

SUFFOLK COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Steve Levy
Suffolk County Executive

H. Lee Dennison Building; 3rd Fl.
100 Veterans Memorial Highway
P.O. Box 6100
Hauppauge, NY 11788-0099
(631) 853-4802 Fax: (631) 853-8351

ACCEPTED BY THE BOARD 3/24/11

MINUTES
IDA ANNUAL/REGULAR MEETING
JANUARY 28, 2011

PRESENT

Jim Morgo, Chairman
David Rosenberg, Vice Chairman
Steven Rossetti, Secretary
Elizabeth Custodio, Member
Alan J. Ehl, Member
Yves Michel, Member

EXCUSED ABSENCE

Peter Zarcone

ALSO PRESENT

Bruce E. Ferguson, Executive Director
Anthony J. Catapano, Deputy Executive Director
William Wexler, Esq., Agency Counsel
William Weir, Esq., Bond Counsel
Adam Santiago, Aide to the Presiding Officer William J. Lindsay, S. C. Legislator

The Annual/Regular Meeting of the Suffolk County Industrial Development Agency held in the Conference Room of the Agency, 100 Veterans Memorial Highway, H. Lee Dennison Building, 3rd. Floor, Hauppauge, NY was called to order at 12:30 p.m.

Election of Officers

The proposed slate of Officers was distributed to Board Members.

Upon a motion by Mr. Ehl , seconded by Mr. Michel, it was:

RESOLVED, that the following Members be Officers of the Agency:

Jim Morgo – Chairman
David Rosenberg – Vice Chairman
Peter Zarcone – Treasurer
Steven Rossetti – Secretary

Unanimously carried 6/0.

Schedule of Meetings

The schedule of Agency/Corporation Regular Meetings and Committee Meetings were distributed to Board Members.

Committees

The proposed slate of officers for Committees was distributed to Board Members:

Upon a motion by Mr. Michel, seconded by Mr. Ehl, it was:

RESOLVED, that the following Board Members be assigned to the Audit, Finance and Governance Committees:

GOVERNANCE COMMITTEE: Steve Rossetti, Chair
Elizabeth Custodio
Yves Michel

AUDIT COMMITTEE: David Rosenberg, Chair
Alan Ehl
Jim Morgo

FINANCE COMMITTEE: Peter Zarcone, Chair
David Rosenberg
Jim Morgo

Unanimously carried 6/0.

Signatories on Agency Accounts

Mr. Ferguson stated that six signatories are authorized on Agency Accounts with two out of the six signatories being required on the accounts. The six signatories are the four officers and two staff members. The preference is to have one officer and one staff member as the two signatories. The following should be authorized signatories for 2011:

Jim Morgo
David Rosenberg
Steven Rossetti
Peter Zarcone
Bruce Ferguson
Anthony Catapano

Upon a motion by Mr. Rossetti, seconded by Mr. Ehl, it was:

RESOLVED, the following are authorized signatories on Agency accounts with two of six signatories being required on the accounts.

Unanimously carried 6/0.

Review & Readoption of Agency Policies

Mr. Ferguson indicated that the Agency must readopt the Investment and Property Disposition/Procurement Policies annually.

Upon a motion by Mr. Rosenberg, seconded by Michel, it was:

RESOLVED, to readopt the Investment Policy and Property Disposition/Procurement Policy for the Suffolk County Industrial Development Agency.

Unanimously carried 6/0.

Agency Counsel

Mr. Ferguson indicated that last year the Agency selected William Wexler as Agency Counsel for the 3 year period January 1, 2010 through December 31, 2012 subject to annual renewal. Mr. Ferguson indicated that this would be the second year for Mr. Wexler.

Upon a motion by Mr. Rosenberg, seconded by Mr. Rossetti, it was:

RESOLVED, to approve the continued appointment of William Wexler, Esq., as Agency Counsel for the year period January 1, 2011 through December 31, 2011, at the rate of \$260 per hour.

Unanimously carried 6/0.

