

Transcript Document No. 4

JS 3660 SUNRISE REALTY, LLC

and

JS ATLANTIC AUTO SALES, LLC

and

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Town of Hempstead Industrial Development Agency
(JS 3660 Sunrise Realty, LLC/JS Atlantic Auto Sales, LLC 2011 Facility)

Dated as of August 1, 2011

Town of Hempstead, Seaford Union Free School District, Nassau County

Section: 57
Block: 291
Lot: 45 (Lot Group 45, 57, 59)

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT, dated as of August 1, 2011 (this “**PILOT Agreement**”), is by and among JS 3660 SUNRISE REALTY, LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having an office at 3660 Sunrise Highway, Seaford, New York 11783 (the “**Company**”), JS ATLANTIC AUTO SALES, LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having an office at 3660 Sunrise Highway, Seaford, New York 11783 (the “**Sublessee**”) and TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, having its office at 350 Front Street, 2nd Floor, Hempstead, New York 11550 (the “**Agency**”).

W I T N E S S E T H:

WHEREAS, the Agency was created by Chapter 529 of the Laws of 1971 of the State of New York, as amended, pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended (collectively, the “**Act**”); and

WHEREAS, the Agency has agreed to acquire a leasehold interest in and to certain real property consisting of the acquisition of an approximately 2.3 acre parcel of land located on Sunrise Highway in Seaford, Town of Hempstead, Nassau County, New York (the “**Land**”), and the renovation and equipping of an approximately 49,250 square foot collection of buildings and the installation of certain equipment including, but not limited to, lifts, computers and service bays (collectively, “**Improvements**” and “**Equipment**”; and, together with the Land, the “**Facility**”), all to be leased by the Company to the Agency, subleased by the Agency to the Company and sub-subleased by the Company to, and used by the Sublessee for use in the operation of a Nissan dealership offering sales of new and used automobiles and service of automobiles to its customers; and

WHEREAS, the Company has agreed to sublease the Land to the Agency pursuant to a certain Company Lease Agreement, dated as of August 1, 2011 (the “**Company Lease Agreement**”), by and between the Company and the Agency; and

WHEREAS, the Agency has agreed to sublease the Land to the Company pursuant to a certain Lease Agreement, dated as of August 1, 2011 (the “**Lease Agreement**”), by and between the Company and the Agency; and

WHEREAS, the Company has further agreed to sub-sublease the Land and sublease the Improvements and Equipment to the Sublessee pursuant to a certain Sublease Agreement, dated as of August 24, 2011 (the “**Sublease Agreement**”), by and between the Company and the Sublessee; and

WHEREAS, the Agency, the Company and the Sublessee have entered into a Recapture Agreement, dated as of August 1, 2011 (the “**Recapture Agreement**”), pursuant to which the Agency has the right to recapture certain economic benefits and assistance

granted to the Company upon the terms and conditions set forth in the Recapture Agreement; and

WHEREAS, pursuant to Section 874(1) of the Act, the Agency is exempt from the payment of taxes and assessments imposed upon real property owned by it, other than special ad valorem levies, special assessments or Special District Taxes and service charges against real property located in the Town of Hempstead, New York (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be wholly or partially located) which are or may be imposed for special improvements or special district improvements; and

WHEREAS, the Agency, the Company and the Sublessee deem it necessary and proper to enter into an agreement making provision for payments in lieu of taxes and such assessments by the Company and the Sublessee to the Town of Hempstead, any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be wholly or partially located, Seaford Union Free School District, Nassau County and appropriate special districts (hereinafter the "**Taxing Authorities**") in which any part of the Facility is or is to be located.

NOW, THEREFORE, in consideration of the foregoing and in consideration of the covenants herein contained, it is mutually agreed as follows:

1. (a) As long as the Lease Agreement is in effect, the Company and the Sublessee, jointly and severally, agree to make payments in lieu of all real estate taxes and assessments (in addition to paying all special ad valorem levies, special assessments or Special District Taxes and service charges against real property located in the Town of Hempstead (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be wholly or partially located) which are or may be imposed for special improvements or special district improvements) which would be levied upon or with respect to the Facility if the Facility were owned by the Company and not by the Agency (the "**Taxes on the Facility**"). The amounts of such payments and method for calculation are set forth herein.

(b) After the effective date of this PILOT Agreement and until the provisions of paragraph 1(c) become effective, the Company and the Sublessee, jointly and severally, shall pay, as payments in lieu of taxes and assessments, one hundred percent (100%) of the taxes and assessments that would be levied upon the Facility by the respective Taxing Authorities.

(c) **Commencing with the 2012/2013 School Tax Year and the 2013 General Tax Year, the Company and the Sublessee shall pay, as payments in lieu of taxes and assessments, the amounts set forth on Exhibit A attached hereto and made a part hereof, less any amounts payable by the Company and the Sublessee in connection with any special ad valorem levies, special assessments, or Special District Taxes and service charges levied against the Facility.**

(d) The Company and the Sublessee, jointly and severally, shall pay, or cause to be paid, the amounts set forth in paragraphs 1(a), (b) and (c) above, as applicable, after receipt of tax bills from the Agency or the Taxing Authorities, as the case may be. Failure to receive a tax bill shall not relieve the Company and the Sublessee of their obligation to make all payments provided for hereunder. If, for any reason, the Company and the Sublessee do not receive an appropriate tax bill, the Company and the Sublessee shall have the responsibility and obligation to make all reasonable inquiries to the Taxing Authorities and to have such a bill issued, and thereafter to make payment of the same no later than the due dates provided herein. Payments shall be made directly to the Taxing Authorities. Payments made after the due date(s) as set forth in the applicable tax bills shall accrue interest (and penalties) at the rates applicable to late payments of taxes for the respective Taxing Authorities and as further provided in the General Municipal Law, including Section 874(5) thereof, which currently provides for an initial penalty of five percent (5%) of the amount due and an additional penalty of one percent (1%) per month on payments more than one month delinquent.

(e) Reserved.

(f) In the event that any structural addition that increases the footprint or height of the Facility or increases the assessed value of the Facility shall be made to the building or buildings included in the Facility subsequent to the “**Completion Date**” (as such term is defined in the Lease Agreement), or any additional building or improvement shall be constructed on the real property described on Exhibit B hereto (such structural additions, buildings and improvements being referred to hereinafter as “**Additional Facilities**”), the Company and the Sublessee agree to make additional payments in lieu of taxes to the Taxing Authorities in amounts equal to the product of the then current ad valorem tax rates which would be levied upon or with respect to the Additional Facilities by the Taxing Authorities if the Additional Facilities were owned by the Company and not the Agency times the assessment or assessments established for that tax year by the respective Taxing Authorities having appropriate assessing jurisdiction. All other provisions of this PILOT Agreement shall apply to this obligation for additional payments.

2. In the event that the Agency’s leasehold interest in the Facility or any part thereof terminates at such time in reference to any taxable status date as to make it impossible to place such Facility or part thereof on the tax rolls of the Town of Hempstead, Seaford Union Free School District, Nassau County, any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be wholly or partially located, or appropriate special districts, as the case may be, by such taxable status date, the Company and the Sublessee hereby agree to pay, at the first time taxes or assessments are due following the taxable status date on which such Facility or part thereof is placed on the tax rolls, an amount equal to the taxes or assessments which would have been levied on such Facility or part thereof had it been on the tax rolls from the time of the termination of the Agency’s leasehold interest until the date of the tax rolls following the taxable status date as of which such Facility or part thereof is placed on the tax rolls. There shall be deducted from such amount any amounts previously paid pursuant to this PILOT Agreement by the Agency or the Company or the Sublessee to the respective Taxing Authorities relating to any period of time after the date of termination of the Agency’s

interest. The provisions of this paragraph 2 shall survive the termination or expiration of the Lease Agreement. Any rights the Company or the Sublessee may have against its respective designees are separate and apart from the terms of this paragraph 2, and this paragraph 2 shall survive any transfer from the Agency to the Company. If at any time, the Company and the Agency shall release any portion of the Facility from the Lease Agreement, then the amounts due and payable pursuant to Exhibit A hereof shall be reduced taking into account the assessed value of the released parcel.

