

Baruch 1050 Realty PILOT Approval 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 May 23, 2012, at 9:30 a.m. local time.

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

PRESENT:

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

ABSENT:

Gary Weiss	Secretary
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THE FOLLOWING ADDITIONAL PERSONS WERE PRESENT:

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

The attached resolution no. 2012-16 was offered by T. Williams, seconded by J. Coumatos:

Resolution No. 2012-16

RESOLUTION AUTHORIZING A DEVIATION FROM THE UNIFORM
TAX EXEMPTION POLICY OF THE NASSAU COUNTY
INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT
TO A PROJECT FOR AMBER COURT ASSISTED LIVING, LLC AND
BARUCH 1050 REALTY LLC AND THEIR AFFILIATES

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, AMBER COURT ASSISTED LIVING LLC ("Amber") and, BARUCH 1050 REALTY LLC ("Baruch" and together with Amber, collectively, the "Applicant"), each a limited liability company organized and existing under the laws of the State of New York, presented an application (the "Application") requesting that the Agency undertake a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in an approximately 0.47 acre parcel of land located at 25 Shames Drive, Village of Westbury, Town of Oyster Bay, County of Nassau, New York (Section: 11; Block: B; Lot: 1050) (collectively, the "Land"), (2) the construction of an approximately 29,400 square foot structure on the Land (collectively, the "Building"), together with related improvements to the Land, and (3) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the "Equipment"), all of the foregoing for use as an assisted living residential facility (collectively, the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions or partial exemptions from sales and use taxes, mortgage recording taxes and real property taxes (but not including special assessments and ad

valorem levies) (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase), license or sale of the Project Facility to Baruch or such other entity as may be designated by the Applicant and agreed upon by the Agency and the sublease thereof to Amber 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 May 9, 2012 (the “Pilot Deviation Notice Letter”) to be mailed to the chief executive officer of each affected tax jurisdiction, informing said individuals that the Agency would, at its meeting on May 23, 2012 (the “IDA Meeting”), consider a proposed deviation from the Tax Exemption Policy with respect to the payment in lieu of taxes agreement to be entered into by the Agency with respect to the Project Facility; and (B) conducted the IDA Meeting on the date hereof and reviewed any written comments and correspondence received from the affected tax jurisdictions with respect to the proposed deviation from the Tax Exemption Policy; and

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

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

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

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

Section 3. The Chairman, Vice Chairman, Executive Director and Administrative Director of the Agency are each hereby authorized and directed, acting individually or jointly, to distribute copies of this Resolution to the Applicant and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution. If the Agency hereafter adopts appropriate final approving resolutions with respect to the proposed straight-lease transaction with the Applicant (the

“Transaction”), the Chairman, Vice Chairman, Executive Director and Administrative Director of the Agency are each hereby authorized and directed, acting individually or jointly, to cause the Agency to (A) enter into a Payment in Lieu of Taxes Agreement with the Applicant providing, among other things, that the Applicant shall make payments in lieu of taxes consistent with the formula set forth in the Pilot Deviation Notice Letter, and (B) file an application for real property tax exemption with the appropriate assessor(s) with respect to the Project Facility.

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

ADOPTED: May 23, 2012

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

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

The foregoing Resolution was thereupon declared duly adopted.

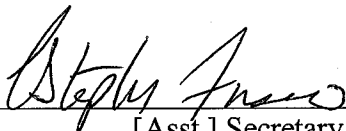
STATE OF NEW YORK)
)SS.:
COUNTY OF NASSAU)

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 May 23, 2012 with the original and of such resolution set forth therein and of the whole of such original so far as the same relates to the subject matters therein referred to.

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

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

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



[Asst.] Secretary

(SEAL)

EXHIBIT A

Pilot Deviation Notice Letter

See Attached

EDWARD P. MANGANO
COUNTY EXECUTIVE



JOSEPH J. KEARNEY
EXECUTIVE DIRECTOR

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

May 9, 2012

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

Superintendent Henry L. Grishman
Jericho Union Free School District
99 Cedar Swamp Road
Jericho, NY 11753

**NOTICE OF RE-ISSUANCE OF
NOTICE OF PROPOSED DEVIATION FROM
UNIFORM TAX EXEMPTION POLICY**

Dear Superintendent Grishman:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on May 23, 2012 at 9:30 a.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 Amber Court Assisted Living LLC, a limited liability company organized and existing under the laws of the State of New York (the "Applicant") for certain "financial assistance" which, if granted, would deviate from the Agency's Uniform Tax Exemption Policy (the "Policy") with respect to the payment of real property taxes. You may attend the meeting, which will be open to the public, address the Agency and/or submit correspondence prior to the meeting.