Bond Counsel

Mr. Ferguson indicated that the Agency appoints Bond Counsel annually and for 2011 an RFP was issued requesting interested firms to respond with a proposal by January 18, 2011. Appointment of Bond Counsel is for a 3 year period, renewable annually, beginning January 2011 and ending December 2013. The RFP was advertised in NEWSDAY on December 10, 2010, December 13, 2010 and in the Long Island Business News on December 10, 2010 and December 17, 2010. Mr. Ferguson indicated that 7 Bond Counsel firms had responded.

Upon a motion by Mr. Rossetti, seconded by Mr. Michel, it was:

RESOLVED, to re-designate the firms of Nixon Peabody, LLP and Winston & Strawn, LLP as the Agency's Co-Bond Counsels for the 3 year period of January 1, 2011 through December 31, 2013 subject to annual renewals and that applicants may select a different Bond Counsel of their choice, provided that the Bond Counsel they select is qualified and acceptable to the Agency.

Unanimously carried 6/0.

Accountant

Mr. Ferguson indicated that The Fuoco Group had been selected through an RFP process to be the Agency's accountant's for the three year period January 1, 2009 through December 31, 2011 subject to annual renewals. This would be The Fuoco Groups third year.

Upon a motion by Ms. Custodio, seconded by Mr. Rossetti, it was:

RESOLVED, to continue to retain the Fuoco Group as Agency Accountants for the period January 1, 2009 through December 31, 2011.

Unanimously carried 6/0.

Appointment of Actuary

Mr. Catapano explained that pursuant to GASB 45 the Agency is required to have an actuarial review of its post retirement health benefit fund every three years. In preparation for this the Agency contacted six actuary firms. Four firms provided cost estimate quotes and two firms indicated that they were not interested and/or do not perform GASB 45 work. The quotes for a GASB 45 report ranged from \$2,000 to \$4,000. The lowest price of \$2,000 was from Nyhart, an Indiana based firm which performed a GASB 45 Report last year for the Suffolk County Water Authority. The other quotes were from Gary Abramson, Consulting Actuary/Niis (New Jersey) in the amount of \$3,500 which performed the last two actuary reports for the Agency; a \$3,900 quote from USI Consulting Group (Connecticut) and a quote of \$4,000 from Actuarial Solutions based in Ronkonkoma which had performed a GASB 45 report for the Suffolk County Water Authority a few years ago. Mr. Rossetti said he would like to give a preference to Suffolk County based companies although the Suffolk based firm Actuarial Solutions quote was the highest quote. Mr. Rossetti and the Board agreed to see whether Actuarial Solutions wished to revise its quote. Board Members indicated that they

would select Actuarial Solutions if it was able to be cost competitive by being no higher than 10% above the lowest quote of \$2,000 which is \$2,200. Adam Santiago said this is similar to what the County does when awarding contracts. The Board asked Mr. Catapano to contact Actuarial Solutions to see if they wanted to revise their quote. Otherwise the Board said they will select Nyhart.

Upon a motion by Mr. Ehl, seconded by Mr. Rosenberg, it was:

RESOLVED, to select Nyhart which provided a quote of \$2,000 to perform the GASB 45 actuary report subject to whether Actuarial Solutions can revise its proposal and be no more than \$2,200.

Unanimously carried 6/0.

Contract Pharmacal Corporation (CPC)

Mr. Ferguson presented Exhibit A. Mr. Ferguson indicated that based upon the Board's favorable consideration of CPC's request for PILOT modifications last month they have formally submitted an application to the IDA. Mr. Ferguson indicated that CPC which has approximately 430 employees in 3 buildings in Hauppauge totaling 193,000 square feet located at 135 Adams Avenue; 160 Commerce Drive and 150 Commerce Drive proposes to invest approximately \$6 million in renovations in the 135 Adams Avenue facility in order to improve and expand manufacturing capabilities. Mr. Morgo indicated that he is hopeful that the IDA's formal approval of this project with 3 PILOT Agreements will help to keep CPC here in Suffolk County.

Upon a motion by Rossetti, seconded by Mr. Michel, it was:

RESOLVED, to approve an inducement resolution for an approximately \$6,000,000 lease transaction.

