

## HOME DEPOT U.S.A., INC. - PILOT Deviation Resolution

A regular meeting of the Nassau County Industrial Development Agency (the “Agency”) was convened in public session, electronically, pursuant to Executive Order No. 202.11, 202.28 and 202.48 - Continuing Temporary Suspension And Modification Of Laws Relating To The Disaster Emergency - by Governor Andrew M. Cuomo of the State of New York on July 9, 2020 at 6:45 p.m., local time.

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

### PRESENT:

Richard Kessel	Chairman
Timothy Williams	Secretary
Amy Flores	Treasurer
John Coumatos	Asst. Treasurer
Chris Fusco	Asst. Secretary

### NOT PRESENT:

Lewis M. Warren	Vice Chairman
Anthony Simon	2nd Vice Chairman

### THE FOLLOWING ADDITIONAL PERSONS WERE PRESENT:

Harry Coghlan	Chief Executive Officer / Executive Director
Danielle Oglesby	Chief Operating Officer/ Deputy Executive Director
Anne LaMorte	Chief Financial Officer
Catherine Fee	Director of Business Development/Chief Marketing Officer
Colleen Pereira	Administrative Director
Carlene Wynter	Compliance Assistant
Thomas D. Glascock, Esq.	General Counsel
Andrew D. Komaromi, Esq.	Bond/Transactional Counsel

The attached resolution no. 2020-53 was offered by Timothy Williams seconded by Chris Fusco.

RESOLUTION AUTHORIZING A DEVIATION FROM THE UNIFORM  
TAX EXEMPTION POLICY OF THE NASSAU COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT  
TO A PROJECT FOR HOME DEPOT U.S.A., INC..

WHEREAS, the Nassau County Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”), and Chapter 674 of the 1975 Laws of New York, as amended, constituting Section 922 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, industrial and commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, LEG ACQUISITION LLC, a limited liability company organized and existing under the laws of the State of Delaware and qualified to do business in the State of New York, and HOME DEPOT U.S.A., INC., a corporation organized and existing under the laws of the State of Delaware and qualified to do business in the State of New York (collectively, the “Applicant”), have presented an application for financial assistance (the “Application”) to the Agency, which Application requests that the Agency consider undertaking a project (the “Project”) consisting of the following: (A)(1) the acquisition of an interest in an approximately 9.04 acre parcel of land located at 344 Duffy Avenue, Hamlet of Hicksville, Town of Oyster Bay, Nassau County, New York (Section: 11; Block: 327; Lot: 421) (the “Land”), (2) the renovation of an approximately 195,610 square foot building (collectively, the “Building”) on the Land, together with related improvements to the Land, including surface parking spaces and (3) the acquisition of certain furniture, fixtures, machinery and equipment (the “Equipment”) necessary for the completion thereof (collectively, the “Project Facility”), all of the foregoing for use by the Applicant as a distribution center; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing in the form of potential exemptions or partial exemptions from real property taxes, mortgage recording taxes and sales and use taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase), license or sale of the Project Facility to the Applicant or such other entity as may be designated by the Applicant and agreed upon by the Agency; and

WHEREAS, the Application states that the Applicant is seeking an exemption from real property taxes with respect to the Project Facility that constitutes a deviation from the Agency's Uniform Tax Exemption Policy (the "Tax Exemption Policy"); and

WHEREAS, pursuant to Section 874(4) of the Act, (A) the Executive Director of the Agency caused letter dated June 22, 2020, and as corrected as to the hamlet, only, dated June 26, 2020 (collectively, the "Pilot Deviation Notice Letter") mailed to the chief executive officer of each affected tax jurisdiction, informing said individuals that the Agency would, at its meeting on July 9, 2020 (the "IDA Meeting"), consider a proposed deviation from the Tax Exemption Policy with respect to the payments in lieu of real property taxes to be made pursuant to a payment in lieu of taxes agreement to be entered into by the Agency with respect to the Project Facility; and (B) the members of the Agency conducted the IDA Meeting on the date hereof and reviewed any comments and correspondence received with respect to the proposed deviation from the Tax Exemption Policy; and