The Applicant has submitted an application (the "Application") to the Agency requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in an approximately 0.47 acre parcel of land located at 3500 Brush

Hollow Road, Westbury, Town of Oyster Bay, County of Nassau, New York (Section: 11; Block: B; Lot: 1050) (collectively, the "Land"), (2) the construction of an approximately 29,400 square foot structure on the Land (collectively, the "Building"), together with related improvements to the Land, and (3) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the "Equipment"), all of the foregoing for use as an assisted living residential facility (collectively, the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions or partial exemptions from sales and use taxes, mortgage recording taxes and real property taxes (but not including special assessments and ad valorem levies) (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase), license or sale of the Project Facility to Baruch 1050 Realty LLC ("Baruch"), an affiliate of the Applicant, or such other entity as may be designated by the Applicant and agreed upon by the Agency and the sublease thereof to the Applicant or an affiliate of the Applicant.

The Application states that the Applicant is seeking an abatement of real property taxes. However, based upon preliminary negotiations between representatives of the Applicant and the Agency, the parties contemplate that the Agency may agree to grant a real property tax exemption (the "Property Tax Exemption") with respect to the Project Facility as follows:

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

(ii) for the period commencing on the Effective Date and continuing for ten (10) full fiscal tax years thereafter, fixed payments equal to the sum of the BASE PILOT and the IMPROVEMENT PILOT.

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

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

(a) "BASE PILOT" shall be deemed to mean the amount of all real property taxes and assessments that would be payable on the Land based on the most recent assessment data available to the Agency as of the Closing Date. Except as set forth in the immediately preceding

sentence, the BASE PILOT shall not increase or decrease during the term of the PILOT Agreement. The BASE PILOT shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay to the affected tax jurisdictions.

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

(c) "Effective Date" shall be deemed to mean for each affected tax jurisdiction the first day of the first fiscal tax year occurring after the first tax status date occurring after the Scheduled Completion Date. The Scheduled Completion Date shall be as set forth in the Application unless otherwise determined by the Agency.

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

The reason for the deviation is that the Property Tax Exemption, if approved by the Agency, is necessary to induce the Applicant to undertake the Project and that the PILOT payments would not be lower than the real property taxes that would otherwise apply with respect to the Land using the most recent assessment data available to the Agency.

Sincerely,

NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 

Joseph J. Kearney
Executive Director

Exhibit A

Period	Begin	End	Assessed Value of Improvement ("AV")	PILOT RATE
1	Closing Date	1 day prior to Effective Date	N/A	N/A
2	Effective Date	1 yr Anniversary of Effective Date	.00 * AV	SUM OF TAX RATES AS OF YEAR OF CLOSING ("RATE")
3	1 yr Anniversary of Effective Date	2 yr Anniversary of Effective Date	.10 * AV	RATE
4	2 yr Anniversary of Effective Date	3 yr Anniversary of Effective Date	.20 * AV	RATE
5	3 yr Anniversary of Effective Date	4 yr Anniversary of Effective Date	.30 * AV	RATE * 1.03
6	4 yr Anniversary of Effective Date	5 yr Anniversary of Effective Date	.40 * AV	RATE * 1.0609
7	5 yr Anniversary of Effective Date	6 yr Anniversary of Effective Date	.50 * AV	RATE * 1.0927
8	6 yr Anniversary of Effective Date	7 yr Anniversary of Effective Date	.60 * AV	RATE * 1.1255
9	7 yr Anniversary of Effective Date	8 yr Anniversary of Effective Date	.70 * AV	RATE * 1.1593
10	8 yr Anniversary of Effective Date	9 yr Anniversary of Effective Date	.80 * AV	RATE * 1.1941
11	9 yr Anniversary of Effective Date	10 yr Anniversary of Effective Date	.90 * AV	RATE * 1.2299
Period	BASE PILOT	IMPROVEMENT PILOT	TOTAL PILOT	
1	100 % of taxes as of year of Closing	100 % of taxes as of year of Closing	BASE PILOT + IMPROVEMENT PILOT	
2	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
3	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
4	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
5	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
6	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
7	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
8	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
9	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
10	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
11	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	

