

ABOUT XSPAND

OUR FIRM

XSPAND is the preeminent property tax lien servicer, financier and purchaser in the United States and is a subsidiary of The Bear Stearns Companies Inc. With approximately \$54.3 billion in total capital, Bear Stearns serves governments, corporations, institutions and individuals worldwide. XSPAND works with local governments to convert their property tax liens to revenue and implement permanent solutions that place delinquent properties back on the active tax rolls. XSPAND's services create revenue for budgetary purposes that governments can use to fund current operations or to increase budgetary reserves.

Governments throughout the United States are facing intense financial challenges with projected budget deficits on the increase. As government leaders attempt to support local services without raising taxes, many have realized the importance of converting nonperforming assets, such as property tax liens, into revenue. Property tax liens are imposed by county and municipal governments on residential, commercial and industrial real estate for the nonpayment of property taxes, water and sewerage charges, and special assessments. Nationally, over \$12 billion in real estate taxes go unpaid each year. This adversely affects government cash flows and budgets, reduces property values and places an unfair burden on those who pay their taxes.

By availing themselves of XSPAND's services, governments have a viable alternative to simply raising taxes to fund local services. We have developed a variety of financial programs that provide our clients with the tools to sell or finance their delinquent property tax receivables to achieve their fiscal objectives. We also provide our clients with a full suite of lien redemption and property disposition services that are designed to place delinquent properties back on the active tax rolls.

OUR ACCOMPLISHMENTS

Our market presence has grown dramatically. Since 1997, we have helped local governments in over 21 states to realize over \$1.5 billion in revenue from the conversion of delinquent property tax receivables into cash. We have performed these services for some of the largest and most sophisticated government entities in the U.S. including the City of New York; the Los Angeles County School Districts; Erie County, NY; Cuyahoga County, OH; Montgomery County, PA; Nassau County, NY; and Camden, NJ.

OUR CLIENT PARTNERSHIPS

We take great pride in the results we have achieved by working closely with our municipal clients. Our partnership approach has proven successful time and time again in helping municipalities reach their specific financial objectives.

As a tax lien servicer, XSPAND goes beyond the role of an outsourced service provider by functioning as an extension of the municipality. As such, we are very sensitive to the need of working with delinquent taxpayers in a positive and helpful manner. We begin our engagement with each client by developing a redemption strategy for every property. Once presented and adjusted to reflect our client's specific needs and concerns, it becomes a co-authored plan with a clear blueprint for implementation. Our efforts are focused on developing compassionate programs involving private sector partners that provide financial resources and credit counseling to help delinquent taxpayers become current and remain in their homes. Over the long-term we work closely with our clients to promote economic revitalization by attracting redevelopers, rehabilitation specialists and environmental remediators to put vacant, abandoned and environmentally contaminated properties back into productive use.

As a tax lien purchaser, we have focused on developing programs to provide our clients with added financial resources. Though each client may have different problems, they all share the need for accelerated revenue and cash. For example, one client wanted XSPAND to service their delinquent lien pool but also needed several million dollars to keep a number of county parks open that were threatened with closure due to budget constraints. We purchased the number of liens necessary to meet their financial objective and serviced the remainder of the pool. Another municipality was concerned that their credit rating would suffer because they had depleted their reserves in order to balance their budget. We bought their delinquent liens and they were able to use the proceeds to replenish their reserves and maintain their credit rating. A mayor thought that raising taxes was the only way to overcome a budget shortfall. We conducted an aggressive collection campaign that recovered half of the shortfall and purchased the remainder, enabling the mayor to avoid a tax increase.

These examples illustrate how XSPAND's individualized approach achieves successful outcomes ... and why we continue to achieve significant growth.

OUR PROFESSIONAL STAFF

XSPAND's most valuable resource is its professional staff. XSPAND has successfully assembled a dynamic team of accomplished leaders from both the private and public sectors with extensive experience in servicing municipal real estate tax liens. The combined expertise of these individuals provides bottom line results for our clients that would be difficult for any other firm to match.

OUR S&P RATING

XSPAND's commitment to excellence has earned us Select Servicer status from Standard and Poors (S&P) for the last four years. Of further distinction is the fact that we are the only tax lien servicer to have consistently received Select Servicer status over this timeframe.

S&P performs a comprehensive assessment of a company's operational capabilities for servicing tax liens. This includes an analysis of management and organization, entire servicing process and financial position. Inclusion on the list reflects that a company is performing its duties in an effective, controlled manner and is compliant with investor, regulatory or agency requirements, as applicable.

OUR TECHNOLOGICAL ADVANTAGE

XSPAND continually invests in technologies to streamline our client partnerships and maintain our market leadership. BlueHound® software is the proprietary tax lien management system that is the technological foundation of our services. XSPAND provides each client with a BlueHound® browser-based interface that allows them to monitor XSPAND's performance in real-time and to generate numerous analysis and stratification reports. This results in enhanced information management capabilities for our clients.