3. In the event the Facility or any part thereof is declared to be subject to taxation for taxes or assessments by an amendment to the Act or other legislative change or by a final judgment of a court of competent jurisdiction, the obligations of the Company and the Sublessee hereunder shall, to such extent, be null and void.

4. In the event the Company and the Sublessee shall enter into a subsequent Payment-in-Lieu-of-Tax Agreement or Agreements with respect to the Taxes on the Facility directly with any or all Taxing Authorities in the jurisdiction of which the Facility is located, the obligations of the Company and the Sublessee hereunder, which are inconsistent with such future Agreement or Agreements, shall be superseded and shall, to such extent, be null and void.

5. As long as this PILOT Agreement is in effect, the Agency and the Company agree that (i) the Company shall be deemed to be the owner of the Facility and of the Additional Facilities for purposes of instituting, and shall have the right to institute, administrative or judicial review of an assessment of the real estate with respect to the Facility and of the Additional Facilities pursuant to the provisions of Article 7 of the Real Property Tax Law or any other applicable law, as the same may be amended from time to time, and (ii) the Agency, at the request of the Company, shall request the Assessor of Nassau County, or any other assessor having jurisdiction to assess the Facility, to take into consideration the value of surrounding properties of like character when assessing the Facility. Notwithstanding the foregoing, in the event that the assessment of the real estate with respect to the Facility and the Additional Facilities is reduced as a result of any such administrative or judicial review so that such complaining party would be entitled to receive a refund or refunds of taxes paid to the respective Taxing Authorities, if such complaining party were the owner of the Facility and the Additional Facilities, such complaining party shall not be entitled to receive a refund or refunds of the payments in lieu of taxes and assessments paid pursuant to this PILOT Agreement and the amounts due and payable pursuant to Exhibit A hereof shall be reduced in an amount in the same proportion as the reduction of the assessment. Any amounts previously paid under this PILOT Agreement in excess of the proportionate reduction shall be credited against the next due PILOT payments until such credit shall be fully credited against subsequent PILOT payments. In no event shall the Agency be required to remit to the Company, the Sublessee or any Taxing Authority any moneys otherwise due as a result of a reduction in the assessment of the Facility (or any part thereof) due to a certiorari review. If the Company and the Sublessee receive a reduction in assessment in the last year of the Lease Agreement after it has made its final payments in lieu of taxes, the Company and the Sublessee acknowledge that they shall look solely to the Taxing Authorities for repayment or for a credit against the first payment(s) of Taxes on the Facility which will be due after the Facility is returned to the tax rolls. The Company and the Sublessee hereby agree that they

will notify the Agency if the Company or the Sublessee shall have requested a reassessment of the Facility or a reduction in the taxes on the Facility or shall have instituted any tax certiorari proceedings with respect to the Facility. The Company and the Sublessee shall deliver to the Agency copies of all notices, correspondence, claims, actions and/or proceedings brought by or against the Company or the Sublessee in connection with any reassessment of the Facility, reduction of taxes with respect to the Facility or tax certiorari proceedings with respect to the Facility.

6. The Company and the Sublessee, in recognition of the benefits provided under the terms of this PILOT Agreement, including, but not limited to, the formula for payments in lieu of taxes set forth in Exhibit A hereto, and for as long as the Lease Agreement is in effect, expressly waive any rights they may have for any exemption under Section 485-b of the Real Property Tax Law or any other exemption under any other law or regulation (except, however, for the exemption provided by Title 1 of Article 18-A of the General Municipal Law) with respect to the Facility. The Company and the Sublessee, however, reserve any such rights with respect to all special ad valorem levies, special assessments, or Special District Taxes and service charges levied against the Facility as referred to in paragraph 1(e) and the Additional Facilities as referred to in paragraph 1(f) and with respect to the assessment and/or exemption of the Additional Facilities.

7. The Company and the Sublessee recognize and agree that if at any time a Recapture Event in accordance with the provisions of the Recapture Agreement shall occur, then the Company or the Sublessee shall (i) pay to the Agency an amount equal to 100% of the Recaptured Benefits, as defined in the Recapture Agreement, due and owing under the Recapture Agreement, or (ii) pay an increased PILOT payment in accordance with Section 1(c)(7) of the Recapture Agreement. The Agency shall notify the Company and the Sublessee in writing of the occurrence and continuation of a Recapture Event under the Recapture Agreement and all amounts that are due and owing under the Recapture Agreement. The Company and the Sublessee shall remit such additional sums due to the Agency upon demand thereof.

8. Except as otherwise provided herein, any notice required to be given under this PILOT Agreement shall be deemed to have been duly given when delivered and, if delivered by mail, shall be sent by certified mail, postage prepaid, return receipt requested, addressed to the respective parties hereto at their respective addresses specified below or such other addresses as either party may specify in writing to the other:

The Agency:

Town of Hempstead Industrial Development Agency
350 Front Street, 2nd Floor
Hempstead, New York 11550-4037
Attention: Executive Director and Chief Executive Officer

With a copy to:

Ryan, Brennan & Donnelly LLP
131 Tulip Avenue
Floral Park, New York 11001
Attention: John E. Ryan, Esq.

The Company:

JS 3660 Sunrise Realty, LLC
3660 Sunrise Highway
Hempstead, New York 11550
Attention: Member

The Sublessee:

JS Atlantic Auto Sales, LLC
3660 Sunrise Highway,
Hempstead, New York 11550
Attention: Member

With a copy to:

Ruskin Moscou Faltischek, PC
1425 RXR Plaza,
East Tower, 15th Floor
Uniondale, New York 11556
Attention: Eric C. Rubenstien, Esq.

Notice by mail shall be effective when delivered but if not yet delivered shall be deemed effective at 12:00 p.m. on the third business day after mailing.

9. Failure by the Agency in any instance to insist upon the strict performance of any one or more of the obligations of the Company and the Sublessee under this PILOT Agreement, or to exercise any election herein contained, shall in no manner be or be deemed to be a waiver by the Agency of any of the Company's or the Sublessee's defaults or breaches hereunder or of any of the rights and remedies of the Agency by reason of such defaults or breaches, or a waiver or relinquishment of any or all of the Company's or the Sublessee's obligations hereunder. No waiver, amendment, release or modification of this PILOT Agreement shall be established by conduct, custom or course of dealing. Further, no payment by the Company or the Sublessee or receipt by the Agency of a lesser amount than or different manner from the correct amount or manner of payment due hereunder shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed to effect or evidence an accord and satisfaction, and the Agency may accept any checks or payments as made

without prejudice to the right to recover the balance or pursue any other remedy in this PILOT Agreement or otherwise provided at law or in equity.

10. This PILOT Agreement shall become effective as of the first taxable status date of the Town of Hempstead after the date the Agency acquires a leasehold interest in the Facility. All taxes, assessments, special assessments, service charges, special ad valorem levies or similar tax equivalents due or to become due based upon prior taxable status dates shall be paid by the Company and the Sublessee when due. Upon termination of the Lease Agreement, this PILOT Agreement shall terminate.