EDWARD P. MANGANO
COUNTY EXECUTIVE



JOSEPH J. KEARNEY
EXECUTIVE DIRECTOR

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
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May 9, 2012

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

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

**NOTICE OF RE-ISSUANCE OF
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 May 23, 2012 at 9:30 a.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 Amber Court Assisted Living LLC, a limited liability company organized and existing under the laws of the State of New York (the "Applicant") for certain "financial assistance" which, if granted, would deviate from the Agency's Uniform Tax Exemption Policy (the "Policy") with respect to the payment of real property taxes. You may attend the meeting, which will be open to the public, address the Agency and/or submit correspondence prior to the meeting.

The Applicant has submitted an application (the "Application") to the Agency requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in an approximately 0.47 acre parcel of land located at 3500 Brush

Hollow Road, Westbury, Town of Oyster Bay, County of Nassau, New York (Section: 11; Block: B; Lot: 1050) (collectively, the "Land"), (2) the construction of an approximately 29,400 square foot structure on the Land (collectively, the "Building"), together with related improvements to the Land, and (3) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the "Equipment"), all of the foregoing for use as an assisted living residential facility (collectively, the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions or partial exemptions from sales and use taxes, mortgage recording taxes and real property taxes (but not including special assessments and ad valorem levies) (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase), license or sale of the Project Facility to Baruch 1050 Realty LLC ("Baruch"), an affiliate of the Applicant, or such other entity as may be designated by the Applicant and agreed upon by the Agency and the sublease thereof to the Applicant or an affiliate of the Applicant.

The Application states that the Applicant is seeking an abatement of real property taxes. However, based upon preliminary negotiations between representatives of the Applicant and the Agency, the parties contemplate that the Agency may agree to grant a real property tax exemption (the "Property Tax Exemption") with respect to the Project Facility as follows:

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

(ii) for the period commencing on the Effective Date and continuing for ten (10) full fiscal tax years thereafter, fixed payments equal to the sum of the BASE PILOT and the IMPROVEMENT PILOT.

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

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

(a) "BASE PILOT" shall be deemed to mean the amount of all real property taxes and assessments that would be payable on the Land based on the most recent assessment data available to the Agency as of the Closing Date. Except as set forth in the immediately preceding sentence, the BASE PILOT shall not increase or decrease during the term of the PILOT

Agreement. The BASE PILOT shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay to the affected tax jurisdictions.

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

(c) "Effective Date" shall be deemed to mean for each affected tax jurisdiction the first day of the first fiscal tax year occurring after the first tax status date occurring after the Scheduled Completion Date. The Scheduled Completion Date shall be as set forth in the Application unless otherwise determined by the Agency.

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

The reason for the deviation is that the Property Tax Exemption, if approved by the Agency, is necessary to induce the Applicant to undertake the Project and that the PILOT payments would not be lower than the real property taxes that would otherwise apply with respect to the Land using the most recent assessment data available to the Agency.

Sincerely,

NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____


Joseph J. Kearney
Executive Director

Exhibit A

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EDWARD P. MANGANO
COUNTY EXECUTIVE



JOSEPH J. KEARNEY
EXECUTIVE DIRECTOR

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
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May 9, 2012

CERTIFIED MAIL, RETURN
RECEIPT REQUESTED and
FIRST CLASS MAIL

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

NOTICE OF RE-ISSUANCE OF
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 May 23, 2012 at 9:30 a.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 Amber Court Assisted Living LLC, a limited liability company organized and existing under the laws of the State of New York (the "Applicant") for certain "financial assistance" which, if granted, would deviate from the Agency's Uniform Tax Exemption Policy (the "Policy") with respect to the payment of real property taxes. You may attend the meeting, which will be open to the public, address the Agency and/or submit correspondence prior to the meeting.

