Total assets**

**Liabilities and Equity**

**Current Liabilities:**

Premiums payable  
Accounts payable and accrued expenses  
Due to members

**Total current liabilities**

Deferred rent payable

**Total liabilities**

**Equity**

**Total liabilities and equity**

The accompanying notes are an integral part of these combined financial statements.

**BWD GROUP LLC AND AFFILIATES**  
**Combined Statements of Income**  
**For the Years Ended December 31,**

**Revenues:**

Commission and fee income  
Commission expense

**Net commissions and fees**

**Investment income**

**Total revenues**

**Expenses:**

Salaries  
General and administrative  
Depreciation

**Total expenses**

**Net income**

The accompanying notes are an integral part of these combined financial statements.

**BWD GROUP LLC AND AFFILIATES**  
**Combined Statements of Changes in Equity and**  
**Changes in Comprehensive Income**  
**For the Years Ended December 31, 2008 and 2009**

	Capital and Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Equity	Total Comprehensive Income
--	--------------------------------	----------------------------------	----------------------	--	-----------------	----------------------------------

**Balance at January 1, 2008**

Net income  
Distribution to members  
Other comprehensive income:  
Unrealized appreciation of  
    investments available for sale  
Unrealized depreciation of  
    investments available for sale  
Total comprehensive income

**Balance at December 31, 2008**

Net income  
Distribution to members  
Other comprehensive income:  
Unrealized depreciation of  
    investments available for sale  
Total comprehensive income

**Balance at December 31, 2009**

The accompanying notes are an integral part of these combined financial statements.

**BWD GROUP LLC AND AFFILIATES**  
**Combined Statements of Cash Flows**  
**For the Years Ended December 31,**

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Net income		
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation		
Deferred rent		
Increase (decrease) in cash flows due to changes in operating assets and liabilities:		
Premiums receivable		
Other current assets		
Premiums payable		
Accounts payable and accrued expenses		
<b>Net cash (used in) provided by operating activities</b>		
Cash flows from investing activities:		
Purchase of equity securities and investments		
Purchase of fixed assets		
<b>Net cash used in investing activities</b>		
Cash flows from financing activities:		
Due to members		
Distribution to members/shareholders		
<b>Net cash used in financing activities</b>		
<b>Net (decrease) increase in cash and cash equivalents</b>		
Cash and cash equivalents at beginning of year		
Cash and cash equivalents at end of year		
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest		
Cash paid during the year for taxes		

The accompanying notes are an integral part of these combined financial statements.

**BWD Group LLC and Affiliates**  
**Notes to Combined Financial Statements**

**NOTE 1: GENERAL**

**Principles of Combination**

These financial statements are presented on a combined basis. The combined group is comprised of BWD Group, LLC, Fort General Agency, Inc. (formerly Blumencranz Agency, Inc.), BWD Agency, Inc. (formerly BK&W Agency, Inc.), BWD Insurance Group, LLC and BWD Group, Limited (collectively, the "Company"). The entities in the combined group are related by common ownership. All material intercompany balances and transactions have been eliminated in these combined financial statements. The Company has not determined whether some members/stockholders of the combined group would be required by United States generally accepted accounting principles to be consolidated with other members as "variable interest entity" (VIE) subsidiaries, as defined, if the financial statements only included the members/stockholders that were not considered to be subsidiaries of any of the others. In this combined presentation the requirement has been rendered moot because the entities have instead been included as members of the combined group. The difference between this treatment and consolidation of those entities considered subsidiaries, is that the owners' equity of the subsidiaries is included as part of combined owners' equity rather than as "noncontrolling" interest. The financial statements have been prepared in this manner because it is believed to present a more meaningful presentation given the closely related nature of the ownership of that both the "controlling" and "noncontrolling" equity.

**Business**

The Company is a licensed insurance broker and agent underwriting business throughout the United States. It is comprised of a multiple series operating in commercial and personal insurance, professional and corporate services, sports, entertainment and special risks, group employee benefits, and individual life and disability.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

**Fiduciary Assets and Liabilities**

In its capacity as an insurance broker or agent, the Company collects premiums from insureds and, after deducting its commissions, remits the premiums to the respective insurance underwriters. Unremitted insurance premiums are held in a fiduciary capacity until due and the Company is entitled to any investment income earned on these funds. At December 31, 2009 and 2008, the Company had approximately \$ \_\_\_\_\_ respectively, in fiduciary accounts.