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

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

Section 1. Prior to making the determinations set forth in this resolution, the members of the Agency have considered the following factors set forth in the Tax Exemption Policy: (1) the extent to which the Proposed Project would create or retain permanent jobs; (2) the extent to which the Proposed Project would create construction jobs; (3) the estimated value of tax exemptions to be provided with respect to the Proposed Project; (4) the amount of private sector investment generated or likely to be generated by the Proposed Project; (5) the likelihood of the Proposed Project being accomplished in a timely manner; (6) the extent of new revenue that would be provided to affected tax jurisdictions as a result of the Proposed Project; (7) whether affected tax jurisdictions would be reimbursed by the Applicant if a Proposed Project does not fulfill the purposes for which an exemption was provided, (8) the impact of the Proposed Project on existing and proposed businesses and economic development projects in the vicinity, (9) the demonstrated public support for the Proposed Project, (10) the effect of the Proposed Project on the environment, (11) the extent to which the Proposed Project would require the provision of additional services, including, but not limited to, additional educational, transportation, police, emergency, medical or fire services, and (12) any other miscellaneous public benefits that might result from the Proposed Project.

Section 2. The Agency hereby determines that the Agency has fully complied with the requirements of Section 874(4) of the Act relating to the proposed deviation from the Tax Exemption Policy.

Section 3. Having reviewed all comments and correspondence received at or prior to the IDA Meeting, the Agency hereby approves the proposed deviation from the Tax Exemption Policy as described in the Pilot Deviation Notice Letter (a copy of which is attached hereto as Exhibit A) because the proposed deviation is necessary to induce the Applicant to undertake the Proposed Project and because the PILOT payments would not be lower than the real property

taxes that should otherwise apply with respect to the Land and the existing improvements thereon as of the closing date of the transaction.

Section 4. The Chairman, the Vice Chairman, the Chief Executive Officer/Executive Director, Chief Operating Officer and the Administrative Director of the Agency are each hereby authorized and directed, acting individually or jointly, to distribute copies of this Resolution to the Applicant and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution. If the Agency hereafter adopts appropriate final approving resolutions with respect to the proposed straight-lease transaction with the Applicant (the “Transaction”), the Chairman, the Vice Chairman, the Chief Executive Officer/Executive Director, Chief Operating Officer and the Administrative Director of the Agency are each hereby authorized and directed, acting individually or jointly, to cause the Agency to (A) enter into a Payment in Lieu of Taxes Agreement with the Applicant, providing, among other things, that the Applicant shall make payments in lieu of taxes consistent with the formula set forth in the Pilot Deviation Notice Letter, and (B) file an application for real property tax exemption with the appropriate assessor(s) with respect to the Project Facility.

Section 5. This Resolution shall take effect immediately, but is subject to and conditioned upon the closing of the Transaction.

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

Richard Kessel	VOTING Aye
Lewis M. Warren	VOTING Absent
Anthony Simon	VOTING Absent
Timothy Williams	VOTING Aye
Chris Fusco	VOTING Aye
Amy Flores	VOTING Aye
John Coumatos	VOTING Aye

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK

) SS.:

COUNTY OF NASSAU

We, the undersigned [Vice] Chairman and [Assistant] Secretary of the Nassau County Industrial Development Agency (the "Agency"), do hereby certify that we have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on July 9, 2020 with the original thereof on file in our office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

WE FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 5 of the Public Officers Law (the "Open Meetings Law") as modified pursuant to Executive Order No. 202.11, 202.28 and 202.48 - Continuing Temporary Suspension And Modification Of Laws Relating To The Disaster Emergency - by Governor Andrew M. Cuomo of the State of New York, said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

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

IN WITNESS WHEREOF, we have hereunto set our respective hands and affixed the seal of the Agency this 9th day of July, 2020.