Unanimously carried 6/0.

First Data Corporation

Mr. Ferguson presented Exhibit B. First Data Corporation is requesting Agency consent to a second mortgage. Mr. Weir indicated that does not have any impact upon the Agency.

Upon a motion by Mr. Rosenberg, seconded by Mr. Rossetti, it was:

RESOLVED, to consent to a second mortgage on the First Data Corporation facility.

Unanimously carried 6/0.

Sheltair Westhampton, LLC

Mr. Ferguson presented Exhibit C. Sheltair Westhampton, LLC is requesting a sales tax extension through January 30, 2011. Mr. Catapano indicated that Phase II of the project, the construction of the aircraft hangar facility is nearly completed. One of the things that still needs to be done is landscaping which cannot be done until the Spring.

Upon a motion by Ms. Custodio, seconded by Mr. Rossetti, it was:

RESOLVED, to approve a sales tax extension for Sheltair Westhampton, LLC through June 30, 2011.

Unanimously carried 6/0.

Upon a motion by Mr. Rosenberg, seconded by Ms. Custodio, it was:

RESOLVED, to adjourn the Annual/Regular Meeting of the Suffolk County Industrial Development Agency.

Unanimously carried 6/0.

The Meeting adjourned at 1:30 p.m.

The next Regular Meeting of the Suffolk County Industrial Development Agency is tentatively scheduled for February 24, 2010.

SCIDA PROJECT ABSTRACT

EAB11111 A

MEETING DATE: January 28, 2011

CONTACT: Matt Wolf, CEO
Eric Antman, Finance
PHONE: (631) 231-4610

APPLICANT NAME: Contract Pharmacal Corporation (CPC)/Wolf Family LLC
AND ADDRESS 135 Adams Avenue
Hauppauge, NY 11788

PRINCIPALS: Wolf Family (100%)

PRODUCT/SERVICES: Manufacture prescription drugs, vitamins & dietary supplements

PRESENT FACILITIES: Own 3 Bldgs. Lease _____ Sq. Ft. 193,000 total owned
(46,000, 38,000 & 109,000 sq. ft.)

NEW LOCATION/TAX MAP #: 135 Adams Avenue, 150 Commerce Drive
& 160 Commerce Drive, Hauppauge, NY 11788
Town of Smithtown

PROJECT DESCRIPTION: Up to \$6,000,000 in renovations at the Company's 135 Adams Avenue building to be used for the manufacturing of the Company's pharmaceutical products. The Company says it has invested approximately 25,000,000 during the past three years at its Hauppauge facilities.

PROJECT COSTS:	AUTHORIZATION SOUGHT: Up to \$6,000,000 Lease Transaction
LAND	
EXISTING BUILDING	
COST OF REHAB. OF EXISTING BUILDING	Up to \$6,000,000
CONSTRUCTION NEW BUILDING	
ADDITION OR EXPANSION	
ENGINEERING & ARCHITECTURAL FEES	
EQUIPMENT	
LEGAL FEES (BANK, BOND & COMPANY)	
FINANCE CHARGES	
OTHER FEES/CHARGES	
RESERVE (DEBT SERVICE & OPERATING)	
TOTAL PROJECT COSTS	Up to \$6,000,000

EMPLOYMENT:

	<u># OF EMPLOYEES</u>	<u>ANNUAL PAYROLL</u>	<u>AVERAGE SALARY</u>
PRESENT (All Facilities)	430	\$17,000,000	\$35,945
PRESENT (Suffolk County Only)	430	17,000,000	35,945
PROPOSED 1ST. YEAR	445	17,540,000	39,416
2ND. YEAR	460	18,080,000	39,304

COMMENTS:

Contract Pharmacal Corporation Proposed Project Narrative

Contract Pharmacal Corporation ("CPC" or the "Company") engages in developing, manufacturing and packaging pharmaceuticals, over-the-counter drugs and dietary supplements for pharmaceutical companies, retailers and wholesalers. The Company was founded in 1971 in New York and currently maintains significant high technology research and manufacturing operations in *four* separate facilities in Hauppauge, NY, including CPC's current headquarters at 135 Adams Avenue, Hauppauge, NY 11788.

