

Nassau Steel, LLC Tax Deviation Resolution

A regular meeting of the Nassau County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency at 1550 Franklin Avenue, Suite 235, Mineola, Nassau County, New York, on September 8, 2011, at 5:00 p.m. local time.

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

PRESENT:

Jeffrey L. Seltzer	Chairman
Gary Weiss	Secretary
Christopher Fusco	Asst. Secretary
Bruce Ungar	Treasurer

ABSENT:

THE FOLLOWING ADDITIONAL PERSONS WERE PRESENT:

Joseph J. Kearney	Executive Director (by phone)
Colleen Pereira	Administrative Director
Joseph Foarile	Chief Financial Officer
Mary Dolan Grippo	Chief Marketing Officer
Edward Ambrosino, Esq.	General Counsel
Paul O'Brien, Esq.	Bond/Transaction Counsel
Milan Tyler, Esq.	Bond/Transaction Counsel

The attached resolution no. 2011-34 was offered by J. Seltzer, seconded by C. Fusco:

Resolution No. 2011-34

RESOLUTION AUTHORIZING A DEVIATION FROM THE UNIFORM
TAX EXEMPTION POLICY OF THE NASSAU COUNTY
INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT
TO A PROJECT FOR NASSAU STEEL, 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, Nassau Steel, LLC, a limited liability company duly organized and existing under the laws of the State of Delaware and qualified to do business as a foreign limited liability company in the State of New York (the "Applicant"), presented an application for financial assistance (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 or interests in an approximately 94.72 acre parcel of land located at 999 South Oyster Bay Road, Bethpage, Town of Oyster Bay, County of Nassau, New York (Section: 46; Block: G; Lots: 98 and 100) (collectively, the "Land"), (2) the repair and restoration of the base building systems and infrastructure of the existing approximately 1,200,000 square foot building complex on the Land (collectively, the "Building"), which is limited to repairs of roofing, flooring, electrical and plumbing components and asbestos compliance work, together with related infrastructure improvements to the Land, all to bring the Building into compliance with building code regulations; and (3) consistent with item (2) above, the acquisition and installation therein and thereon of certain fixtures, machinery and equipment related to the repair and restoration of the Building and related improvements to the Land (the "Equipment" and together with the Land and the Building, collectively, the "Project

Facility”); (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including exemptions or partial exemptions from real property taxes, sales and use taxes and mortgage recording taxes; and (C) 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

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 August 26, 2011 (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 September 8, 2011 (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 THE 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 the real property taxes would not be decreased below their current levels.

Section 3. The Chairman, Vice Chairman 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 final approving resolutions with respect to the proposed straight-lease transaction with the Applicant (the “Transaction”), the Chairman, Vice Chairman and Executive 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 tax 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: September 8, 2011

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

Jeffrey L. Seltzer	VOTING	Aye
Gary Weiss	VOTING	Aye
Bruce Ungar	VOTING	Aye
Christopher Fusco	VOTING	Aye

The foregoing Resolution was thereupon declared duly adopted.

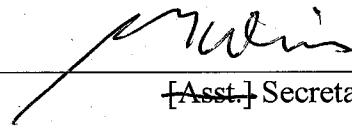
STATE OF NEW YORK)
)SS.:
COUNTY OF NASSAU)

I, the undersigned (~~Assistant~~) Secretary of Nassau County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the resolution contained therein, held on September 8, 2011 with the original and of such resolution set forth therein and of the whole of such original so far as the same relates to the subject matters therein referred to.

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

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 9th day of September, 2011.



~~Asst.~~ Secretary

(SEAL)

EXHIBIT A

Pilot Deviation Notice Letter

See Attached

EDWARD P. MANGANO
COUNTY EXECUTIVE



JOSEPH J. KEARNEY
EXECUTIVE DIRECTOR

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

August 26, 2011

CERTIFIED MAIL, RETURN
RECEIPT REQUESTED and
FIRST CLASS MAIL

County Executive Edward Mangano
County of Nassau
1550 Franklin Avenue
Mineola, NY 11501

NOTICE OF PROPOSED DEVIATION FROM
UNIFORM TAX EXEMPTION POLICY

Dear County Executive Mangano:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on September 8, 2011 at 5:00 p.m. local time at the offices of the Agency at 1550 Franklin Avenue, Suite 235, Mineola, New York, the Agency will consider whether to approve the application of Nassau Steel, LLC, a limited liability company organized and existing under the laws of the State of Delaware and qualified to do business in the State of New York as a foreign limited liability company (the "Applicant"), for certain "financial assistance" which, if granted, would deviate from the Agency's Uniform Tax Exemption Policy (the "Policy") with respect to the payment of real property taxes. The meeting of the Agency will be open to the public.