11. Whenever the Company or the Sublessee fails to comply with any provision of this PILOT Agreement, the Agency may, but shall not be obligated to, take whatever action at law or in equity may appear necessary or desirable to collect the amount then in default or to enforce the performance and observance of the obligations, agreements and covenants of the Company and the Sublessee under this PILOT Agreement. The Agency agrees to notify the Company and the Sublessee in writing of any failure by the Company and the Sublessee to comply with any provision of this PILOT Agreement within thirty (30) business days after the Agency becomes aware of such failure and shall provide the Company and the Sublessee with the opportunity to cure such failure within thirty (30) days after receipt by the Company and the Sublessee of such notice.

12. This PILOT Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

13. The Company and the Sublessee agree to hold the Agency harmless from and against any liability arising from any default by the Company or the Sublessee in performing their respective obligations hereunder or any expense incurred under this PILOT Agreement, including any expenses of the Agency, including without limitation reasonable attorneys' fees.

14. This PILOT Agreement may be modified only by written instrument duly executed by the parties hereto.

15. This PILOT Agreement shall be binding upon and inure to the benefit of the parties, their respective successors, heirs, distributees and assigns.

16. If any provision of this PILOT Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such provision so adjudged invalid, illegal or unenforceable shall be deemed separate, distinct and independent and the remainder of this PILOT Agreement shall be and remain in full force and effect and shall not be invalidated or rendered illegal or unenforceable or otherwise affected by such holding or adjudication.

17. The Agency, the Company and the Sublessee acknowledge and agree that the economic benefits granted hereunder by the Agency to the Company and the Sublessee have been granted to induce and enable the Company and the Sublessee to acquire, construct and equip the Facility in the Town of Hempstead, Nassau County, New York to provide services

that, but for the Facility, would not otherwise be readily available to the residents of the Town of Hempstead, Nassau County, New York.

18. The failure or breach by the Company and the Sublessee to pay amounts due and owing under this PILOT Agreement for a period of fifteen (15) days following written notice or to promptly and fully perform any of its obligations hereunder for a period of thirty (30) days after notice (unless such failure is of a nature that cannot be cured within such time period, provided the Company is using diligent efforts to remedy same) shall constitute an Event of Default under this PILOT Agreement, whereupon the Agency may terminate this PILOT Agreement by written notice to the Company. Upon the occurrence and continuation of any Event of Default hereunder, this PILOT Agreement shall terminate and the Agency shall reconvey the Facility to the Company pursuant to Section 10.2(a)(iv) of the Lease Agreement and subject to the provisions of the Recapture Agreement.

19. The Company, the Sublessee and the Agency hereby agree that the obligations and liabilities of the Company and the Sublessee hereunder are the absolute and unconditional obligations and liabilities of the Company and the Sublessee and not the obligations and liabilities of any officer, director, shareholder or employee of the Company or the Sublessee, and that no officer, director, shareholder or employee of the Company and the Sublessee shall have any obligation or liability hereunder, except arising in connection with the gross negligence, recklessness, willful, misconduct or criminal activity of such officer, director or employee of the Company and the Sublessee.

20. This PILOT Agreement shall cover the real property located on Exhibit B attached hereto.

(Remainder of Page Intentionally Left Blank – Signature Page Follows)

IN WITNESS WHEREOF, the parties hereto have executed this PILOT Agreement as of the date first written above.

JS 3660 SUNRISE REALTY, LLC

By: 

Name: Alan Z. Richards
Title: Manager

JS ATLANTIC AUTO SALES, LLC

By: 

Name: John Pickett
Title: Manager

TOWN OF HEMPSTEAD INDUSTRIAL
DEVELOPMENT AGENCY

By: 

Name: Frederick E. Parola
Title: Executive Director and Chief
Executive Officer

EXHIBIT A

Schedule of In-Lieu-of-Taxes Payment less any amounts payable by the Company in connection with any special ad valorem levies, special assessments or Special District Taxes and service charges levied against the Facility to the Town of Hempstead, Seaford Union Free School District and Appropriate Special Districts:

General Tax Year/School Tax Year	Total PILOT Payments
2013 General/2012-2013 School	\$181,000.00
2014 General/2013-2014 School	\$181,000.00
2015 General/2014-2015 School	\$181,000.00
2016 General/2015-2016 School	\$185,000.00
2017 General/2016-2017 School	\$190,000.00
2018 General/2017-2018 School	\$195,000.00
2019 General/2018-2019 School	\$200,400.00
2020 General/2019-2020 School	\$206,500.00
2021 General/2020-2021 School	\$213,750.00
2022 General/2021-2022 School	\$222,000.00

NOTE: This PILOT Agreement shall expire on December 31, 2022. All payments for the 2021-2022 School Tax Year and the 2022 General Tax Year must be paid in full prior to the expiration of this PILOT Agreement. The above calculation is for the total tax on the Land, existing Improvements and any proposed renovations to the Improvements. Full taxes will go into effect in 2023.

EXHIBIT B

Legal Description of Real Property

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being at Seaford, Town of Hempstead, County of Nassau and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the Southerly side of Sunrise Highway and the easterly side of Morris Gate;

RUNNING THENCE along the Southerly side of Sunrise Highway, the following three (3) courses and distances:

1. North 89 degrees 07 minutes east 180.22 feet;
2. Easterly along the arc of a curve bearing to the right, having a radius of 939 feet, a distance of 253.61 feet;
3. South 71 degrees 44 minutes 40 seconds east 219.04 feet;

THENCE South 12 degrees 03 minutes 50 seconds west 80.24 feet;

THENCE South 89 degrees 07 minutes west 617.03 feet to the easterly side of Morris Gate;

THENCE along the Easterly side of Morris Gate North 0 degrees 53 minutes west 200 feet to the southerly side of Sunrise Highway at the point or place of BEGINNING.

Said premises being known as 3660 Sunrise Highway, Seaford, New York

SECTION 57 BLOCK 291 LOT 45 (Lot Group 45, 57, 59)

NIXON PEABODY^{LLP}
ATTORNEYS AT LAW

1300 Clinton Square
Rochester, New York 14604

Elizabeth A. Wood, Paralegal
Direct Dial: (585) 263-1391
Direct Fax: (866) 630-4139
E-Mail: ewood@nixonpeabody.com

August 30, 2010

CERTIFIED MAIL RETURN
RECEIPT REQUESTED

James Davis, Acting Assessor
Nassau County Department of Assessment
240 Old Country Road
Mineola, New York 11501-8402

RE: Town of Hempstead Industrial Development Agency
(JS 3660 Sunrise Realty, LLC/JS Atlantic Auto Sales, LLC 2011 Facility)

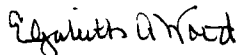
Dear Mr. Davis:

Enclosed please find a completed Form RP 412-a Application for Real Property Tax Exemption, together with a copy of the Payment-in-Lieu-of-Tax Agreement, in connection to the above-referenced transaction which closed on August 24, 2011

Also enclosed are copies of (i) the Company Lease Agreement (a memorandum of which is currently being recorded in the Nassau County Clerk's office), and (ii) the Recapture Agreement which is also being recorded in the Nassau County Clerk's office.

Please feel free to contact our office should you have any questions. Thank you.

Very truly yours,



Elizabeth A. Wood
Paralegal

Enclosures

cc: Attached Distribution List (w/encl.)