**Commission and Fee Income**

Commission and fee income include insurance commissions, contingent commissions, and fees for services. Insurance commission income is recognized upon the later of the effective date or billing date of the related insurance policy. Contingent commissions and commissions on premiums billed directly by insurance carriers are recognized when known or received. Commissions on premium adjustments and policy cancellations are recognized as they occur, and fees for services are recognized when the service is performed.

**BWD Group LLC and Affiliates**  
**Notes to Combined Financial Statements**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)**

**Cash and Cash Equivalents**

Cash and cash equivalents, including funds held in a fiduciary capacity, consist primarily of money market accounts, certificates of deposit and U.S. Treasury bills, with original maturities of three months or less. Cash balances may at times exceed amounts covered by Federal Deposit Insurance Corporation ("FDIC") insurance. The Company believes that it mitigates its risk by depositing cash balances with high-quality financial institutions that it believes are financially sound. Certain non interest-bearing checking accounts are fully covered by the banks participating in the FDIC's Transaction Account Guarantee Program ("TAG Program"). The bank the Company uses for deposit of its premium receipts has elected to continue participation of the TAG Program which has been extended through June 30, 2010. The Company had approximately \_\_\_\_\_ at December 31, 2009 and 2008, respectively, in excess of FDIC insurance.

**Fixed Assets, Depreciation and Amortization**

Fixed assets are stated at cost less accumulated depreciation and amortization. Maintenance and repairs are charged to expense as incurred and improvements that extend the useful life of the assets are capitalized. Upon sale or retirement, the cost and related accumulated depreciation and amortization are removed from the respective accounts and the resulting gain or loss, if any, is reflected in income.

Depreciation of furniture and equipment is primarily provided on the straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized on a straight-line basis over the periods covered by the applicable leases or their useful life, whichever is shorter.

**Investments**

At December 31, 2009, certain investments are classified as available-for-sale. Available-for-sale equity securities are carried at market value with unrealized appreciation or depreciation reflected as a component of accumulated other comprehensive income (loss) in equity. Interest and dividends on investments classified as available-for-sale are included in investment income and are recognized when earned. Realized gains and losses and declines in value judged to be other than temporary on available-for-sale investments are reflected as a component of net income. The Company also owns stock with a cost of \_\_\_\_\_ in an insurance company that is not publicly traded and is considered restricted and accordingly, is presented at its historical cost in the accompanying combined financial statements.

If a decline in fair value of an investment is considered to be other than temporary, the investment is reduced to its net realizable value and the reduction is accounted for as a realized investment loss. In evaluating whether a decline is other than temporary, management considers the duration and the extent to which the market value has been less than cost, the financial condition and near-term prospects of the issuer and management's ability and intent to hold an investment for a sufficient period of time to allow for an anticipated recovery in value.

The Company accounts for net unrealized investment gains or losses on available-for-sale securities, which were previously reported directly in equity in accumulated other comprehensive income (loss) in the combined balance sheet and as a component of comprehensive income (loss), which is included in the combined statement of changes in equity and comprehensive income (loss).



**BWD Group LLC and Affiliates**  
**Notes to Combined Financial Statements**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)**

**Fair Value Measurements**

Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 6.

**Income Taxes**

Income taxes have not been provided for in the accompanying combined financial statements since each of the combined companies operate as either a limited liability company or S corporation under the Internal Revenue Code. Accordingly, the taxable income of the Company is not subject to taxes at the corporate level, but is includable in the taxable income of the individual members/stockholders. State franchise taxes included in general and administrative expenses amounted to approximately for the years ended December 31, 2009 and 2008, respectively.

Effective January 1, 2009, the Company adopted the provisions of FASB Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainties in Income Taxes – an interpretation of FASB Statement No. 109," now incorporated in ASC 740, which provide standards for establishing and classifying any tax provisions for uncertain tax positions and recognizing any interest and penalties. The adoption of FIN 48 did not have a material effect on the Company's financial position as of January 1, 2009 or the Company's results of operations and cash flows for the year ended December 31, 2009. The Company's policy is to recognize accrued interest and penalties related to unrecognized tax benefits as income tax expense. The Company is no longer subject to federal or state and local income tax examinations by tax authorities for years before 2006.

**Additional Paid-in Capital and Retained Earnings**

Capital contributions by limited liability company ("LLC") members are credited as additional paid-in-capital when contributed for other than the issuance of capital stock. Income and loss is recorded as changes in retained earnings. Distributions to LLC members are charged to retained earnings when sufficient earnings exist, otherwise to additional paid-in capital.