The Applicant has submitted an application (the "Application") to the Agency requesting that the Agency consider undertaking a project consisting of the following: (A)(1) the acquisition of an interest or interests in an approximately 94.72 acre parcel of land located at 999 South Oyster Bay Road, Bethpage, Town of Oyster Bay, County of Nassau, New York (Section: 46;

Block: G; Lots: 98 and 100) (collectively, the "Land"), (2) the repair and restoration of the base building systems and infrastructure of the existing approximately 1,200,000 square foot building complex on the Land (collectively, the "Building"), which is limited to repairs of roofing, flooring, electrical and plumbing components and asbestos compliance work, together with related infrastructure improvements to the Land, all to bring the Building into compliance with building code regulations; and (3) consistent with item (2) above, the acquisition and installation therein and thereon of certain fixtures, machinery and equipment related to the repair and restoration of the Building and related improvements to the Land (the "Equipment" and together with the Land and the Building, collectively, the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including exemptions or partial exemptions from real property taxes, sales and use taxes and mortgage recording taxes; and (C) 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.

Based upon preliminary negotiations between representatives of the Applicant and the Agency, the parties contemplate that the Agency may agree to grant an approximately forty (40) year real property tax exemption (the "Property Tax Exemption") with respect to the Project Facility, as follows:

<u>Years</u>	<u>PILOT Payment Calculation</u>
1-3	\$0
4-10	The greater of 5% of the gross income of the Project Facility ("Gross Income") <u>or</u> \$100,000 (the "Base Amount"; which Base Amount shall increase by 2% per year (compounded) each year after Year 4)
11-15	The greater of 7.5% of Gross Income <u>or</u> the Base Amount (as escalated)
16-20	The greater of 10% of Gross Income <u>or</u> the Base Amount (as escalated)
21-25	The greater of 12.5% of Gross Income <u>or</u> the Base Amount (as escalated)
26-30	The greater of 15% of Gross Income <u>or</u> the Base Amount (as escalated)
31-40	The greater of 17.5% of Gross Income <u>or</u> the Base Amount (as escalated)

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

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

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

Sincerely,

NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 

Joseph J. Kearney
Executive Director

**EDWARD P. MANGANO
COUNTY EXECUTIVE**



**JOSEPH J. KEARNEY
EXECUTIVE DIRECTOR**

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August 26, 2011

**CERTIFIED MAIL, RETURN
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Superintendent Terrence Clark
Bethpage Union Free School District
10 Cherry Avenue
Bethpage, NY 11714

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

Dear Superintendent Clark:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on September 8, 2011 at 5:00 p.m. local time at the offices of the Agency at 1550 Franklin Avenue, Suite 235, Mineola, New York, the Agency will consider whether to approve the application of Nassau Steel, LLC, a limited liability company organized and existing under the laws of the State of Delaware and qualified to do business in the State of New York as a foreign limited liability company (the "Applicant"), for certain "financial assistance" which, if granted, would deviate from the Agency's Uniform Tax Exemption Policy (the "Policy") with respect to the payment of real property taxes. The meeting of the Agency will be open to the public.

The Applicant has submitted an application (the "Application") to the Agency requesting that the Agency consider undertaking a project consisting of the following: (A)(1) the acquisition of an interest or interests in an approximately 94.72 acre parcel of land located at 999 South Oyster Bay Road, Bethpage, Town of Oyster Bay, County of Nassau, New York (Section: 46; Block: G; Lots: 98 and 100) (collectively, the "Land"), (2) the repair and restoration of the base building systems and infrastructure of the existing approximately 1,200,000 square foot building

complex on the Land (collectively, the "Building"), which is limited to repairs of roofing, flooring, electrical and plumbing components and asbestos compliance work, together with related infrastructure improvements to the Land, all to bring the Building into compliance with building code regulations; and (3) consistent with item (2) above, the acquisition and installation therein and thereon of certain fixtures, machinery and equipment related to the repair and restoration of the Building and related improvements to the Land (the "Equipment" and together with the Land and the Building, collectively, the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including exemptions or partial exemptions from real property taxes, sales and use taxes and mortgage recording taxes; and (C) 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.

Based upon preliminary negotiations between representatives of the Applicant and the Agency, the parties contemplate that the Agency may agree to grant an approximately forty (40) year real property tax exemption (the "Property Tax Exemption") with respect to the Project Facility, as follows:

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Sincerely,

NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 

Joseph J. Kearney
Executive Director

**EDWARD P. MANGANO
COUNTY EXECUTIVE**



**JOSEPH J. KEARNEY
EXECUTIVE DIRECTOR**

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August 26, 2011

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

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

Dear Supervisor Venditto:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on September 8, 2011 at 5:00 p.m. local time at the offices of the Agency at 1550 Franklin Avenue, Suite 235, Mineola, New York, the Agency will consider whether to approve the application of Nassau Steel, LLC, a limited liability company organized and existing under the laws of the State of Delaware and qualified to do business in the State of New York as a foreign limited liability company (the "Applicant"), for certain "financial assistance" which, if granted, would deviate from the Agency's Uniform Tax Exemption Policy (the "Policy") with respect to the payment of real property taxes. The meeting of the Agency will be open to the public.

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Sincerely,

NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 

Joseph J. Kearney
Executive Director