Distribution List

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Hon. Edward Mangano
County Executive
Nassau County
1 West Street
Mineola, New York 11501

Hon. Kate Murray
Town Supervisor
Town of Hempstead Town Hall
One Washington Street
Hempstead, New York 11550

Hon. Wayne Hall
Mayor Village of Hempstead
99 Nichols Court
Hempstead, New York 11550

Dr. Nathaniel Clay
Superintendent of Schools
Hempstead Union Free School District
185 Peninsula Boulevard
Hempstead, New York 11550

Mr. Thomas Albanese
Nassau County
240 Old Country Road
Mineola, New York 11501-8402

Daniel Valentino, Esq.
Counsel to the Assessor
Nassau County
240 Old Country Road
Mineola, New York 11501

VIA REGULAR MAIL

Frederick E. Parola, Executive Director
Town of Hempstead Industrial Development Agency
350 Front Street, 2nd Floor
Hempstead, New York 11550

John E. Ryan, Esq.
Ryan & Brennan LLP
131 Tulip Avenue
Floral Park, New York 11001



Track/Confirm - Intranet Item Inquiry
Item Number: 9171 0821 3339 3596 8294 32

This item was delivered on 09/01/2011 at 11:28

Signature:	Delivery Section
	RECEIVED
	DEPARTMENT OF ASSESSMENT COUNTY OF NASSAU
Address:	NY
	105 <i>200 D.C.R.</i>

Enter Request Type and Item Number:

Quick Search ☒

Extensive Search ☐

[Explanation of Quick and Extensive Searches](#)

Submit

Version 1.0

Inquire on multiple items.


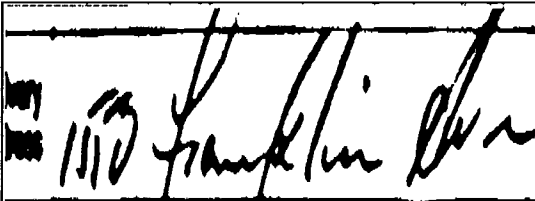
Go to the Product Tracking System Home Page.

Nixon Peabody —



Track/Confirm - Intranet Item Inquiry
Item Number: 9171 0821 3339 3596 8293 88

This item was delivered on 09/01/2011 at 12:56

Signature:	
Address:	

Enter Request Type and Item Number:

Quick Search ☒

Extensive Search ☐

[Explanation of Quick and Extensive Searches](#)

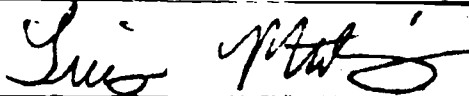
Submit

Version 1.0

Inquire on multiple items.

Go to the Product Tracking System Home Page.

UNITED STATES
POSTAL SERVICE**Track/Confirm - Intranet Item Inquiry**
Item Number: 9171 0821 3339 3596 8293 95**This item was delivered on 09/02/2011 at 09:54**

Delivery Section	
Signature:	 Luis Martinez
Address:	350 FRONT ST

Enter Request Type and Item Number:

Quick Search ☒ Extensive Search ☐

[Explanation of Quick and Extensive Searches](#)

Version 1.0

Inquire on multiple items.Go to the Product Tracking System Home Page.

UNITED STATES
POSTAL SERVICE**Track/Confirm - Intranet Item Inquiry**
Item Number: 9171 0821 3339 3596 8294 01**This item was delivered on 09/01/2011 at 11:04**

Signature:	Delivery Section
	<i>Diane Day</i> <i>Diane Day</i>
Address:	<i>1600 Washington Ave</i>

Enter Request Type and Item Number:**Quick Search** ☒**Extensive Search** ☐**Explanation of Quick and Extensive Searches****Submit**

Version 1.0

Inquire on multiple items.Go to the Product Tracking System Home Page.

UNITED STATES
POSTAL SERVICE**Track/Confirm - Intranet Item Inquiry**
Item Number: 9171 0821 3339 3596 8294 18**This item was delivered on 09/01/2011 at 11:28**

Signature:	Delivery Section RECEIVED
	DEPARTMENT OF ASSESSMENT COUNTY OF NASSAU
Address:	NY 105 100 D.C.R.

Enter Request Type and Item Number:**Quick Search** ☒**Extensive Search** ☐**Explanation of Quick and Extensive Searches****Submit**

Version 1.0

Inquire on multiple items.Go to the Product Tracking System Home Page.

UNITED STATES
POSTAL SERVICE**Track/Confirm - Intranet Item Inquiry**
Item Number: 9171 0821 3339 3596 8294 25**This item was delivered on 09/01/2011 at 11:28**

Signature:	Delivery Section RECEIVED
	DEPARTMENT OF ASSESSMENT COUNTY OF NASSAU
Address:	NY 105 100 D.C.R.

Enter Request Type and Item Number:**Quick Search** ☒**Extensive Search** ☐**Explanation of Quick and Extensive Searches****Submit***Version 1.0*Inquire on multiple items.Go to the Product Tracking System Home Page.



NYS BOARD OF REAL PROPERTY SERVICES

RP-412-a (1/95)

INDUSTRIAL DEVELOPMENT AGENCIES
APPLICATION FOR REAL PROPERTY TAX EXEMPTION
(Real Property Tax Law, Section 412-a and General Municipal Law, Section 874)

1. INDUSTRIAL DEVELOPMENT AGENCY (IDA)

Name Town of Hempstead Industria Development Agency

Street 350 Front Street, 2nd Floor

City Hempstead

Telephone no. Day (516) 812-3122

Evening () _____

Contact Frederick E. Parola

Title Executive Director and Chief Executive Officer

2. OCCUPANT (IF OTHER THAN IDA)

(If more than one occupant attach separate listing)

JS 3660 Sunrise Realty LLC/

Name JS Atlantic Auto Sales LLC

Street 3660 Sunrise Highway

City Seaford NY 11783

Telephone no. Day ____ (631) 587-0700 Ext 254

Evening ____ () _____

Contact Alan Richards

Title Manager

3. DESCRIPTION OF PARCEL

a. Assessment roll description (tax map no./roll year)
Section 57 Block 291 Lot 45

b. Street address Sunrise Highway

c. City, Town or Village Hempstead

d. School District Seaford Union Free

e. County Nassau

f. Current assessment _____

g. Deed to IDA (date recorded; liber and page)
N/A

4. GENERAL DESCRIPTION OF PROPERTY (if necessary, attach plans or specifications)

a. Brief description (include property use)
renovation and equipping of collection of buildings on an app 2.33 acre parcel of land used in the operation of a Nissan dealership offering sales of new and used vehicles and services of vehicles

b. Type of construction unavailable

c. Square footage app. 49,250 sq ft

d. Total cost app.\$

e. Date construction commenced unavailable

f. Projected expiration of exemption (i.e.
date when property is no longer
possessed, controlled, supervised or
under the jurisdiction of IDA)
12/31/2022

5. SUMMARIZE AGREEMENT (IF ANY) AND METHOD TO BE USED FOR PAYMENTS TO BE MADE TO MUNICIPALITY REGARDLESS OF STATUTORY EXEMPTION

(Attach copy of the agreement or extract of the terms relating to the project).

a. Formula for payment see attached "PILOT Agreement"

b. Projected expiration date of agreement 12/31/2022

c. Municipal corporations to which payments will be made

	Yes	No
County <u>Nassau</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Town/City _____	<input type="checkbox"/>	<input type="checkbox"/>
Village <u>Hempstead</u>	<input checked="" type="checkbox"/>	
School District <u>Seaford Union Free</u>	<input checked="" type="checkbox"/>	

d. Person or entity responsible for payment

Name JS 3660 Sunrise Realty LLC
 Title Alan Richards
 Address 3360 Sunrise Highway
Seaford NY 11783

e. Is the IDA the owner of the property? Yes/No (circle one)
 If "No" identify owner and explain IDA rights or interest in an attached statement. see attached

Telephone 631-587-0700 Ext 254

6. Is the property receiving or has the property ever received any other exemption from real property taxation?
 (check one) Yes ☒ No

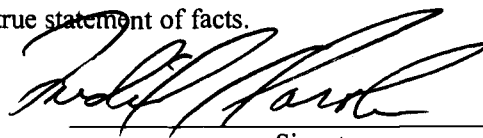
If yes, list the statutory exemption reference and assessment roll year on which granted:
 exemption _____ assessment roll year _____

7. A copy of this application, including all attachments, has been mailed or delivered on 8/24/11 (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

CERTIFICATION

I, Frederick E. Parola, Executive Director and Chief Executive Officer of _____ of _____
 Name Title
Town of Hempstead Industrial Development Agency hereby certify that the information
 Organization
 on this application and accompanying papers constitutes a true statement of facts.