**Estimates**

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates relate to the reliability of premiums receivable, long-lived assets and useful lives. Actual results could differ from those estimates.

**BWD Group LLC and Affiliates**  
**Notes to Combined Financial Statements**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)**

**Long-Lived Assets**

The Company assesses the recoverability of the carrying values of long-lived assets by evaluating the future cash flows (undiscounted and without interest charges) expected to be realized from the use of the asset and its eventual disposition. If the sum of the expected future cash flows from an asset is less than the carrying value, an impairment loss will be recognized.

**Advertising Expenses**

Advertising costs primarily of print media are expensed when the related advertising occurs. Advertising expense was approximately \_\_\_\_\_ in 2009 and 2008, respectively. These amounts are included in general and administrative expenses.

**Concentration of Credit Risk**

The Company believes concentration of credit risk with respect to premiums receivable is limited due to the large number of customers comprising the Company's customer base and their dispersion across geographic areas. The Company performs ongoing credit evaluations of its customers' financial condition and generally does not require collateral. As of and for the years ended December 31, 2009 and 2008, no one customer represented more than \_\_\_\_\_ of accounts receivable or total revenues.

**Subsequent Events**

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the combined balance sheet through April 9, 2010, the date the combined financial statements were available to be issued. See Note 8.

**NOTE 3: FIXED ASSETS**

Fixed assets consist of the following:

	Estimated Useful Lives (Years)	2009	2008
Automobiles	5		
Computers	5		
Furniture	7		
Leasehold improvements	10		

Less: Accumulated depreciation and amortization

Depreciation expense for the years ended December 31, 2009 and 2008 was \_\_\_\_\_ and \_\_\_\_\_ respectively.

**BWD Group LLC and Affiliates**  
**Notes to Combined Financial Statements**

**NOTE 4: COMMITMENTS AND CONTINGENCIES**

**Leases**

The Company leases office facilities, under non cancelable operating leases. In addition to the base rental costs, occupancy lease agreements generally provide for rent escalations resulting from increased assessments for real estate taxes and other charges.

In January 1999, the Company entered into a new lease for office space effective July 1999, which expires March 31, 2010. The lease contains two successive renewal options of five-year periods. Rent expense under the lease is being recognized on a straight-line basis over the lease term. At December 31, 2009 and 2008, cumulative rent expense exceeded cumulative payments by \_\_\_\_\_ respectively. This difference is recorded as deferred rent payable in the accompanying balance sheets.

During 2006, the Company entered into a new lease for office space in Pennsylvania effective October 2006, which expires January 5, 2012.

At December 31, 2009, aggregate future minimum rental commitments under all non-cancelable operating lease agreements are as follows:

Years ending December 31,

2010
2011

In February 2010, the Company extended the lease for its New York office space to September 20, 2011. See note 8.

The accompanying combined statements of income include rent expense and real estate taxes, included in general and administrative expenses, for the years ended December 31, 2009 and 2008 of \_\_\_\_\_ respectively.

**NOTE 5: SAVINGS AND RETIREMENT PLANS**

The Company has a tax-deferred savings plan in compliance with Section 401(k) of the Internal Revenue Code (the "401k Plan") and a retirement plan (the "Retirement Plan"). Both the 401k Plan and the Retirement Plan are available to all eligible employees. Under the terms of the 401k Plan, participants may elect to contribute up to the maximum allowed by law with no matching or other contributions by the Company. The Retirement Plan is noncontributory by employees, with the Company making an annual discretionary contribution. Accrued expense was approximately \_\_\_\_\_ in 2009 and 2008, respectively.

**BWD Group LLC and Affiliates**  
**Notes to Combined Financial Statements**

**NOTE 6: FAIR VALUE MEASUREMENTS**

The fair value hierarchy defines three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives lowest priority to Level 3 inputs.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs, to the extent possible, as well as considers counterparty credit risk (or other parties such as Counterparty in a swap) in its assessment of fair value.

Financial assets and liabilities carried at fair value at December 31, 2009 are classified in the table in one of the three levels as follows:

	Level 1	Level 2	Level 3	TOTAL
ASSETS CARRIED AT FAIR VALUE:				
Investments				
Equity Securities				
TOTAL ASSETS AT FV				

**NOTE 7: Due to Members**

In 2008, the Company had a loan payable to the members in the amount of                      The loan bears interest at a rate of                      and is due on demand. As of December 31, 2009 the loan payable balance is                     

**NOTE 8: Subsequent Events**

On January 15, 2010, the Company signed a lease modification agreement extending the expiration date of the lease. Effective March 31, 2010, the lease is extended to September 30, 2011.