In order to continue to service the Company's roster of major brand name clients and lay the groundwork for future growth, CPC has been evaluating an expansion and extensive renovation to its current 135 Adams Avenue facility against the relocation of all four of its facilities, including headquarters and manufacturing operations, off Long Island and out of New York State to a new *single* facility in the State of Florida, where several key company executives reside. CPC has undertaken a nearly twelve (12) month site search and identified multiple suitable facilities within Florida Enterprise Zones and secured significant incentives offers from the state and various municipalities. The five (5) year combined incentives offer is approximately \$20 million.

If the Company remains on Long Island, CPC would potentially undertake a substantial renovation of the 135 Adams Avenue facility that would require a capital investment of up to \$6 million over the next three (3) years. The proposed \$6 million in capital investment is in addition to the previous \$25 million in investments the Company has made in the last three (3) years, 80% of which is easily moveable, high-tech research and development manufacturing machinery. CPC would retain approximately 453 jobs in Suffolk County with a total payroll salary of \$14.6 million, a substantial portion of which are unionized positions. Lastly, the Company has proposed to create an additional sixty (60) new full-time positions with an average annual wage of approximately \$36,000 as part of the proposed project.

As discussed at the December 16, 2010 Suffolk County IDA board meeting, CPC is requesting Suffolk County assistance to provide the cost certainty necessary to offset the costs of new investment in the form of a comprehensive, multi-facility PILOT property tax agreement that was detailed at the meeting. In conjunction with LIPA and New York State benefits, the comprehensive agreement would assist the Company to remain and expand operations in New York State by offsetting the high cost challenges of the region and provide the cost certainty necessary to compete in the highly competitive global marketplace for pharmaceutical and over-the-counter drug production. The comprehensive, multi-facility PILOT agreement that was detailed at the December 16th board meeting would consist of the following:

- Fifteen (15) Year PILOT Extension with a five year initial property tax payment freeze period followed by a ten (10) year phase in at an incremental ten percent (10%) increase for the 135 Adams Avenue and 160 Commerce Drive facilities' existing PILOT Agreements; and
- Ten (10) Year PILOT Agreement with a full property tax payment freeze for the duration of the agreement for the 150 Commerce Drive facility.



THE BEACON COUNCIL

June 2, 2010

Mr. Thomas J. Stringer

Miami-Dade
County's
Official
Economic
Development
Partnership

Re: Project New York (Confidential Project 10-00209)

Dear Mr. Stinger:

The Beacon Council, the official economic development partnership for Miami-Dade County, has prepared the following proposal of assistance and incentives for confidential Project New York.

80 Southwest
Eighth Street
Suite 2400
Miami, Florida
33130
T: 305.579.1300
F: 305.375.0271
www.beaconcouncil.com

This is solely a proposal of potential incentives available to Project New York for relocation to Miami-Dade County. The proposal is based upon an evaluation of the project details provided to The Beacon Council by Project New York which is a pharmaceutical manufacturing and headquarters relocation consisting of 500 new jobs with an average annual salary of \$36,000 and a new capital investment totaling \$50 million. Should the project details change at any time, we are prepared to amend the proposal as necessary.

Business relocation incentives are developed in partnership with the State of Florida, Miami-Dade County and the Beacon Council as the local economic development organization. All assistance must be approved by the appropriate State and/or local governing agencies.

The state and local approving bodies must also waive the minimum average annual salary requirements in The State of Florida Qualified Targeted Industry (QTI) Tax Refund. A waiver is allowable if Project New York locates within the Enterprise Zone. The QTI program requires a minimum average annual salary of no less than \$45,564 for the new jobs created. The Beacon Council will act as the liaison throughout the entire waiver and approval process.

Following is a description of the available incentives, along with an incentive grid that provides projected award amounts based upon initial assumptions. Applications are required for the processing and approvals of all incentives.