Aug 24, 2011
 Date


 Signature

FOR USE BY ASSESSOR

1. Date application filed _____
2. Applicable taxable status date _____
- 3a. Agreement (or extract) date _____
- 3b. Projected exemption expiration (year) _____
4. Assessed valuation of parcel in first year of exemption \$ _____
5. Special assessments and special ad valorem levies for which the parcel is liable: _____

 Date

 Assessor's signature

NYS BOARD OF REAL PROPERTY SERVICES

INDUSTRIAL DEVELOPMENT AGENCIES

APPLICATION FOR REAL PROPERTY TAX EXEMPTION

(Real Property Tax Law, Section 412-a and General Municipal Law, Section 874)

(Additional Page with respect to 5e)

5. SUMMARIZE AGREEMENT (IF ANY) AND METHOD TO BE USED FOR PAYMENTS TO BE MADE TO MUNICIPALITY REGARDLESS OF STATUTORY EXEMPTION)

- e. Is the IDA the owner of the property? Yes/No (circle one)
If "No" identify owner and explain IDA rights or interest in an attached statement.

The Town of Hempstead Industrial Development Agency (the "**Agency**"), holds a leasehold interest in and to certain real property pursuant to a Company Lease Agreement, dated as of August 1, 2011, by and between JS 3660 Sunrise Realty LLC (the "**Company**") and the Agency (copy attached). A memorandum of such Company Lease Agreement has been presented for recording in the Nassau County Clerk's office (Liber and page unavailable).

Transcript Document No. 1

COMPANY LEASE AGREEMENT

between

JS 3660 SUNRISE REALTY, LLC

and

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

Dated as of August 1, 2011

Town of Hempstead Industrial Development Agency
(JS 3660 Sunrise Realty, LLC/JS Atlantic Auto Sales, LLC 2011 Facility)

THIS COMPANY LEASE AGREEMENT, dated as of August 1, 2011 (this "**Company Lease Agreement**"), is between JS 3660 SUNRISE REALTY, LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having an office at 3660 Sunrise Highway, Seaford, New York 11783 (the "**Company**") and the TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, having its office at 350 Front Street, 2nd Floor, Hempstead, New York 11550 (the "**Agency**").

R E C I T A L S

WHEREAS, Title 1 of Article 18-A of the General Municipal Law of the State of New York was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York; and

WHEREAS, the aforesaid act authorizes the creation of industrial development agencies for the Public Purposes of the State of New York (the "**State**"); and

WHEREAS, pursuant to and in accordance with the provisions of the aforesaid act, as amended, and Chapter 529 of the Laws of 1971 of the State, as amended (collectively, the "**Act**"), the Agency was created and is empowered to undertake the acquisition, renovation, equipping and leasing of the Facility defined below; and

WHEREAS, the Facility shall consist of the acquisition of an approximately 2.3 acre parcel of land located on Sunrise Highway in Seaford, Town of Hempstead, Nassau County, New York (the "**Land**"), and the renovation and equipping of an approximately 49,250 square foot collection of buildings and the installation of certain equipment including, but not limited to, lifts, computers and service bays (collectively, "**Improvements**" and "**Equipment**"; and, together with the Land, the "**Facility**"), all to be leased by the Company to the Agency, subleased by the Agency to the Company and sub-subleased by the Company to, and used by, JS Atlantic Auto Sales, LLC, a New York limited liability company (the "**Sublessee**"), in the operation of a Nissan dealership offering sales of new and used automobiles and service of automobiles to its customers, including the following, as they relate to the acquisition, construction, renovation and equipping of such Facility, whether or not any materials or supplies described below are incorporated into or become an integral part of such Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, construction, renovation, rehabilitation and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, construction, renovation, rehabilitation and equipping of the Facility, and (iii) all equipment, machinery and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Facility; and

WHEREAS, the Company has agreed to lease the Facility to the Agency pursuant this Company Lease Agreement;

WHEREAS, the Agency has agreed to sublease the Facility to the Company pursuant to a certain Lease Agreement, dated as of August 1, 2011 (the "**Lease Agreement**"), by and between the Company and the Agency;

WHEREAS, the Company has further agreed to sub-sublease the Facility to the Sublessee pursuant to a certain Sublease Agreement, dated as of August 24, 2011 (the "**Sublease Agreement**"), by and between the Company and the Sublessee.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties mutually agree as follows:

The Company hereby leases the Facility (described in Exhibit A attached hereto) to the Agency for the annual rent of \$1.00 for a term commencing on the Closing Date and terminating at 11:59 p.m. on December 31, 2022 (the "**Termination Date**").

This Company Lease shall terminate on the earliest of (i) the Termination Date, (ii) the termination of the Lease Agreement pursuant to Article X or Article XI thereof; and (iii) any other termination of the Lease Agreement.

The Company agrees to keep, perform and observe, from and after the date hereof, all of the terms, covenants, conditions, obligations and other provisions contained in the Lease Agreement. The Company agrees further that it shall indemnify, defend and hold harmless the Agency from and against all liabilities, damages, claims, demands, judgments, losses, costs, expenses, suits, actions or proceedings and attorneys' fees arising out of or in connection with the Lease Agreement or this Company Lease and shall defend the Agency in any suit, action or proceeding, including appeals, for personal injury to, or death of, any person or persons, or for any loss of or damage to property of persons, or for other claims arising out of the acts or omissions of the Company or any of its members, officers, directors, agents or employees. The foregoing indemnitees shall include all expenses incurred by the Agency, including, without limitation, reasonable attorneys' fees to enforce this Company Lease, the Lease Agreement or any other document to which the Company and the Agency are parties, and with respect to third party claims.

The Agency, for itself and its successors and assigns, hereby agrees to lease the Facility from the Company on the terms and conditions contained herein.

The Company and the Agency acknowledge that the Agency will sublease the Facility to the Company pursuant to the Lease Agreement. The Company and the Agency agree that while this Company Lease and the Lease Agreement remain in full force and effect, (i) there shall be no merger of the Company's leasehold estate in the Land and Improvements and the Company's subleasehold estate in the Land and Improvements created under the Lease Agreement; and (ii) the Agency shall continue to have, use and enjoy the leasehold estate in the Land and Improvements created under this Company Lease.

All notices, requests or consents provided for or permitted to be given under this Company Lease must be in writing and shall be effective (i) on actual receipt by the addressee if personally delivered (including delivery against a written receipt by an internationally recognized courier) to the addresses below, or (ii) on transmission (with

written confirmation of receipt, whether from the transmitter's equipment or otherwise) to the addressee if transmitted by facsimile during normal business hours of the addressee on a Business Day (or if transmitted outside of such hours, as of the opening of business of the addressee on the next Business Day):

To the Agency:

Town of Hempstead Industrial Development Agency
350 Front Street, 2nd Floor
Hempstead, New York 11550-4037
Attention: Executive Director and Chief Executive Officer

With a copy to:

Ryan, Brennan & Donnelly LLP
131 Tulip Avenue
Floral Park, New York 11001
Attention: John E. Ryan, Esq.

The Company:

JS 3660 Sunrise Realty, LLC
3660 Sunrise Highway
Seaford, New York 11783
Attention: Member

With a copy to:

Ruskin Moscou Faltischek, PC
1425 RXR Plaza
East Tower, 15th Floor
Uniondale, New York 11556-1425
Attention: Eric C. Rubenstein, Esq.