Schedule G

**ENVIRONMENTAL ASSESSMENT FORM**

## Appendix C

## State Environmental Quality Review

## SHORT ENVIRONMENTAL ASSESSMENT FORM

For UNLISTED ACTIONS Only

## PART I - PROJECT INFORMATION (To be completed by Applicant or Project Sponsor)

1. APPLICANT/SPONSOR BWD GROUP LLC	2. PROJECT NAME 45 EXECUTIVE PLAZA
3. PROJECT LOCATION: Municipality Plainview County Nassau	
4. PRECISE LOCATION (Street address and road intersections, prominent landmarks, etc., or provide map) 45 Executive Plaza, Plainview, New York	
5. PROPOSED ACTION IS: <input type="checkbox"/> New <input type="checkbox"/> Expansion <input checked="" type="checkbox"/> Modification/alteration	
6. DESCRIBE PROJECT BRIEFLY: Renovation of 65,000 square foot vacant office facility - interior alterations only	
7. AMOUNT OF LAND AFFECTED: Initially 2.31 acres Ultimately 2.31 acres	
8. WILL PROPOSED ACTION COMPLY WITH EXISTING ZONING OR OTHER EXISTING LAND USE RESTRICTIONS? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe briefly	
9. WHAT IS PRESENT LAND USE IN VICINITY OF PROJECT? Describe: <input type="checkbox"/> Residential <input checked="" type="checkbox"/> Industrial <input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Agriculture <input type="checkbox"/> Park/Forest/Open Space <input type="checkbox"/> Other	
10. DOES ACTION INVOLVE A PERMIT APPROVAL, OR FUNDING, NOW OR ULTIMATELY FROM ANY OTHER GOVERNMENTAL AGENCY (FEDERAL, STATE OR LOCAL)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, list agency(s) name and permit/approvals: Nassau County Industrial Development Agency	
11. DOES ANY ASPECT OF THE ACTION HAVE A CURRENTLY VALID PERMIT OR APPROVAL? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, list agency(s) name and permit/approvals:	
12. AS A RESULT OF PROPOSED ACTION WILL EXISTING PERMIT/APPROVAL REQUIRE MODIFICATION? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE TO THE BEST OF MY KNOWLEDGE Applicant/sponsor name: BWD Group LLC Date: 1/ /11/ Signature: <i>[Signature]</i> <i>[Signature]</i>	

If the action is in the Coastal Area, and you are a state agency, complete the Coastal Assessment Form before proceeding with this assessment

**PART II - IMPACT ASSESSMENT (To be completed by Lead Agency)**

A. DOES ACTION EXCEED ANY TYPE I THRESHOLD IN 6 NYCRR, PART 617.4? If yes, coordinate the review process and use the FULL EAF.

☐ Yes ☐ No

B. WILL ACTION RECEIVE COORDINATED REVIEW AS PROVIDED FOR UNLISTED ACTIONS IN 6 NYCRR, PART 617.6? If No, a negative declaration may be superseded by another involved agency.

☐ Yes ☐ No

C. COULD ACTION RESULT IN **ANY** ADVERSE EFFECTS ASSOCIATED WITH THE FOLLOWING: (Answers may be handwritten, if legible)

C1. Existing air quality, surface or groundwater quality or quantity, noise levels, existing traffic pattern, solid waste production or disposal, potential for erosion, drainage or flooding problems? Explain briefly:

C2. Aesthetic, agricultural, archaeological, historic, or other natural or cultural resources; or community or neighborhood character? Explain briefly:

C3. Vegetation or fauna, fish, shellfish or wildlife species, significant habitats, or threatened or endangered species? Explain briefly:

C4. A community's existing plans or goals as officially adopted, or a change in use or intensity of use of land or other natural resources? Explain briefly:

C5. Growth, subsequent development, or related activities likely to be induced by the proposed action? Explain briefly:

C6. Long term, short term, cumulative, or other effects not identified in C1-C5? Explain briefly:

C7. Other impacts (including changes in use of either quantity or type of energy)? Explain briefly:

D. WILL THE PROJECT HAVE AN IMPACT ON THE ENVIRONMENTAL CHARACTERISTICS THAT CAUSED THE ESTABLISHMENT OF A CRITICAL ENVIRONMENTAL AREA (CEA)?