Confidentiality is fundamental to the incentive process. Any public disclosure or announcement made prior to approvals at both the state and local levels will negate the implementation of incentives. It is important that this is communicated and understood by everyone involved.



STATE OF FLORIDA INCENTIVES

Qualified Target Industry (QTI) Tax Refund

This incentive may be available for Project New York as it creates high wage jobs in a targeted high value-added industry. The QTI may provide Project New York with a tax refund of up to \$5,500 per new job created if located in the Enterprise Zone. The \$5,500 per job amount was calculated to provide the required ROI for the project. This program is funded by the State of Florida (80%) and Miami-Dade County (20%). The QTI program requires average annual salary levels equal to or exceeding 115% of the State annual average wage, or \$45,564. For companies that locate within the Miami-Dade County Enterprise Zone, the minimum salary requirement may be waived.

Capital Investment Tax Credit (CITC)

This incentive may be available to Project New York as it fits within a designated high impact sector and has a cumulative investment in the state of at least \$50 million. The Capital Investment Tax Credit (CITC) is an annual credit applied against the company's corporate income tax for up to 20 years in an amount equal to 5% of the eligible capital costs generated by a qualifying project. Eligible capital costs include all expenses incurred in the acquisition, construction, installation and equipping of a project from the beginning of construction to the commencement of operations. The annual credit may not exceed a specified percentage of the annual corporate income tax liability generated by the project. Those percentages are as follows: 100% for a cumulative capital investment of at least \$100 million; 75% for a cumulative capital investment of at least \$50 million but less than \$100 million; and 50% for a cumulative capital investment of at least \$25 million but less than \$50 million.

High Impact Business Performance Incentive (HIPI) Grant

This incentive may be available to Project New York as it fits within a designated high impact sector and has a cumulative investment in the state of at least \$50 million. HIPI grants are provided to pre-approved applicants in certain high-impact sectors as designated by the Governor's Office of Tourism, Trade and Economic Development (OTTED). Once recommended by Enterprise Florida, Inc. (EFI) and approved by OTTED, the high impact business is awarded 50 percent of the eligible grant upon commencement of operations and the balance of the awarded grant once full employment and capital investment goals are met. In order to participate in the program, a company must apply to Enterprise Florida prior to making a decision to locate or expand in Florida.



Quick Response Training (QRT) Program

This is a State of Florida incentive that may be available to Project New York for the training needs of new employees hired in Miami-Dade County. This is a customer-driven training program designed as an inducement to secure new value-added businesses. The QRT program requires average annual salary levels equal to or exceeding 115% of the State annual average wage, or \$45,564. For companies that locate within the Miami-Dade County Enterprise Zone, the minimum salary requirement may be waived. The training services can be provided through the community colleges (Miami-Dade College), state universities (Florida International University), the Miami-Dade County Public School System or vocational-technical centers, consultants, or trainers from the business.

Enterprise Zone Program

The Enterprise Zone benefits may be available to Project New York should it locate within the designated boundaries of the Miami-Dade County Enterprise Zone. State tax benefits include a sales tax rebate of up to \$10,000 for building materials and a sales tax rebate of up to \$10,000 per application for business machinery and equipment purchases that exceed \$5,000. The Enterprise Zone benefits also include a Jobs Tax Credit which provides a state corporate tax credit or sales tax credit of up to 20% or 30% of wages paid to employees that are residents of the Enterprise Zone.

Manufacturing Sales Tax Exemptions

As a manufacturer locating in the State of Florida, Manufacturing Sales Tax Exemptions may be available to Project New York. The sales tax exemptions include a sales tax exemption on machinery and equipment used for research and development, a sales tax exemption on machinery and equipment purchased by new and expanding businesses that use such equipment at a fixed location, and a sales tax exemption on charges for electricity used directly and exclusively at a fixed location to operate machinery and equipment.



PROPOSAL OF CUSTOMIZED INCENTIVE PACKAGE

(Certain items require detailed facility, equipment and/or employee information to determine precise amounts.)