Either party may change the address, telephone number or fax number to which notices are to be directed by notice to the other party in the manner specified above.

If a party hereto determines in its reasonable discretion that any further instruments or other actions are necessary or desirable to carry out the terms of this Company Lease, the other party shall, at the Company's sole cost and expense, execute and deliver all such instruments and take all such actions, without additional consideration.

Capitalized terms used in this Company Lease and not otherwise defined in this Company Lease shall have the meanings assigned thereto in Schedule A to the Lease Agreement.

This Company Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

This Company Lease shall be governed exclusively by the applicable laws of the State of New York, without regard or reference to its conflict of laws principles.

This Company Lease and the conveyance made hereby shall be subject to the trust fund provisions of Section 13 of the Lien Law of the State.

(Remainder of Page Intentionally Left Blank – Signature Pages Follow)

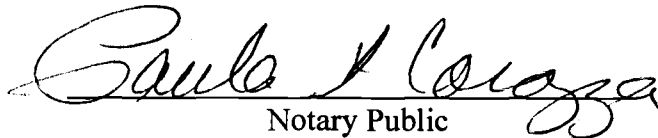
IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the day and year first above written.

JS 3660 SUNRISE REALTY, LLC

By: 
Name: Alan Z. Richards
Title: Manager

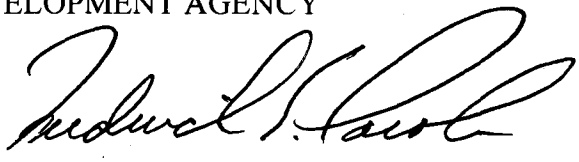
STATE OF NEW YORK)
) ss.:
COUNTY OF NASSAU)

On the 24th day of August in the year 2011, before me, the undersigned, personally appeared Alan Z. Richards, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.


Notary Public


PAULA A. CORAZZA
Notary Public, State of New York
No. 01CO5006888
Qualified in Queens County
Commission Expires : 1/11/2015

TOWN OF HEMPSTEAD INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Name: Frederick E. Parola
Title: Executive Director

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

On the 17 day of August in the year 2011, before me, the undersigned, personally appeared Frederick E. Parola, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.


Notary Public
EDITH M. LONGO
Notary Public State of New York
No. 01L06063912
Qualified in Nassau County
Commission Expires September 10, 2013

Company Lease Agreement
Signature Page 2 of 2

EXHIBIT A

Legal Description of Real Property

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being at Seaford, Town of Hempstead, County of Nassau and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the Southerly side of Sunrise Highway and the easterly side of Morris Gate;

RUNNING THENCE along the Southerly side of Sunrise Highway, the following three (3) courses and distances:

1. North 89 degrees 07 minutes east 180.22 feet;
2. Easterly along the arc of a curve bearing to the right, having a radius of 939 feet, a distance of 253.61 feet;
3. South 71 degrees 44 minutes 40 seconds east 219.04 feet;

THENCE South 12 degrees 03 minutes 50 seconds west 80.24 feet;

THENCE South 89 degrees 07 minutes west 617.03 feet to the easterly side of Morris Gate;

THENCE along the Easterly side of Morris Gate North 0 degrees 53 minutes west 200 feet to the southerly side of Sunrise Highway at the point or place of BEGINNING.

Said premises being known as 3660 Sunrise Highway, Seaford, New York

SECTION 57 BLOCK 291 LOTS 45, 57 AND 59

Transcript Document No. 5

JS 3660 SUNRISE REALTY, LLC

and

JS ATLANTIC AUTO SALES, LLC

to

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY
(TOWN OF HEMPSTEAD, NEW YORK)

RECAPTURE AGREEMENT

Dated as of August 1, 2011

Town of Hempstead Industrial Development Agency
(JS 3660 Sunrise Realty, LLC/JS Atlantic Auto Sales, LLC 2011 Facility)

Section: 57
Block: 291
Lot: 45 (Lot Group 45, 57, 59)

Record and return to:
Nixon Peabody LLP
1300 Clinton Square
Rochester, New York 14604
Attention: William F. Weir, Esq.

RECAPTURE AGREEMENT

THIS RECAPTURE AGREEMENT, made and entered into as of August 1, 2011 (this "**Recapture Agreement**"), is from JS 3660 SUNRISE REALTY, LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having an office at 3660 Sunrise Highway, Seaford, New York 11783 (the "**Company**") and JS ATLANTIC AUTO SALES, LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having an office at 3660 Sunrise Highway, Seaford, New York 11783 (the "**Sublessee**") to the TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, having its office at 350 Front Street, 2nd Floor, Hempstead, New York 11550 (the "**Agency**").

WITNESSETH:

WHEREAS, Title 1 of Article 18-A of the General Municipal Law of the State of New York was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York;

WHEREAS, the aforesaid act authorizes the creation of industrial development agencies for the Public Purposes of the State of New York (the "**State**");

WHEREAS, the aforesaid act further authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, reconstruct, renovate, refurbish, equip, lease, sell and dispose of land and any building or other improvement, and all real and personal property, including but not limited to, machinery and equipment deemed necessary in connection therewith, whether now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, recreation or industrial facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living;

WHEREAS, pursuant to and in accordance with the provisions of the aforesaid act and Chapter 529 of the Laws of 1971 of the State, as amended (collectively, the "**Act**"), the Agency was created and is empowered to undertake the providing, financing and leasing of the Facility defined below;

WHEREAS, the Agency has agreed to provide its assistance with a certain industrial development facility consisting of the acquisition of an approximately 2.3 acre parcel of land located on Sunrise Highway in Seaford, Town of Hempstead, Nassau County, New York (the "**Land**"), and the renovation and equipping of an approximately 49,250 square foot collection of buildings and the installation of certain equipment including, but not limited to, lifts, computers and service bays (collectively, "**Improvements**" and "**Equipment**"; and, together with the Land, the "**Facility**"), all to be leased by the Company to the Agency, subleased by the Agency to the Company and sub-subleased by the Company to, and used by the Sublessee, in the operation of a Nissan dealership offering sales of new and used automobiles and service of automobiles to its customers, including the following, as they

relate to the acquisition, renovation and equipping of such Facility, whether or not any materials or supplies described below are incorporated into or become an integral part of such Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, renovation, rehabilitation and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, renovation, rehabilitation and equipping of the Facility, and (iii) all equipment, machinery and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Facility;

WHEREAS, the Company has agreed to lease the Land to the Agency pursuant to a certain Company Lease Agreement, dated as of August 1, 2011 (the “**Company Lease Agreement**”), by and between the Company and the Agency;

WHEREAS, the Agency has agreed to sublease the Land to the Company pursuant to a certain Lease Agreement, dated as of August 1, 2011 (the “**Lease Agreement**”), by and between the Company and the Agency;

WHEREAS, the Company has further agreed to sub-sublease the Land and sublease the improvements and equipment to the Sublessee pursuant to a certain Sublease Agreement, dated as of August 24, 2011 (the “**Sublease Agreement**”), by and between the Company and the Sublessee;

WHEREAS, the Agency has agreed to sublease the Facility to the Company pursuant to a certain Lease Agreement, dated as of August 1, 2011 (the “**Lease Agreement**”), by and between the Company and the Agency;

WHEREAS, the Company has further agreed to sub-sublease the Facility to the Sublessee pursuant to a certain Sublease Agreement, dated as of August 17, 2011 (the “**Sublease Agreement**”), by and between the Company and the Sublessee;

WHEREAS, in order to define the Company’s and the Sublessee’s obligations regarding payments-in-lieu-of taxes with respect to the Facility, the Agency, the Company and the Sublessee will enter into a Payment-in-Lieu-of-Tax Agreement, dated as of August 1, 2011 (the “**PILOT Agreement**”), by and among the Agency, the Company and the Sublessee;

WHEREAS, the Agency has conferred on the Company and the Sublessee in connection with the acquisition, renovation, equipping, financing and lease of the Facility certain benefits, tax exemptions and other financial assistance more particularly described in Section 1(c) hereof, consisting of, among other things, sales and use tax exemptions on the acquisition, renovation, rehabilitation and equipping of the Facility and real property tax abatements (pursuant to the PILOT Agreement), and, if requested, mortgage recording tax exemptions; and

WHEREAS, the Agency requires, as a condition and as an inducement for it to enter into the transactions contemplated by the PILOT Agreement and the Lease Agreement, that the Company and the Sublessee provide assurances with respect to the recapture of benefits

granted under the PILOT Agreement, the Lease Agreement and the other Agency agreements on the terms herein set forth.