  
[Assistant] Secretary

\_\_\_\_\_  
[Vice] Chairman

(SEAL)

STATE OF NEW YORK

) SS.:

COUNTY OF NASSAU

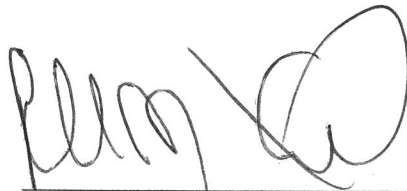
We, the undersigned [Vice] Chairman and [Assistant] Secretary of the Nassau County Industrial Development Agency (the "Agency"), do hereby certify that we have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on July 9, 2020 with the original thereof on file in our office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

WE FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 5 of the Public Officers Law (the "Open Meetings Law") as modified pursuant to Executive Order No. 202.11, 202.28 and 202.48 - Continuing Temporary Suspension And Modification Of Laws Relating To The Disaster Emergency - by Governor Andrew M. Cuomo of the State of New York, said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

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

IN WITNESS WHEREOF, we have hereunto set our respective hands and affixed the seal of the Agency this 9th day of July, 2020.

\_\_\_\_\_  
[Assistant] Secretary



\_\_\_\_\_  
[Vice] Chairman

(SEAL)

**PILOT DEVIATION SCHEDULE**

Period	Begin	End	Assessed Value of Improvement ("AV")	PILOT RATE
1	Closing Date	1 day prior to Effective Date ("ED")	N/A	N/A
2	Effective Date	1st-2nd Anniversary of ED	0.00 AV	SUM OF TAX RATES AS OF YEAR OF CLOSING ("RATE")
3	1 yr Anniversary of Effective Date	2nd-3rdth Anniversary of ED	0.07 AV	RATE
4	2 yr Anniversary of Effective Date	3rd-4th Anniversary of ED	0.13 AV	RATE
5	3 yr Anniversary of Effective Date	4th-5th Anniversary of ED	0.20 AV	RATE
6	4 yr Anniversary of Effective Date	5th-6th Anniversary of ED	0.27 AV	RATE
7	5 yr Anniversary of Effective Date	6th-7th Anniversary of ED	0.33 AV	Rate * 1.0181
8	6 yr Anniversary of Effective Date	7th-8th Anniversary of ED	0.40 AV	Rate * 1.0365
9	7 yr Anniversary of Effective Date	8th-9th Anniversary of ED	0.47 AV	Rate * 1.0553
10	8 yr Anniversary of Effective Date	9th-10th Anniversary of ED	0.53 AV	Rate * 1.0744
11	9 yr Anniversary of Effective Date	10th-11th Anniversary of ED	0.60 AV	Rate * 1.0938
12	10 yr Anniversary of Effective Date	11th-12th Anniversary of ED	0.67 AV	Rate * 1.1136
13	11 yr Anniversary of Effective Date	12th-13th Anniversary of ED	0.73 AV	Rate * 1.1338
14	12 yr Anniversary of Effective Date	13th-14th Anniversary of ED	0.80 AV	Rate * 1.1543
15	13 yr Anniversary of Effective Date	14th-15th Anniversary of ED	0.87 AV	Rate * 1.1752
16	14 yr Anniversary of Effective Date	15th-16th Anniversary of ED	0.93 AV	Rate * 1.1965
Period	BASE PILOT	IMPROVEMENT PILOT	TOTAL PILOT	
1	100 % of taxes as of year of Closing	100% of taxes as of year of Closing	BASE PILOT + IMPROVEMENT PILOT	
2	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
3	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
4	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
5	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
6	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
7	100% of taxes as of year of Closing * 1.0181	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
8	100% of taxes as of year of Closing * 1.0365	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
9	100% of taxes as of year of Closing * 1.0553	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
10	100% of taxes as of year of Closing * 1.0744	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
11	100% of taxes as of year of Closing * 1.0938	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
12	100% of taxes as of year of Closing * 1.1136	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
13	100% of taxes as of year of Closing * 1.1338	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
14	100% of taxes as of year of Closing * 1.1543	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
15	100% of taxes as of year of Closing * 1.1752	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	



16	100% of taxes as of year of Closing * 1.1965	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
----	---	---------------	--------------------------------	--