Incentive	Source	Award (Enterprise Zone location)
Qualified Target Industry Refund (QTI)	State of Florida & Miami-Dade County	\$2,750,000 (500 new jobs x \$5,500 per job) 80% State: \$2,200,000 20% Local: \$550,000
High Impact Business Performance Incentive (HIPI) Grant	State of Florida	\$3,500,000 – \$4,500,000*
Capital Investment Tax Credit (CITC)	State of Florida	\$1,875,000 "Up to" amount available each year for no more than 20 years against corporate income tax
Quick Response Training Grant (QRT)	State of Florida	\$1,000,000** (500 new jobs x \$2,000 per job)
Enterprise Zone	State of Florida	Amount to be determined pending facility needs and employee residence. Available programs include: -Jobs Tax Credit -Sales Tax Refund for Business Machinery & Equipment -Sales Tax Refund for Building Materials
Manufacturing Sales Tax Exemptions	State of Florida	Sales Tax Exemptions To Be Determined

* A more precise figure can be determined once project details are finalized

** A more precise figure can be determined once job specifications and training requirements are established.



In addition to the evaluation of incentives, The Beacon Council will provide the following areas of assistance to Project New York.

BEACON COUNCIL SERVICES

Site Identification Services – The Beacon Council can continue to assist Project New York identify and examine ideal facilities in Miami-Dade County.

Customized Research – Our Research Department has the capability to customize business cost, impact analysis, demographic and wage reports for Project New York.

Access – The Beacon Council's county-wide partnerships guarantee Project New York the access to people you need to know from elected officials to companies doing business in your industry.

Business Incentives – The Beacon Council will continue to assist Project New York determine its eligibility for local and state business incentives and to assist in navigating the application process.

Permitting and Regulatory Assistance – The Beacon Council will assist Project New York with all of the necessary construction/building permits to meet its deadlines.

Labor Recruitment – The Beacon Council can provide Project New York with the link to many local service providers of qualified candidates to meet your human resource needs. In addition, there are various programs available that can also reduce training costs by reimbursing an employer a percentage of the employee's salary while they are in training.

Employee Relocation Program – The Beacon Council will provide and coordinate corporate relocation presentations for Project New York's employees. We can customize and schedule a team composed of a residential Real Estate company, local experts, banks and/or moving companies who can develop substantial relocation discount packages.



The Beacon Council stands ready to assist Project New York in making Miami-Dade County the ideal location for your business.

If you have any questions, please contact me at 305-579-1343 or by e-mail at sbeatus@beaconcouncil.com.

Sincerely,

Stephen Beatus
Associate Executive Vice President
Business Expansion, Retention, Recruitment and
Urban Initiatives

SCIDA PROJECT ABSTRACT

MEETING DATE: March 27, 2003

CONTACT: Joanne Leone, Director
PHONE: (631) 843-6598APPLICANT NAME: First Data Merchant Services
AND ADDRESS 265 Broad Hollow Road
Melville, NY 11747

PRINCIPALS: First Data Corp. (100%)

PRODUCT/SERVICES: Credit card and money transaction processing services.

PRESENT FACILITIES: Own _____ Lease 3 Acreage 19 Sq. Ft. 200,000NEW LOCATION/TAX MAP #: Old Walt Whitman Road, Melville, NY
(0400-255-01-002.1)

PROJECT DESCRIPTION: To construct a new 195,000 square foot office facility on 18 acres to accommodate business growth and to achieve increased efficiency and competitiveness through consolidation.

PROJECT COSTS: AUTHORIZATION SOUGHT: \$63,000,000 Lease Transaction

LAND	\$18,000,000	
EXISTING BUILDING		
REHAB. OF EXISTING BUILDING		
CONSTRUCTION NEW BUILDING	39,000,000	
ADDITION OR EXPANSION		
ENGINEERING & ARCHITECTURAL FEES		
EQUIPMENT	6,000,000	Computers, HVAC, Data Entry, Mail Sorters, Generators
LEGAL FEES (Bank, Bond & Company)		
FINANCE CHARGES/INTEREST		
OTHER FEES/CHARGES		
TOTAL PROJECT COSTS	\$63,000,000	