The Applicant has submitted an application (the "Application") to the Agency requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in an approximately 0.47 acre parcel of land located at 3500 Brush Hollow Road, Westbury, Town of Oyster Bay, County of Nassau, New York (Section: 11; Block:

B; Lot: 1050) (collectively, the "Land"), (2) the construction of an approximately 29,400 square foot structure on the Land (collectively, the "Building"), together with related improvements to the Land, and (3) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the "Equipment"), all of the foregoing for use as an assisted living residential facility (collectively, the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions or partial exemptions from sales and use taxes, mortgage recording taxes and real property taxes (but not including special assessments and ad valorem levies) (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase), license or sale of the Project Facility to Baruch 1050 Realty LLC ("Baruch"), an affiliate of the Applicant, or such other entity as may be designated by the Applicant and agreed upon by the Agency and the sublease thereof to the Applicant or an affiliate of the Applicant.

The Application states that the Applicant is seeking an abatement of real property taxes. However, based upon preliminary negotiations between representatives of the Applicant and the Agency, the parties contemplate that the Agency may agree to grant a real property tax exemption (the "Property Tax Exemption") with respect to the Project Facility as follows:

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

(ii) for the period commencing on the Effective Date and continuing for ten (10) full fiscal tax years thereafter, fixed payments equal to the sum of the BASE PILOT and the IMPROVEMENT PILOT.

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

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

(a) "BASE PILOT" shall be deemed to mean the amount of all real property taxes and assessments that would be payable on the Land based on the most recent assessment data available to the Agency as of the Closing Date. Except as set forth in the immediately preceding sentence, the BASE PILOT shall not increase or decrease during the term of the PILOT

Agreement. The BASE PILOT shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay to the affected tax jurisdictions.

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

(c) "Effective Date" shall be deemed to mean for each affected tax jurisdiction the first day of the first fiscal tax year occurring after the first tax status date occurring after the Scheduled Completion Date. The Scheduled Completion Date shall be as set forth in the Application unless otherwise determined by the Agency.

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

The reason for the deviation is that the Property Tax Exemption, if approved by the Agency, is necessary to induce the Applicant to undertake the Project and that the PILOT payments would not be lower than the real property taxes that would otherwise apply with respect to the Land using the most recent assessment data available to the Agency.

Sincerely,

NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

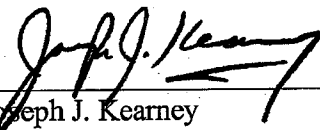
By: 
Joseph J. Kearney
Executive Director

Exhibit A

Period	Begin	End	Assessed Value of Improvement ("AV")	PILOT RATE
1	Closing Date	1 day prior to Effective Date	N/A	N/A
2	Effective Date	1 yr Anniversary of Effective Date	.00 * AV	SUM OF TAX RATES AS OF YEAR OF CLOSING ("RATE")
3	1 yr Anniversary of Effective Date	2 yr Anniversary of Effective Date	.10 * AV	RATE
4	2 yr Anniversary of Effective Date	3 yr Anniversary of Effective Date	.20 * AV	RATE
5	3 yr Anniversary of Effective Date	4 yr Anniversary of Effective Date	.30 * AV	RATE * 1.03
6	4 yr Anniversary of Effective Date	5 yr Anniversary of Effective Date	.40 * AV	RATE * 1.0609
7	5 yr Anniversary of Effective Date	6 yr Anniversary of Effective Date	.50 * AV	RATE * 1.0927
8	6 yr Anniversary of Effective Date	7 yr Anniversary of Effective Date	.60 * AV	RATE * 1.1255
9	7 yr Anniversary of Effective Date	8 yr Anniversary of Effective Date	.70 * AV	RATE * 1.1593
10	8 yr Anniversary of Effective Date	9 yr Anniversary of Effective Date	.80 * AV	RATE * 1.1941
11	9 yr Anniversary of Effective Date	10 yr Anniversary of Effective Date	.90 * AV	RATE * 1.2299
Period	BASE PILOT	IMPROVEMENT PILOT	TOTAL PILOT	
1	100 % of taxes as of year of Closing	100 % of taxes as of year of Closing	BASE PILOT + IMPROVEMENT PILOT	
2	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
3	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
4	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
5	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
6	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
7	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
8	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
9	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
10	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
11	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	