AGREEMENT

1. Recapture of Agency Benefits. (a) It is understood and agreed by the parties hereto that the Agency is entering into the PILOT Agreement and the Lease Agreement in order to provide financial assistance to the Company and the Sublessee for the Facility and to accomplish the public purposes of the Act. In consideration therefor, the Company and the Sublessee hereby agree as follows:

- (i) If there shall occur a Recapture Event after August 24, 2011, but on or before December 31, 2014, the Company and/or the Sublessee shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, one hundred percent (100%) of the Recaptured Benefits (as defined below);
- (ii) If there shall occur a Recapture Event after January 1, 2015 but on or before December 31, 2016, the Company and/or the Sublessee shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, seventy-five percent (75%) of the Recaptured Benefits;
- (iii) If there shall occur a Recapture Event after January 1, 2017 but on or before December 31, 2018, the Company and/or the Sublessee shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, fifty percent (50%) of the Recaptured Benefits;
- (iv) If there shall occur a Recapture Event after January 1, 2019 but on or before December 31, 2021, the Company and/or the Sublessee shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, twenty-five percent (25%) of the Recaptured Benefits; and
- (v) If there shall occur a Recapture Event after December 31, 2021, the Company and/or the Sublessee shall not be obligated to pay to the Agency, or to the State of New York, any of the Recaptured Benefits; and

(b) The term "Recaptured Benefits" shall mean all direct monetary benefits, tax exemptions and other financial assistance, if any, derived solely from the Agency's participation in the transaction contemplated by the PILOT Agreement, the Sales Tax Letter, dated the Closing Date delivered by the Agency to the Company and the Sublessee (the "Sales Tax Letter") and the Lease Agreement including, but not limited to, the amount equal to 100% of any exemption from any applicable mortgage recording tax with respect to the

Facility on mortgages granted by the Agency, sales or use tax exemptions and real property tax abatements granted under the PILOT Agreement which amounts from time to time shall be payable directly to the Agency or to any party or parties at the direction of the Agency.

(c) The term "Recapture Event" shall mean any of the following events:

(1) A default by the Company and/or the Sublessee under the PILOT Agreement (other than as described in clause 8 below) which remains uncured beyond any applicable notice and/or grace period, if any, provided thereunder; or

(2) A default by the Company under the Lease Agreement (other than as described in clause 8 below) or the occurrence and continuation of an Event of Default under the Lease Agreement which remains uncured beyond any applicable notice and/or grace period, if any, provided thereunder; or

(3) The Facility shall cease to be a "project" within the meaning of the Act, as in effect on the Closing Date through the act or omission of the Company and/or the Sublessee.

(4) The sale (other than pursuant to an assignment of the Lease Agreement as approved by the Agency pursuant to Section 9.3 of the Lease Agreement) or closure of the Facility and/or departure of the Company and/or the Sublessee from the Town of Hempstead, except as due to casualty, condemnation or force majeure as provided below.

(5) Failure of the Company to create or maintain 85 full-time equivalent jobs based upon a 35 hour work week ("FTE") two years after the Completion Date, and thereafter at the Facility unless such failure is reflective of a force majeure event, or the Company's or Sublessee's business cycle or conditions, including loss of major sales, revenues, distribution or other adverse business developments and/or local, national or international economic conditions, trade issues or industry wide conditions. FTE Jobs shall include employees of the Company, or employees of any managing agent or employees of any subcontractor employed by the Company or the managing agent to maintain and operate the Facility.

(6) Any significant deviations from the information and data provided to the Agency in the Company's application for assistance which would constitute a significant diminution of the Company and/or the Sublessee activities in, or commitment to, the Town of Hempstead.

(7) Reserved.

(8) Notwithstanding the foregoing, a Recapture Event shall not be deemed to have occurred if the Recapture Event shall have arisen as a direct, immediate result of (i) a taking or condemnation by governmental authority of all or part of the Facility, or (ii) the inability of the Company and/or the Sublessee after the Facility shall have been destroyed or damaged in whole or in part (such occurrence a "**Loss Event**") to rebuild, repair, restore or replace the Facility to substantially its condition prior to such Loss Event, which inability shall have arisen in good faith on the part of the Company and/or the Sublessee or any of

their respective affiliates so long as the Company and/or the Sublessee or any of their respective affiliates have diligently and in good faith using commercially reasonable efforts pursued the rebuilding, repair, restoration or replacement of the Facility or part thereof.

(d) The Company and the Sublessee covenant and agree to furnish the Agency with written notification (i) within thirty (30) days of the end of each Tax Year, the number of FTEs located at the Facility for such Tax Year, and (ii) within thirty (30) days of actual notice thereof, notice of any facts or circumstances which would materially likely lead to a Recapture Event or constitute a Recapture Event hereunder. The Agency shall notify the Company and the Sublessee within thirty (30) days of the occurrence of a Recapture Event hereunder, which notification shall set forth the terms of such Recapture Event.

(e) In the event any payment owing by the Company and/or the Sublessee under this Section shall not be paid on demand by the Agency, such payment shall bear interest from the date of such demand at a rate equal to one percent (1%) plus the Prime Rate, but in no event at a rate higher than the maximum lawful prevailing rate, until the Company and/or the Sublessee shall have made such payment in full, together with such accrued interest to the date of payment, to the Agency (except as otherwise specified above).

(f) The Agency shall be entitled to deduct all reasonable out of pocket expenses of the Agency, including without limitation, legal fees, incurred with the recovery of all amounts due under this Recapture Agreement, from amounts received by the Agency pursuant to this Recapture Agreement.

2. Obligations Unconditional.

(a) The obligations of the Company and the Sublessee under this Recapture Agreement shall be absolute and unconditional and shall remain in full force and effect until the PILOT Agreement and the Lease Agreement have expired or been terminated or the Lease Agreement has been assigned with the consent of the Agency, and such obligations shall not be affected, modified or impaired by any state of facts or the happening from time to time of any event, whether or not with notice to or the consent of the Company or the Sublessee.

(b) It is hereby expressly agreed that the Company's obligations under this Recapture Agreement are not limited in any manner, and the Company shall be liable for the payment of all recapture amounts with respect to the entire Facility.

(c) It is hereby expressly agreed that the Sublessee's obligations under this Recapture Agreement are not limited in any manner, and the Sublessee shall be liable for the payment of all recapture amounts with respect to the entire Facility.

(d) The Company, the Sublessee and the Agency hereby agree that the obligations and liabilities of the Company and the Sublessee hereunder are the absolute and unconditional obligations and liabilities of the Company and the Sublessee and not the obligations and liabilities of any officer, director or employee of the Company or the Sublessee and that no officer, director or employee of the Company or the Sublessee shall

have any obligation or liability hereunder, except arising in connection with the gross negligence, recklessness, willful, misconduct or criminal activity of such officer, director or employee of the Company and/or the Sublessee.