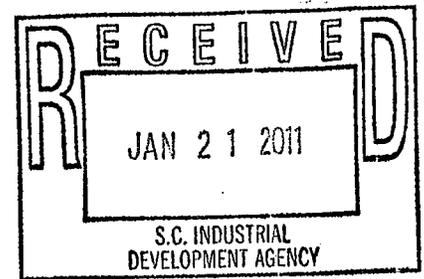
EMPLOYMENT:

	<u># OF EMPLOYEES</u>	<u>ANNUAL PAYROLL</u>	<u>AVERAGE SALARY</u>
PRESENT (All Facilities)	650	26,000,000	40,000
PRESENT (Suffolk County Only)	650	26,000,000	40,000
PROPOSED 1ST. YEAR	700	28,000,000	40,000
2ND. YEAR	750	30,000,000	40,000

COMMENTS: 3/27/03 – Inducement Resolution approved for a \$63.0 million lease transaction.
Voting: 7 (GG, JM, WM, GA, RD, EP, DR) – 0 Absent: None
7/18/03 - Public Hearing held.
7/24/03 - Final Resolution approved.
12/8/03 - Project closed for a \$63,000,000 lease transaction.

GERMANO & CAHILL, P.C.

Attorneys at Law
4250 Veterans Memorial Highway
Suite 275
Holbrook, NY 11741



(631) 588-8778
(Facsimile) (631) 588-2550
www.germanocahill.com

Of Counsel

Guy W. Germano
gwg@germanocahill.com

Marie E. (Mea) Knapp
mek@germanocahill.com

January 19, 2011

Mr. Bruce Ferguson, Executive Director
Suffolk County Industrial Development Agency
H. Lee Dennison Building, 3rd Floor
100 Veterans Memorial Highway
P.O. Box 6100
Hauppauge, NY 11788-0099

Re: *First Data Real Estate Holdings, L.L.C. ("FDREH")*

Dear Bruce:

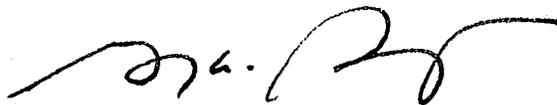
Suffolk County Industrial Development Agency (the "Agency") is the lessor under that certain Lease Agreement dated as of December 1, 2003, by and between the Agency and FDREH, as lessee, with respect to the property located at 1307 Walt Whitman Road, Melville, NY (the "Property"). The Property is subject to a mortgage in the maximum principal amount of \$63,911,250.00 pursuant to that certain Leasehold Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing dated as of February 15, 2008, by and from FDREH to Credit Suisse, Cayman Islands Branch, as mortgagee. As of October 2010 with the consent of the Agency and at the request of FDREH a Leasehold Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture filing in the principle amount of \$63,911,250.00.

First Data Corporation, the parent company of FDREH, completed a new six (6) billion dollar bond offering on December 17, 2010 as part of a private debt exchange financing. In connection with said financing First Data Corporation entered into the Indenture Dated as of December 17, 2010 between and among First Data Corporation, a Delaware corporation (the "Issuer"), the Guarantors (as defined therein) and Wells Fargo Bank, National Association, as trustee (in such capacity and not in its individual capacity, the "Second Lien Trustee") and (ii) the Dealer Manager Agreement dated November 17, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "Dealer Manager Agreement") among the Issuer, the Guarantors (as defined therein) and Citigroup Global Markets Inc., KKR Capital Markets LLC, HSBC Securities (USA) Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated and

Wells Fargo Securities, LLC, as joint dealer managers, the Issuer has issued or will issue \$1,999,703,000 aggregate principal amount of 8.25% Senior Second Lien Notes due 2021 (the "Cash-Pay Notes") and \$1,000,000,000 aggregate principal amount of 8.75%/10.00% PIK Toggle Senior Second Lien Notes due 2022 (the "Toggle Notes", and, together with the Cash-Pay Notes and any Additional Notes issued pursuant to the Indenture, the "Notes") upon the terms and subject to the conditions set forth therein. Pursuant to the terms of the Indenture FDREH respectfully requests that the Agency consent to the placement on the Property of the Second Lease Hold Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing to be held by Wells Fargo Bank, NA as Second Lien Collateral Agent in the maximum principal amount of \$63,911,250.00.