☐ Yes ☐ No If Yes, explain briefly:

E. IS THERE, OR IS THERE LIKELY TO BE, CONTROVERSY RELATED TO POTENTIAL ADVERSE ENVIRONMENTAL IMPACTS?

☐ Yes ☐ No If Yes, explain briefly:

**PART III - DETERMINATION OF SIGNIFICANCE (To be completed by Agency)**

**INSTRUCTIONS:** For each adverse effect identified above, determine whether it is substantial, large, important or otherwise significant. Each effect should be assessed in connection with its (a) setting (i.e. urban or rural); (b) probability of occurring; (c) duration; (d) irreversibility; (e) geographic scope; and (f) magnitude. If necessary, add attachments or reference supporting materials. Ensure that explanations contain sufficient detail to show that all relevant adverse impacts have been identified and adequately addressed. If question D of Part II was checked yes, the determination of significance must evaluate the potential impact of the proposed action on the environmental characteristics of the CEA.

☐ Check this box if you have identified one or more potentially large or significant adverse impacts which **MAY** occur. Then proceed directly to the FULL EAF and/or prepare a positive declaration.

☐ Check this box if you have determined, based on the information and analysis above and any supporting documentation, that the proposed action **WILL NOT** result in any significant adverse environmental impacts **AND** provide, on attachments as necessary, the reasons supporting this determination

1/ /11

\_\_\_\_\_  
Name of Lead Agency

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print or Type Name of Responsible Officer in Lead Agency

\_\_\_\_\_  
Title of Responsible Officer

\_\_\_\_\_  
Signature of Responsible Officer in Lead Agency

\_\_\_\_\_  
Signature of Preparer (If different from responsible officer)

Reset

**OTHER ATTACHMENTS****OTHER ATTACHMENTS**

***Part I. P. Has the Applicant considered moving to another state or another location within New York State? If YES, explain circumstances:***

In addition to its facility in Jericho, Applicant presently has a facility in Bluebell, Pennsylvania and due to the national scope of its business, it can potentially relocate to any number of places if the cost of doing business within New York continues to remain financially unfeasible. At present, Applicant has considered relocating to various locations including Plymouth Meeting, Pennsylvania, a consolidation with its existing office in Bluebell, Pennsylvania and several locations within Nassau County and Suffolk County. Applicant would prefer to stay within the greater New York area given the company's long history here and its proximity to many of its New York customers; however, the high costs of taxes and wages in New York will continue to present a fiscal challenge for the Applicant without the Agency's financial assistance.

***Part I. S. Attach a brief history of the Applicant and its business/operations.***

Founded in 1929, Applicant has grown from a small, family-owned insurance brokerage firm based in New York into one of the largest privately held boutique brokerage firms in the United States. Applicant provides a comprehensive range of innovative insurance products, risk management services and benefit programs for a diverse and distinguished clientele across the country and around the world. Known throughout the insurance industry as the worldwide leader in sports and entertainment insurance, Applicant has also achieved international recognition for its expertise and capabilities in commercial and personal lines, individual and employee benefits, financial planning, consulting, program administration and claims services. Applicant's clients include, among others, Time Warner, Conde Nast, Hearst Publishing, Shop-Rite, Major League Baseball, the National Basketball Association, and the National Hockey League.

Applicant's professional staff is comprised of insurance experts, including those with legal and business backgrounds. Applicant has ongoing recruitment and staff development programs to ensure its employees have the education, training and experience necessary to provide clients with a higher level of service in both domestic and international markets. Applicant has ongoing relationships with insurance companies, underwriters and other industry professionals that allow risk management strategies to be provided to clients with national and international exposures.

Applicant's key executives and team leaders travel from their headquarters in Jericho to represent their clients' worldwide interests and provide on-the-spot assessment and support anywhere in the world.

***Part II. B. Briefly describe the proposed Project, the reasons why the Project is necessary to the Applicant and why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations:***

Applicant seeks to relocate its corporate headquarters to the aforesaid building located at 45 Executive Plaza, Plainview, New York, a newly renovated 65,000 +/- sq. ft. corporate campus-like facility that will attract new, young, quality employees to allow for continued growth of Applicant's business. As mentioned above, Applicant has searched both out-of-state and in-state and has considered several possible locations within



Nassau County and Suffolk County, including Melville, Plainview, and Glen Cove but so far has been unable to locate a suitable site. However, despite Applicant's desire to remain in Long Island, because of the unique character of Applicant's business as a national insurance broker it has the ability to relocate its headquarters potentially anywhere within the United States.