3. Condition to Reconveyance of Facility. The parties hereto agree that the Agency shall have no obligations to re-convey the Facility to the Company pursuant to the Lease Agreement until all payments to the Agency and the Town under Sections 5.3, 11.2 and 11.3 of the Lease Agreement, under the PILOT Agreement and hereunder have been paid in full. If such payments are not paid in full by the Company and/or the Sublessee within sixty (60) days of the date when due and owing, then the Agency shall offer the Facility for sale pursuant to the Agency's Real Property Disposition Policy adopted pursuant to the Public Authorities Accountability Act.

4. Recordation of Recapture Agreement. The parties hereto agree that this Recapture Agreement shall be recorded as a lien against the Facility and as a covenant and restriction running with the Land until this Recapture Agreement has been discharged by the Agency or the Facility re-conveyed to the Company.

5. Terms Defined. All of the capitalized terms used in this Recapture Agreement and not otherwise defined herein shall have the meanings assigned thereto in the Schedule of Definitions attached to the Lease Agreement as Schedule A.

6. Directly or Indirectly. Where any provision in this Recapture Agreement refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

7. Survival. All warranties, representations, and covenants made by the Company and the Sublessee herein shall be deemed to have been relied upon by the Agency and shall survive the delivery of this Recapture Agreement to the Agency regardless of any investigation made by the Agency.

8. Binding Effect. This Recapture Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties.

9. Notices. All notices, certificates and other communications under this Recapture Agreement shall be in writing and shall be deemed given when delivered personally or when sent by certified mail, postage prepaid, return receipt requested, or by Federal Express, addressed as follows or to such other address as any party may specify in writing to the other:

To the Agency:

Town of Hempstead Industrial Development Agency
350 Front Street, 2nd Floor
Hempstead, New York 11550-4037

Attention: Executive Director and Chief Executive Officer

With a copy to:

Ryan, Brennan & Donnelly LLP
131 Tulip Avenue
Floral Park, New York 11001
Attention: John E. Ryan, Esq.

The Company:

JS 3660 Sunrise Realty, LLC
3660 Sunrise Highway
Seaford, New York 11783
Attention: Member

The Sublessee:

JS Atlantic Auto Sales, LLC
3660 Sunrise Highway
Seaford, New York 11783
Attention: Member

With a copy to:

Ruskin Moscou Faltischek, PC
1425 RXR Plaza
East Tower, 15th Floor
Uniondale, New York 11556-1425
Attention: Eric C. Rubenstein, Esq.

A duplicate copy of each communication hereunder by the Company or the Agency shall be given to the Agency and the Lender, if any.

10. Entire Understanding; Counterparts. This Recapture Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof and may be executed simultaneously in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11. Amendments. No amendment, change, modification, alteration or termination of this Recapture Agreement shall be made except in writing upon the written consent of the Company, the Sublessee and the Agency.

12. Severability. The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections in this Recapture Agreement or the application thereof shall not affect the validity or enforceability of the remaining portions of this Recapture Agreement or any part thereof.

13. Governing Law. This Recapture Agreement shall be governed by, and construed in accordance with, the laws of the State, without regard or reference to its conflict of laws principles.

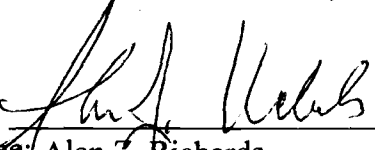
14. Section Headings. The headings of the several Sections in this Recapture Agreement have been prepared for convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Recapture Agreement.

15. Consent. Where the consent of the Agency is required, such consent shall not be unreasonably withheld, delayed or conditioned.

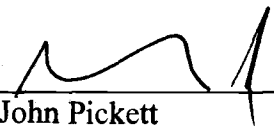
(Remainder of Page Intentionally Left Blank – Signature Page Follows)

IN WITNESS WHEREOF, the Company and the Sublessee have caused this Recapture Agreement to be duly executed and delivered as of the day and year first above written.

JS 3660 SUNRISE REALTY, LLC

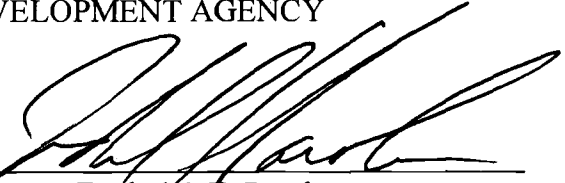
By: 
Name: Alan Z. Richards
Title: Manager

JS ATLANTIC AUTO SALES, LLC

By: 
Name: John Pickett
Title: Manager


ACCEPTED:

TOWN OF HEMPSTEAD INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Name: Frederick E. Parola
Title: Executive Director and
Chief Executive Officer

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

On the 24th day of August in the year 2011, before me, the undersigned, personally appeared Alan Z. Richards, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.


 Notary Public

PAULA A. CORAZZA
 Notary Public, State of New York
 No. 01CO5006888
 Qualified in Queens County
 Commission Expires : 1/11/2015

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

On the 24th day of August in the year 2011, before me, the undersigned, personally appeared John Pickett, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.


 Notary Public

PAULA A. CORAZZA
 Notary Public, State of New York
 No. 01CO5006888
 Qualified in Queens County
 Commission Expires : 1/11/2015

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

On the ____ day of August in the year 2011, before me, the undersigned, personally appeared Frederick E. Parola, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

 Notary Public

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

On the ___ day of August in the year 2011, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

 Notary Public

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

On the ___ day of August in the year 2011, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

 Notary Public

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

On the 17 day of August in the year 2011, before me, the undersigned, a Notary Public in and for said State, personally appeared Frederick E. Parola, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.



 Notary Public

EDITH M. LONGO
 Notary Public State of New York
 No. 01L06063912
 Qualified in Nassau County
 Commission Expires September 10, 20 13

EXHIBIT A

REAL PROPERTY DESCRIPTION

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being at Seaford, Town of Hempstead, County of Nassau and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the Southerly side of Sunrise Highway and the easterly side of Morris Gate;

RUNNING THENCE along the Southerly side of Sunrise Highway, the following three (3) courses and distances:

1. North 89 degrees 07 minutes east 180.22 feet;
2. Easterly along the arc of a curve bearing to the right, having a radius of 939 feet, a distance of 253.61 feet;
3. South 71 degrees 44 minutes 40 seconds east 219.04 feet;

THENCE South 12 degrees 03 minutes 50 seconds west 80.24 feet;

THENCE South 89 degrees 07 minutes west 617.03 feet to the easterly side of Morris Gate;

THENCE along the Easterly side of Morris Gate North 0 degrees 53 minutes west 200 feet to the southerly side of Sunrise Highway at the point or place of BEGINNING.

Said premises being known as 3660 Sunrise Highway, Seaford, New York

SECTION 57 BLOCK 291 LOT 45 (Lot Group 45, 57, 59)

EDWARD P. MANGANO
County Executive



JAMES E. DAVIS
Acting Assessor

NASSAU COUNTY
DEPARTMENT OF ASSESSMENT
240 Old Country Road
Mineola, New York 11501
(516) 571-1500

September 6, 2011

Town of Hempstead Industrial Development Agency
350 Front Street, 2nd Floor
Hempstead, NY 11550

Section 57 Block 291 Lot 45

Re: 2011/2012 Assessment Roll Exemption

Dear Sir or Madam:

Your application for a real property tax exemption pursuant to Section 412-a of the New York State Real Property Tax Law has been approved for the 2012/2013 assessment roll.

If you have any questions, please contact the Department of Assessment at (516) 571-2650 or (516) 571-1875.

Sincerely,

Thomas F. Albanese

A handwritten signature in black ink that reads "Thomas Albanese".

Exemptions Supervisor

cc: Elizabeth Wood
Nixon Peabody LLP