I would appreciate it if you would put this item on the next available agenda for consideration by the Agency board. Please let me know such date as soon as possible. If you have any questions or need further information, please do not hesitate to contact me.

Very truly yours,



Guy W. Germano

GWG/

cc: Patricia Mollicia
Mardi Merjian

SCIDA PROJECT ABSTRACT

MEETING DATE: July 30, 2008

CONTACT: John Schmatz, CFO
PHONE: 954-771-2211APPLICANT NAME: Sheltair West Hampton LLC
AND ADDRESS 4860 NE 12th Avenue
Fort Lauderdale, Florida 33334

PRINCIPALS: G. and M. Holland 72.67%; J. and L. Schmatz 12.82%; E. Zwirn 9.5% B. McShane 5%

PRODUCT/SERVICES: General aviation development and management.

PRESENT FACILITIES: Fixed base operators in Florida (Daytona Beach, Ft. Lauderdale, Jacksonville, Orlando, Panama City, and St. Petersburg) and New York at La Guardia and Plattsburgh.

NEW LOCATION/TAX MAP #: Francis S. Gabreski Airport, Westhampton, NY
(900-312-01-4.2)

PROJECT DESCRIPTION: Purchase the leasehold interest in Gabreski Airport to provide fixed base aviation services, storage, maintenance, fuel etc.

PROJECT COSTS: AUTHORIZATION SOUGHT: \$8,800,000 Lease Transaction
&/or Tax-Exempt Bond

LAND	
EXISTING LEASE	750,000
PURCHASE & REHAB. OF EXISTING BUILDING	
CONSTRUCTION NEW BUILDING	\$6,362,609
ADDITION OR EXPANSION	
ENGINEERING & ARCHITECTURAL FEES	250,000
EQUIPMENT	
LEGAL FEES (BANK, BOND & COMPANY)	752,412
FINANCE CHARGES	90,875
OTHER FEES/CHARGES	594,104

TOTAL PROJECT COSTS \$8,800,000

EMPLOYMENT:

	<u># OF EMPLOYEES</u>	<u>ANNUAL PAYROLL</u>	<u>AVERAGE SALARY</u>
PRESENT Westhampton	15	\$750,000	\$50,000
PROPOSED 1ST. YEAR	33	2,100,000	63,636
2ND. YEAR	33	2,205,000	66,818

COMMENTS: 7/30/08 - Preliminary Inducement resolution approved for a \$8,800,000 lease transaction &/or tax-exempt bond. (Voting: 6 (DR,KG,PZ,EC,AE,SR) - 0. Absent: JM.

5/27/09 - Public hearing held.

6/4/09 - Final resolution approved.

6/4/09 - Project closed for a \$8,800,000 lease transaction.



January 25, 2011

Anthony J. Catapano
Deputy Executive Director
Suffolk County Industrial Development Agency
H. Lee Dennison Building; 3rd Floor
100 Veterans Memorial Highway
Hauppauge, New York 11788-0099

Re: Sheltair West Hampton, LLC Facility
Francis S. Gabreski Airport
Westhampton Beach, NY 11978

Dear Mr. Catapano:

Sheltair West Hampton, LLC is requesting an extension of the sales tax authorization for our project at Francis S. Gabreski Airport to June 30th, 2011. We have completed approximately 90% of Phase 2 which included the construction of a new aircraft hangar facility. We have experienced delays in the completion of work due to the weather conditions this winter. Certain work such as the completion of the asphalt paving, the striping of the parking lot and the purchase of materials for landscaping must be completed when the weather turns warmer. We expect to complete Phase 2 no later than June 30, 2011.

Thank you for your consideration of this request. Please contact me if you have any questions or need additional information.

Very truly yours,
Sheltair West Hampton, LLC


John Schmatz
Managing Member