Because of Applicant's continued growth, the proposed Project is necessary to the Applicant because it has outgrown its current facility which necessitates that Applicant relocate to a larger facility. In order to stay competitive in its field, Applicant must continue to expand its business. The current headquarters in Jericho will be unable to provide the needed flexibility to accommodate the anticipated expansion of the Applicant in addition to lacking the necessary amount of parking spaces. Applicant has grown from 104 employees to approximately 175 within eight years and desires to add a larger sales force over the next couple of years to continue to compete with its out-of-state competitors.

The Agency's assistance is necessary because even though Applicant would prefer to remain in Long Island, the Agency's financial assistance is necessary to compensate for the high price of doing business on Long Island. Applicant's main competitor in the sports insurance business is located in the state of Indiana where the cost of living and doing business is much less than in Long Island. Applicant's current average annual salary is in excess of \$90,000 and the high cost of living on Long Island is forcing Applicant to pay just as much to its employees as if operated in Manhattan. For this reason, despite Applicant's desire to remain in Long Island, it elected to open the above mentioned office in Bluebell because of the high overhead costs of operating its business in the greater New York area as compared to low cost of doing business in Pennsylvania. The Pennsylvania location has been attracting a greater number of applicants with greater credentials at this facility due to the location's lower cost of living. Relocating Applicant's headquarters operation to the Bluebell facility is an attractive option to Applicant if it is unable to obtain financial assistance from the Agency.

Applicant must also contend with the unknown resolution of the current national health care debate. Health insurance is one-third of the Applicant's business. A national policy change could affect Applicant's business and Applicant intends to grow in other areas of its business to protect against any potential negative effects of a national policy change. Additionally, since the commercial insurance market as a whole is down right now, it is harder for the Applicant to grow because of Long Island's higher costs of doing business. However, upon securing of the Agency's benefits, and moving into the proposed facility, the unique nature of Applicant's business would allow for further growth without cannibalizing smaller insurers on Long Island.

***Part II. C. If the Applicant is unable to arrange financing for the Project, what will be the impact on the Applicant and Nassau County? Would the Applicant proceed with the Project without Agency financing or other Agency assistance? Describe.***

Applicant initially applied for Agency benefits in May, 2007. In the almost four years since, we have been working closely with representatives of the Agency in the form of meetings and numerous discussions, including most recently a meeting with Agency counsel in May, 2010. These meetings have discussed alternative locations in Nassau County for the relocation of Applicant's business. Applicant now feels that the Project would be the best option, provided that the Agency provides the requested financial incentives for the purpose of retaining Applicant's competitive position within their industry. With the high cost of taxes, wages, utilities and labor, the incentives are necessary for Applicant's operations to remain competitive in a highly competitive industry (as mentioned above, many of Applicant's competitors are based in other states with lower taxes and lower costs of doing business).

If the Applicant is unable to obtain assistance from the Agency, the Applicant would be forced to move its existing operation to facilities located outside the state, likely to its existing location in Bluebell, Pennsylvania.

Presently, the Applicant holds a strong position in the highly competitive business of insurance brokerage, however, it is questionable whether the Applicant will be able to maintain its position in an increasingly competitive industry without the requested assistance from the Agency. Benefits received from the Agency will assist in helping to lessen the sizeable gap in expenses that exists between the greater New York area and alternatives outside the state.

If the Agency denies the Applicant financial assistance, the impact on the County would be substantial in that the County would not receive the numerous benefits associated with the Project including the increase in property tax revenue, an increase in the number of high-paying jobs within the County (and their associated "multiplier" economic effects) and helping to stem the continuing loss of such jobs to locations outside the County and State. The County would also lose the benefit to be gained from having full-time equivalent construction jobs created as a result of the renovation or the proposed facility.

**Part II. Item Q. *Describe the social and economic conditions in the community where the Project site is or will be located and the impact of the proposed Project on the community (including impact on infrastructure, transportation, fire and police and other government-provided services):***

The immediate area where the Project is located is just off the south service road of the Long Island Expressway, and is in an area which contains almost exclusively industrial and commercial properties. There are numerous benefits for the community as has been set forth above, including an increase in property tax revenues, increases in sales tax revenues, the economic multiplier effects of the high-paying jobs moving to the community and having a building which had been vacant becoming occupied. In addition, there are significant benefits to the larger community, as the applicant has a national business and brings revenue to the County that would otherwise be drawn off Long Island. The impact on government-provided services is expected to be minimal and substantially similar to services provided at their current location in Jericho.